

University of California

**Report on Audit of Financial Statements
and on Federal Awards Programs
in Accordance with OMB Circular A-133
For the Year Ended June 30, 2007**

Location

EIN

Office of the President	94-3067788
Berkeley	94-6002123
Davis	94-6036494
Irvine	95-2226406
Los Angeles	95-6006143
Merced	27-0093858
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Santa Cruz	94-1539563

University of California
Index
June 30, 2007

	<u>Page</u>
Report of Independent Auditors	1
Management's Discussion and Analysis	3
Audited Financial Statements	
University of California:	
Statements of Net Assets at June 30, 2007 and 2006	38
Statements of Revenues, Expenses and Changes in Net Assets For the Years Ended June 30, 2007 and 2006	39
Statements of Cash Flows for the Years Ended June 30, 2007 and 2006	40
University of California Retirement System:	
Statements of Plans' Fiduciary Net Assets at June 30, 2007 and 2006	42
Statements of Changes in Plans' Fiduciary Net Assets For the Years Ended June 30, 2007 and 2006	43
Notes to Financial Statements	44
Summary Schedule of Expenditures of Federal Awards	94
Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2007	95
Notes to Schedule of Expenditures of Federal Awards	152
Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	154
Report of Independent Auditors on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	156
Independent Auditors' Schedule of Findings and Questioned Costs	159
Disposition of Prior Year Audit Findings	167
Report to the Regents (dated October 16, 2007)	Appendix A

Report of Independent Auditors

To The Regents of the University of California

In our opinion, based upon our audits and the reports of other auditors, the financial statements listed in the accompanying table of contents, which collectively comprise the financial statements of the University of California (the "University"), a component unit of the State of California, present fairly, in all material respects, the respective financial position and plans' fiduciary net assets of the University, its aggregate discretely presented component units and the University of California Retirement System (the "Plans"), respectively, at June 30, 2007 and 2006, and the respective changes in financial position and cash flows of the University and its component units, and the changes in the Plans' fiduciary net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the UC Davis Foundation, which represent 5 percent, 5 percent, and 2 percent of the assets, net assets, and operating revenues, respectively, of the University of California campus foundations as of and for the year ended June 30, 2007; we also did not audit the financial statements of the UC Davis, UC Riverside and UC Irvine foundations, which represent 22 percent, 24 percent, and 27 percent of the assets, net assets, and operating revenues, respectively, of the University of California campus foundations as of and for the year ended June 30, 2006. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of California campus foundations component units, is based upon the reports of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the University's component units were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinions.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2007 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended June 30, 2007. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying Management's Discussion and Analysis on pages 3 to 37 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurements and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Summary Schedule and Schedule of Expenditures of Federal Awards for the year ended June 30, 2007 are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

October 16, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The objective of Management's Discussion and Analysis is to help readers of the University of California's financial statements better understand the financial position and operating activities for the year ended June 30, 2007, with selected comparative information for the years ended June 30, 2006 and 2005. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes to the financial statements. Unless otherwise indicated, years (2005, 2006, 2007, 2008, etc.) in this discussion refer to the fiscal years ended June 30.

The University of California's financial report communicates financial information for the University of California (the University), the University of California campus foundations (campus foundations) and the University of California Retirement System (the UCRS) through five primary financial statements and notes to the financial statements. Three of the primary statements, the statements of net assets, the statements of revenues, expenses and changes in net assets and the statements of cash flows, present the financial position, changes in financial position and cash flows for the University and the affiliated campus foundations. The financial statements for the campus foundations are presented discretely from the University. Two of the primary statements, the statements of plans' fiduciary net assets and statements of changes in plans' fiduciary net assets, present the financial position and operating activities for the UCRS. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

THE UNIVERSITY OF CALIFORNIA

The University of California, one of the largest and most acclaimed institutions of higher learning in the world, is dedicated to excellence in teaching, research and public service. The University has annual resources of nearly \$20 billion and encompasses ten campuses, five medical schools and medical centers, three law schools and a statewide Division of Agriculture and Natural Resources. The University is also involved directly or indirectly in the operation and management of three national laboratories for the U.S. Department of Energy.

Campuses. The ten campuses are located in Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, San Diego, San Francisco, Santa Barbara and Santa Cruz. All of the campuses offer undergraduate, graduate and professional education; the San Francisco campus is devoted exclusively to the health sciences.

Health sciences. The University operates one of the nation's largest health science and medical training programs. The instructional program is conducted in 15 health sciences schools on six campuses. They include five medical, two dental, two nursing, two public health and two pharmacy schools, in addition to a school of optometry and a school of veterinary medicine. The University's medical schools play a leading role in the development of health services and advancement of medical science and research.

Law schools. The University has law schools at Berkeley, Davis and Los Angeles. Also, the Hastings College of the Law in San Francisco is affiliated with the University, although not included in the financial reporting entity.

Agriculture and Natural Resources. The Division of Agriculture and Natural Resources is a statewide research and public service organization that serves a large and diverse agricultural community. The division conducts studies on the Berkeley, Davis and Riverside campuses, on nine research and extension centers and on private land in cooperation with California producers. In addition, research and educational programs are conducted in each of the state's 58 counties.

University Extension. The foremost continuing education program of its kind in size, scope and quality of instruction, University Extension offers more than 18,000 self-supporting courses statewide and in several foreign countries.

National laboratories. Under contract with the U.S. Department of Energy (DOE), the University operates and manages the Ernest Orlando Lawrence Berkeley National Laboratory (LBNL) and the Lawrence Livermore National Laboratory (LLNL) in California. The University is a member in the Los Alamos National Security, LLC (LANS), a joint venture that operates and manages the Los Alamos National Laboratory (LANL) in New Mexico. The laboratories conduct broad and diverse basic and applied research in nuclear science, energy production, national defense and environmental and health areas.

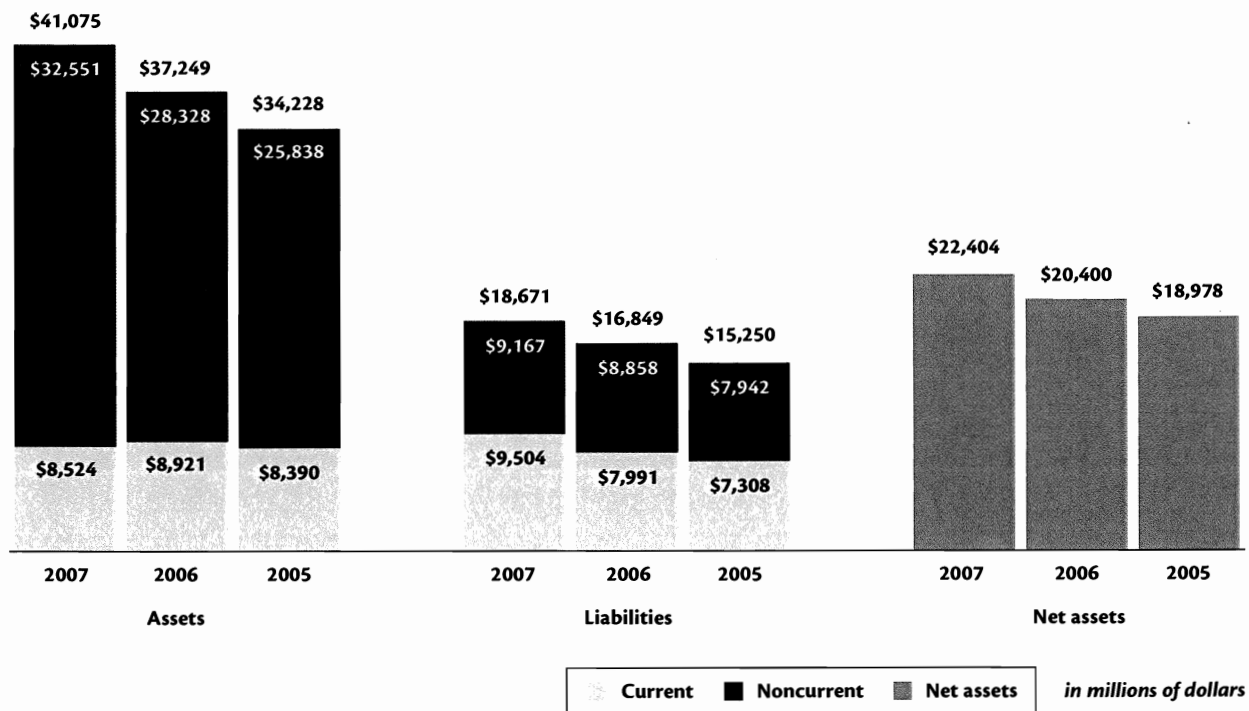
Adoption of New Accounting Standards

The University's financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB).

During 2007, the University adopted GASB Statement No. 48, *Sales and Pledges of Receivables and Intra-Entity Transfers of Assets*, and Statement No. 50, *Pension Disclosures*. Statement No. 48 establishes criteria to ascertain whether certain transactions should be recorded as sales or collateralized borrowings. Statement No. 50 enhances pension information disclosed in financial statements or presented as required supplementary information. The implementation of these Statements had no effect on the University's net assets or changes in net assets in 2007 and there was no effect in 2006.

During 2006, the University adopted GASB Statement No. 47, *Accounting for Termination Benefits*. Statement No. 47 requires benefits such as early retirement incentives or severance to employees who are involuntarily terminated to be recognized in the period the University becomes obligated to provide the benefits. Benefits provided to employees who voluntarily terminate must be recognized when the termination offer is accepted. The effect of the implementation of GASB Statement No. 47 was not significant on the University's net assets or changes in net assets in 2006 and there was no effect in 2005.

The University's Financial Position



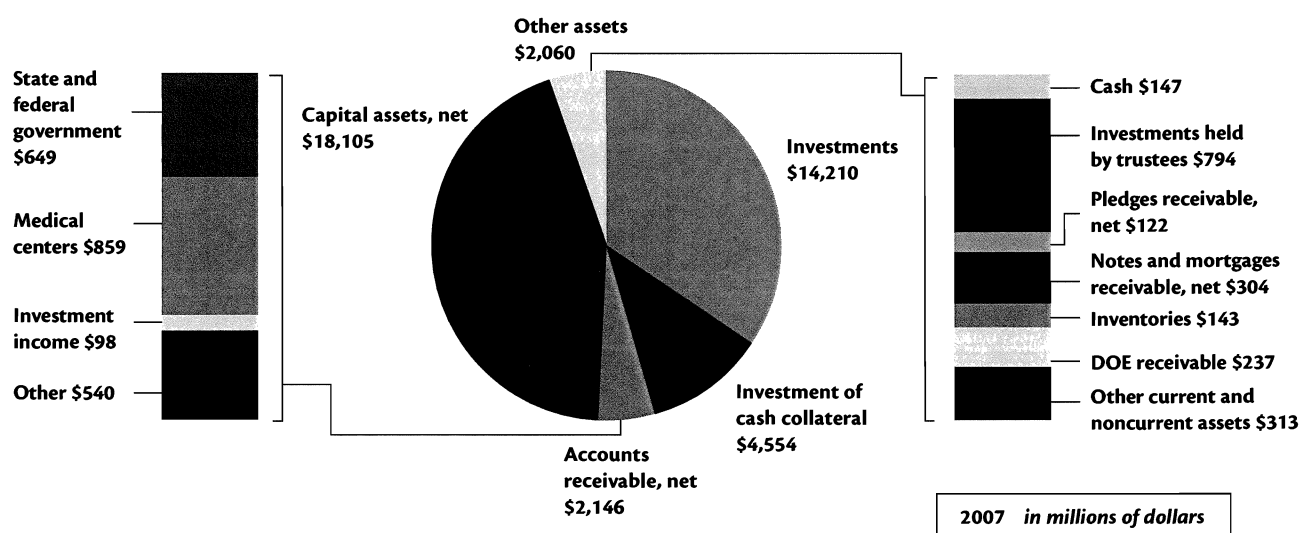
The statement of net assets presents the financial position of the University at the end of each year. It displays all of the University's assets and liabilities. The difference between assets and liabilities is net assets, representing a measure of the current financial condition of the University. At June 30, 2007, the University's assets were over \$41 billion, liabilities were nearly \$19 billion and net assets were over \$22 billion, an increase of \$2 billion from 2006. Net assets increased by \$1.42 billion at the end of 2006 from 2005.

The major components of the assets, liabilities and net assets as of 2007, 2006 and 2005 are as follows:

(in millions of dollars)

	2007	2006	2005
ASSETS			
Investments	\$ 14,210	\$ 13,244	\$ 12,075
Investment of cash collateral	4,554	3,455	2,578
Accounts receivable, net	2,146	1,955	1,746
Capital assets, net	18,105	16,665	15,530
Other assets	2,060	1,930	2,299
Total assets	41,075	37,249	34,228
LIABILITIES			
Debt, including commercial paper	9,364	8,876	7,945
Securities lending collateral	4,554	3,456	2,578
Other liabilities	4,753	4,517	4,727
Total liabilities	18,671	16,849	15,250
NET ASSETS			
Invested in capital assets, net of related debt	9,102	8,535	8,108
Restricted:			
Nonexpendable	920	873	823
Expendable	5,856	5,056	4,556
Unrestricted	6,526	5,936	5,491
Total net assets	\$22,404	\$20,400	\$18,978

The University's Assets



The University's total assets have grown to \$41.08 billion in 2007, compared to \$37.25 billion in 2006 and \$34.23 billion in 2005, primarily from increases in investments, including related securities lending activities, and capital assets, although a substantial portion of the capital assets was financed.

Investments *(in millions of dollars)*

2007		\$14,210
2006		\$13,244
2005		\$12,075

The University's investments totaled \$14.21 billion at the end of 2007, \$2.57 billion classified as a current asset and \$11.64 billion as a noncurrent asset. Investments classified as current assets are generally fixed or variable income securities in the Short Term Investment Pool (STIP) with a maturity date within one year. Maturities were slightly extended in 2007 relative to 2006. Noncurrent investments are generally securities in the General Endowment Pool (GEP) or other pools, in addition to fixed or variable income securities in the STIP with a maturity date beyond one year. The University's investments, by investment pool, are as follows:

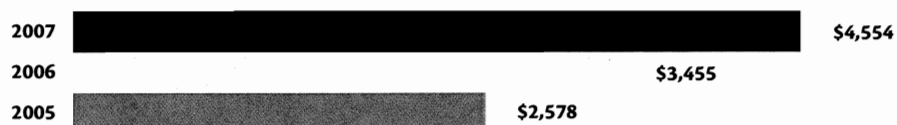
(in millions of dollars)

	2007	2006	2005
STIP	\$ 7,578	\$ 7,424	\$ 6,907
GEP	6,176	5,390	4,738
Other	456	430	430
University investments	\$14,210	\$13,244	\$12,075

Overall, investments increased by \$966 million in 2007. Investments in the STIP increased by \$154 million primarily due to \$330 million of STIP investment income and \$57 million of net appreciation in the fair value of STIP investments held at the end of 2007, partially offset by the routine timing of cash collections and payments. Investments in the GEP and other securities increased by \$812 million as a result of \$178 million of investment income, \$892 million of net appreciation in the fair value of investments, and new permanent endowments of \$39 million, partially offset by participant withdrawals of \$104 million and \$193 million of annual income distributions to be used for operating purposes in 2008.

Investments in 2006 of \$13.24 billion grew from \$12.08 billion in 2005, an increase of \$1.17 billion. Investments in the STIP increased by \$517 million primarily due to \$293 million of STIP investment income and the routine timing of cash collections and payments, partially offset by \$112 million of net depreciation in the fair value of STIP investments held at the end of 2006 as short-term interest rates continued to rise throughout the year. Investments in the GEP and other securities increased by \$652 million as a result of \$150 million of investment income, \$426 million of net appreciation in the fair value of investments, and new permanent endowments and other participant contributions of \$261 million, partially offset by \$185 million of annual income distributions to be used for operating purposes in 2007.

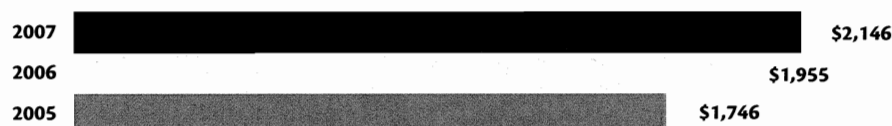
The total investment return based upon unit value for the GEP, representing the combined income plus net appreciation or depreciation in the fair value of investments, during 2007 and 2006 was 19.8 percent and 11.6 percent, respectively. The investment return for the STIP distributed to participants during 2007 and 2006 was 4.7 percent and 4.2 percent, respectively.

Investment of cash collateral *(in millions of dollars)*

The University participates in a securities lending program incorporating securities owned by both the University and the UCRS as a means to augment income. It is managed as a single program. For financial reporting purposes, cash collateral and the associated liability related to securities specifically owned by either the University or the UCRS and lent to borrowers are directly reported in the appropriate entity. Cash collateral and the associated liability related to securities in investment pools jointly owned by both the University and the UCRS and lent to borrowers are allocated to each entity on the basis of their proportional ownership.

At the end of 2007, the investment of cash collateral increased from 2006 by \$1.10 billion in response to increased lending availability in classes of fixed income securities sought by borrowers that resulted from extending maturities in 2007. Also during 2007, interest rates were substantially above 2006 levels leading to a significant increase in both gross income and rebates, and a slight increase in net income for the overall program.

At the end of 2006, the investment of cash collateral increased from 2005 by \$877 million. Two additional securities lending agents provided additional activity under the University's program. During 2006, interest rates were substantially above 2005 levels leading to a considerable increase in both gross income and rebates, and a slight increase in net income for the overall program.

Accounts receivable, net *(in millions of dollars)*

Accounts receivable are from the state and federal governments, patients for care at the medical centers, investment activity and from others, including those related to private and local government grants and contracts and student tuition and fees.

Receivables increased by \$191 million in 2007. Federal and state government receivables increased by \$112 million primarily as a result of additional federal grants and contracts receivables (\$27 million); receivables attributable to state educational appropriations (\$24 million), state capital appropriations (\$9 million) and grants and contracts (\$15 million); and growth in pending reimbursements from the state for various construction projects (\$35 million). Medical center receivables grew by \$79 million corresponding to growth in patient revenue. Investment income receivables grew by \$20 million. Various other receivables collectively declined by \$20 million primarily due to the timing of clearing trades upon the sale of investments (\$54 million), partially offset by additional private and local grants and contracts receivables (\$30 million).

In 2006, accounts receivable increased by \$209 million from 2005. Federal and state government receivables declined by \$23 million as the University was reimbursed for various construction projects, medical center receivables grew by \$101 million due to growth in patient revenue and receivables for investment income grew by \$9 million. Various other receivables collectively increased by \$122 million primarily due to the timing of clearing trades upon the sale of investments (\$41 million), private and local grants and contracts (\$25 million), student tuition and fees (\$14 million), insurance refunds (\$15 million) and legal settlements (\$12 million).

Capital assets, net *(in millions of dollars)*

2007		\$18,105
2006		\$16,665
2005		\$15,530

Capital assets include land, infrastructure, buildings and improvements, equipment, libraries, collections and construction in progress. Capital assets, net of accumulated depreciation, increased by \$1.44 billion to \$18.11 billion in 2007 and by \$1.14 billion to \$16.67 billion in 2006.

Capital asset activity consists of the following:

(in millions of dollars)

	2007	2006
Capital expenditures:		
Land and infrastructure	\$ 99	\$ 98
Buildings and improvements	1,171	1,660
Equipment	461	404
Libraries and special collections	146	132
Construction in progress, net	660	(135)
Capital expenditures	2,537	2,159
Depreciation and amortization expense	(1,049)	(997)
Asset disposals, net	(48)	(27)
Increase in capital assets, net	\$1,440	\$1,135

After having dipped slightly over the prior two years, capital spending resumed at a brisk pace in order to provide the facilities necessary to accommodate current and future enrollment growth and for patient care. These facilities include core academic buildings, libraries, student services, housing and auxiliary enterprises, health science centers, utility plants and infrastructure, and remote centers for educational outreach, research and public service. Overall, capital spending increased by 17.5 percent in 2007, including a significant amount of spending for projects still under construction. At the end of 2007, the cost of projects under construction increased by \$660 million bringing construction in progress at the end of the year to \$3.84 billion, including \$1.99 billion for campus projects and \$1.85 billion for health care facilities.

Capital spending declined in 2006 and 2005 by 8.9 percent and 3.9 percent, respectively. Construction in progress was \$3.18 billion at the end of 2006 and \$3.31 billion at the end of 2005.

Accumulated depreciation and amortization was \$11.71 billion in 2007, \$10.98 billion in 2006 and \$10.25 billion in 2005. Depreciation and amortization expense was \$1.05 billion for 2007, \$997 million for 2006 and \$955 million for 2005. Disposals in both years generally were for equipment that was fully depreciated or had reached the end of its useful life.

Other assets *(in millions of dollars)*

2007		\$2,060
2006		\$1,930
2005		\$2,299

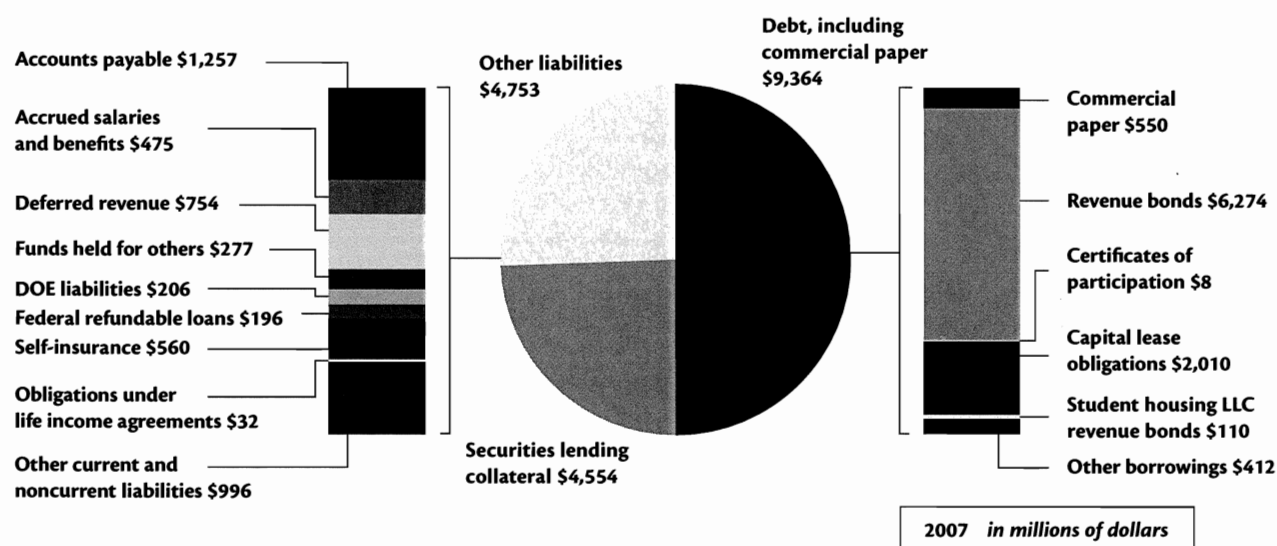
Other assets, including cash, investments held by trustees, pledges receivable, notes and mortgages receivable, inventories and a receivable from the DOE, increased by \$130 million in 2007.

Investments held by trustees grew at the end of 2007 by \$34 million, primarily trustee-held investments associated with self-insurance programs as the contributions to the trusts were greater than claim payments made this year. The

receivable from the DOE increased by \$62 million, generally consisting of \$17 million of contributions to the UCRP for employees who formerly worked at LANL and \$40 million for operating and employee liabilities at LLNL and LBNL. Pledges receivable grew by \$28 million, notes and mortgages receivables by \$10 million, inventories by \$14 million and other assets by \$38 million, primarily undistributed equity in earnings from LANS and deferred costs of debt issued during the year. Partially offsetting these increases was a reduction in cash awaiting investment in the STIP of \$55 million.

In 2006, other assets decreased by \$369 million. The receivable from the DOE declined by \$265 million at the end of 2006 with the transition to LANS of the contract to manage and operate LANL. Investments held by trustees also declined at the end of 2006 by \$188 million. Trustee-held investments associated with self-insurance programs were \$54 million higher, although trustee-held investments associated with long-term debt declined by \$242 million, \$74 million related to proceeds from University debt offerings and \$168 million for spending on capital projects supported by lease-purchase financing with the state of California. Proceeds from the sale of the state's lease revenue bonds are held and invested by the trustee, then distributed to the University as the projects are constructed.

The University's Liabilities



The University's liabilities grew to \$18.67 billion in 2007, compared to \$16.85 billion in 2006 and \$15.25 billion in 2005, principally as a result of debt issued to finance capital expenditures.

Debt, including commercial paper *(in millions of dollars)*



Capital assets are financed from a variety of sources, including University equity contributions, federal and state support, revenue bonds, certificates of participation, bank loans, leases or structures that involve separate legal entities. Commercial paper and bank loans provide interim financing. The University's debt used to finance capital assets, including \$550 million of commercial paper outstanding at the end of all three years, grew to \$9.36 billion at the end of 2007, compared to \$8.88 billion at the end of 2006 and \$7.95 billion at the end of 2005. Capital lease obligations under lease-purchase agreements with the state have accounted for over one-quarter, or \$650 million, of the \$2.45 billion increase in debt over the past three years.

Commercial paper is classified as a current liability. The current portion of long-term debt, excluding commercial paper, increased to \$630 million in 2007 from \$408 million in 2006, primarily as a result of a \$137 million increase in interim loans from the state for capital projects to be refinanced by the state's issuance of lease revenue bonds. At the end of 2007, the current portion of long-term debt still includes nearly \$203 million of these interim loans from the state for capital projects that will be refinanced as lease revenue bonds are issued by the state in the near future.

Outstanding debt increased by \$488 million in 2007 and \$931 million in 2006. A summary of the activity follows:

<i>(in millions of dollars)</i>		
	2007	2006
ADDITIONS TO OUTSTANDING DEBT		
General Revenue Bonds	\$ 1,366	\$ 911
Limited Project Revenue Bonds		617
Medical Center Pooled Revenue Bonds	537	
Capital leases	473	240
Student Housing LLC Revenue Bonds		99
Other borrowings	244	243
Bond premium	53	53
Additions to outstanding debt	2,673	2,163
REDUCTIONS TO OUTSTANDING DEBT		
Refinancing and prepayments	(1,844)	(939)
Scheduled principal payments	(270)	(244)
Payments on other borrowings	(34)	(23)
Other, including deferred financing costs, net	(37)	(26)
Reductions to outstanding debt	(2,185)	(1,232)
Net increase in outstanding debt	\$ 488	\$ 931

During 2007, additions to outstanding debt totaled \$2.67 billion, including bond premiums of \$53 million.

General Revenue Bonds totaling \$1.37 billion were issued in January and June 2007 to refinance certain facilities and projects of the University. Combined proceeds, including a bond premium of \$49 million, were used to refund \$1.13 billion of outstanding Multiple Purpose Projects Revenue Bonds, \$179 million of Research Facilities Revenue Bonds and \$39 million of certificates of participation.

Medical Center Pooled Revenue Bonds totaling \$537 million, plus a bond premium of \$4 million, were issued in January 2007 to finance or refinance certain improvements to each of the five medical centers. The bonds include \$441 million with a fixed interest rate and \$96 million with a variable interest rate. Proceeds were used to refund \$93 million of Medical Center Revenue Bonds. In connection with the variable interest rate bonds, the University entered into an interest rate swap agreement with the intention that the variable interest rate it pays to the bondholders will approximate the variable payments it receives from the interest rate swaps, resulting in a fixed interest rate of 3.6 percent paid to the swap counterparty.

The University entered into a lease-purchase agreement with the state in October 2006, recorded as a capital lease, totaling \$80 million to finance the construction of a University project. The state provides financing appropriations to the University to satisfy the annual lease requirement. At the conclusion of the lease term, ownership transfers to the University. In April 2007, the state of California issued \$337 million of lease revenue refunding bonds to refinance certain facilities leased to the University. Proceeds were used to refund \$357 million of outstanding lease revenue bonds. The state of California provided the University with the economic advantages of the refunding through amendments to the lease agreements. As a result, the University reduced its capital lease obligations and recorded a \$20 million gain as nonoperating revenue.

In addition to lease-purchase agreements with the state, other new capital lease obligations during 2007 totaled \$56 million, primarily for equipment.

Other newly originated borrowings in 2007 totaled \$244 million, primarily loans from the state or from commercial banks to provide interim financing as a supplement to commercial paper or for capital projects supported by gifts to be received in the near future.

Reductions to outstanding debt in 2007 were \$2.19 billion, primarily consisting of \$1.84 billion for one-time principal payments for the refinancing or refunding of previously outstanding University revenue bonds (\$1.40 billion), University certificates of participation (\$39 million), capital leases (\$357 million), payments on interim loans from the state as lease revenue bonds were sold (\$9 million) and refinancing of previously outstanding bank loans (\$39 million); \$270 million for principal payments associated with scheduled debt service on revenue bonds, certificates of participation and capital lease obligations; and \$34 million for scheduled payments on other borrowings.

Subsequent to 2007, Medical Center Pooled Revenue Bonds totaling \$197 million, \$7 million with a fixed interest rate and \$190 million with a variable interest rate were issued to refinance certain improvements to one of the medical centers. Proceeds were used to refund \$188 million of Medical Center Revenue Bonds. In connection with the variable interest rate bonds, the University entered into four interest rate swap agreements with a financial institution, such that the variable interest it pays to the bondholders matches the variable payments it receives from the interest rate swaps, resulting in a weighted average fixed interest rate of 4.7 percent paid to the swap counterparty. These swap transactions do not result in any basis or tax risk to the University.

In October 2007, the University proceeded with an offering statement for the sale of Limited Project Revenue Bonds to finance and refinance certain auxiliary enterprises of the University. Proceeds approximating \$415 million would be available to pay for project construction and issuance costs and repay interim financing incurred prior to the issuance of the bonds.

The University's General Revenue Bond ratings are currently affirmed at AA by Standard & Poor's with a stable outlook. Subsequent to year end, Moody's Investors Service upgraded the University's General Revenue Bond rating to Aa1 with a positive outlook from Aa2 with a positive outlook. Moody's also upgraded five other University ratings, including its Medical Center Pooled Revenue Bonds and Limited Project Revenue Bonds.

During 2006, additions to outstanding debt totaled \$2.16 billion, including bond premiums of \$53 million.

General Revenue Bonds totaling \$558 million were issued in July 2005 to refinance certain facilities and projects of the University. Proceeds, together with certain University funds, were used to refund \$439 million of outstanding Multiple Purpose Projects Revenue Bonds, \$43 million of Research Facilities Revenue Bonds and \$81 million of certificates of participation. In October 2005, General Revenue Bonds totaling \$353 million were sold to finance certain facilities of the University, pay issuance costs and repay interim financing incurred prior to the issuance of the bonds.

Limited Project Revenue Bonds totaling \$617 million were issued in October 2005 to finance certain auxiliary enterprises of the University, pay issuance costs and repay interim financing incurred prior to the issuance of the bonds.

The University entered into a lease-purchase agreement with the state in December 2005, recorded as a capital lease, totaling \$156 million to finance the construction of various University projects. In addition, other new capital lease obligations during 2006 for equipment and a capitalized ground lease totaled \$84 million.

In April 2006, a legally separate, non-profit corporation that has developed and owns a student housing project on a campus through the use of a single-project limited liability corporation, through its conduit issuer, issued Student Housing Refunding Revenue Bonds totaling \$99 million to partially refinance the construction of a student housing facility. Proceeds were used to refund \$95 million of previously outstanding Student Housing Revenue Bonds. Neither the initial bonds, nor the refunding bonds, are collateralized by any encumbrance, mortgage or other pledge of property, except pledged revenues of the student housing project, and do not constitute general obligations of the University. Further, the University is not responsible for any payments related to the ownership, operation or financing of the student housing. However, under GASB requirements, the financial position and operating results of the legally separate organization are incorporated into the University's financial reporting entity.

Other newly originated borrowings in 2006 totaled \$243 million, primarily loans from the state or from commercial banks to provide interim financing as a supplement to commercial paper or for capital projects supported by gifts to be received in the near future.

Reductions to outstanding debt in 2006 were \$1.23 billion, primarily consisting of \$939 million for one-time principal payments for the refinancing or refunding of previously outstanding University revenue bonds (\$482 million), University certificates of participation (\$81 million), a portion of the LLC's Student Housing Revenue Bonds (\$95 million), payments on interim loans from the state as lease revenue bonds were sold (\$124 million) and refinancing of previously outstanding bank loans (\$157 million); \$244 million for principal payments associated with scheduled debt service on revenue bonds, certificates of participation and capital lease obligations; and \$23 million for scheduled payments on other borrowings.

The state of California, primarily through state financing appropriations, provided \$162 million and \$165 million in 2007 and 2006, respectively, of the University's debt service requirements, mainly under the terms of lease-purchase agreements.

Securities lending collateral *(in millions of dollars)*

2007		\$4,554
2006	\$3,456	
2005	\$2,578	

Under the securities lending program, the University records a liability to the borrower for cash collateral received and held by the University for securities on loan at the end of the year. All borrowers are required to provide additional collateral by the next business day if the value of the collateral falls to less than 100 percent of the fair value of the securities lent. Securities lending collateral grew by \$1.10 billion in 2007 and by \$878 million in 2006. The amount of the securities lending collateral liability fluctuates directly with the investment of cash collateral as previously discussed.

Other liabilities *(in millions of dollars)*

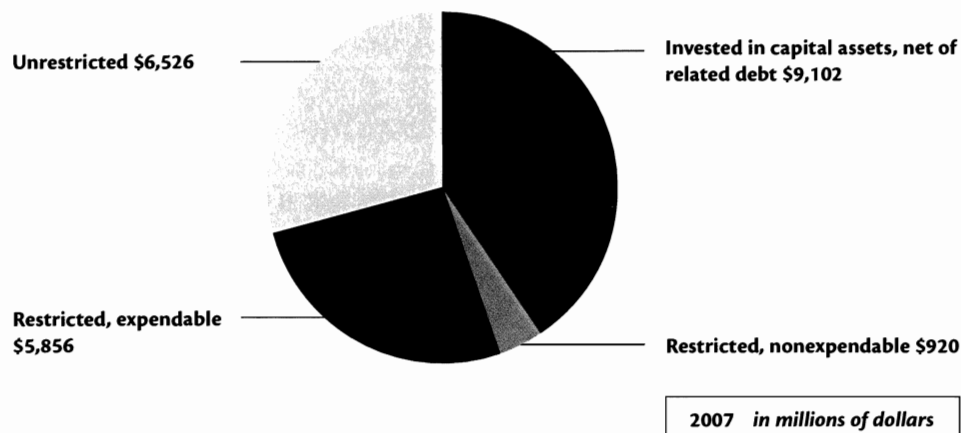
2007	\$4,753
2006	\$4,517
2005	\$4,727

Other liabilities consist of accounts payable, accrued salaries and benefits, deferred revenue, funds held for others, the DOE laboratories' liabilities, federal refundable loans, self-insurance and obligations under life income agreements.

Other liabilities grew by \$236 million in 2007, generally as a result of increases in accrued salaries and benefits of \$89 million, including \$17 million for contributions to the UCRP for employees who formerly worked at LANL; deferred revenue related to grants and contracts of \$75 million; funds held for others of \$24 million; DOE laboratories' liabilities of \$40 million for operating and employee liabilities at LLNL and LBNL; self-insurance liabilities of \$35 million; compensated absences of \$19 million and obligations under life income agreements of \$12 million were partially offset by decreases in accounts payable of \$65 million. While payables for goods and services grew in 2007 by over \$100 million, settlement liabilities associated with the purchase of investments declined by \$174 million compared to 2006.

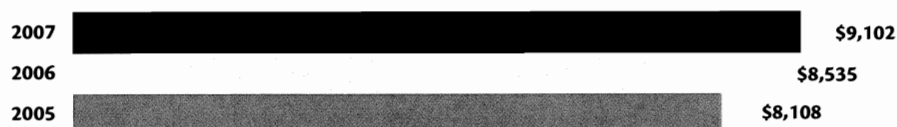
In 2006, other liabilities dropped by \$210 million, primarily as a result of decreases in accrued salaries and benefits of \$250 million as the monthly payroll was paid prior to the end of the year in 2006; DOE laboratories' liabilities of \$272 million with the transition of the LANL contract to LANS; and self-insurance liabilities of \$38 million, partially offset by increases in accounts payable of \$224 million, particularly settlement liabilities for the purchase of investments of \$216 million; deferred revenue of \$68 million; funds held for others of \$17 million; and compensated absences of \$19 million.

The University's Net Assets



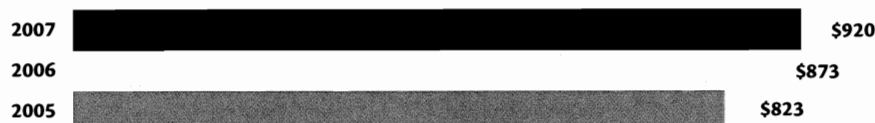
Net assets represent the residual interest in the University's assets after all liabilities are deducted. The University's net assets are \$22.40 billion in 2007, compared to \$20.40 billion in 2006 and \$18.98 billion in 2005. Net assets are reported in four major categories: invested in capital assets, net of related debt; restricted, nonexpendable; restricted, expendable; and unrestricted.

Invested in capital assets, net of related debt (in millions of dollars)



The portion of net assets invested in capital assets, net of accumulated depreciation and the related outstanding debt used to finance the acquisition, construction or improvement of these capital assets, is \$9.10 billion in 2007, compared to \$8.54 billion in 2006 and \$8.11 billion in 2005. The increase represents the University's continuing investment in its physical facilities in excess of the related financing and depreciation expense and accounts for a significant portion of the University's overall increase in its net assets for both 2007 and 2006.

Restricted, nonexpendable (in millions of dollars)



Restricted, nonexpendable net assets include the corpus of the University's permanent endowments and the estimated fair value of planned giving arrangements. Substantially all of the increase in both years is from new permanent endowment gifts received.

Restricted, expendable *(in millions of dollars)*

2007		\$5,856
2006		\$5,056
2005		\$4,556

Restricted, expendable net assets are subject to externally imposed restrictions governing their use. These net assets may be spent only in accordance with the restrictions placed upon them and may include endowment income and gains, subject to the University's spending policy; support received from gifts, appropriations or capital projects; trustee held investments; or other third party receipts. In 2007, net unrealized appreciation in the fair value of investments contributed \$416 million to the value of endowments and gifts; restricted expendable endowments, funds functioning as endowments and annuity and life income funds grew by \$284 million; and restricted gifts and grants grew by \$96 million. In 2006, net unrealized appreciation in the fair value of investments contributed \$178 million to the value of endowments and gifts and restricted net assets available for capital assets grew by \$460 million.

Unrestricted *(in millions of dollars)*

2007		\$6,526
2006		\$5,936
2005		\$5,491

Under generally accepted accounting principles, net assets that are not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes. Although unrestricted net assets are not subject to externally imposed restrictions, substantially all of these net assets are allocated for academic and research initiatives or programs, for capital purposes or for other purposes. Unrestricted net assets include funds functioning as endowments of \$1.29 billion and \$1.15 billion in 2007 and 2006, respectively.

The University's Results of Operations

The statement of revenues, expenses and changes in net assets is a presentation of the University's operating results. It indicates whether the financial condition has improved or deteriorated. In accordance with GASB requirements, certain significant revenues relied upon and budgeted for fundamental operational support of the core instructional mission of the University are required to be recorded as nonoperating revenues, including state educational appropriations, private gifts and investment income.

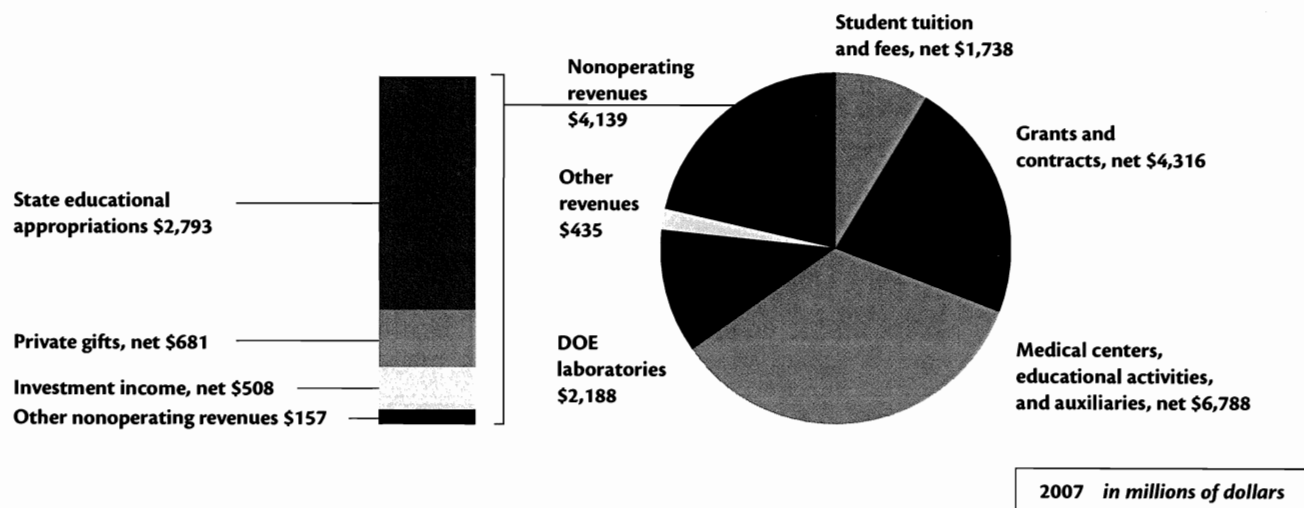
A summarized comparison of the operating results for 2007, 2006 and 2005, arranged in a format that matches the revenue supporting the core activities of the University with the expenses associated with core activities, is as follows:

(in millions of dollars)

	2007			2006			2005		
	OPERATING	NONOPERATING	TOTAL	OPERATING	NONOPERATING	TOTAL	OPERATING	NONOPERATING	TOTAL
REVENUES									
Student tuition and fees, net	\$ 1,738		\$ 1,738	\$ 1,663		\$ 1,663	\$ 1,558		\$ 1,558
State educational appropriations		\$ 2,793	2,793		\$ 2,573	2,573		\$ 2,463	2,463
Grants and contracts, net	4,316		4,316	4,145		4,145	3,977		3,977
Medical centers, educational activities, and auxiliary enterprises, net	6,788		6,788	6,222		6,222	5,744		5,744
Department of Energy laboratories	2,188		2,188	4,232		4,232	4,146		4,146
Private gifts, net		681	681		624	624		537	537
Investment income, net		508	508		446	446		348	348
Other revenues	435	157	592	508	147	655	376	121	497
Revenues supporting core activities	15,465	4,139	19,604	16,770	3,790	20,560	15,801	3,469	19,270
EXPENSES									
Salaries and benefits	10,313		10,313	9,488		9,488	8,924		8,924
Scholarships and fellowships	401		401	358		358	363		363
Utilities	372		372	350		350	311		311
Supplies and materials	1,910		1,910	1,827		1,827	1,707		1,707
Depreciation and amortization	1,049		1,049	997		997	955		955
Department of Energy laboratories	2,170		2,170	4,198		4,198	4,112		4,112
Interest expense		385	385		347	347		296	296
Other expenses	2,509	2	2,511	2,299	14	2,313	2,108	6	2,114
Expenses associated with core activities	18,724	387	19,111	19,517	361	19,878	18,480	302	18,782
Income (loss) from core activities	\$ (3,259)	\$ 3,752	493	\$ (2,747)	\$ 3,429	682	\$ (2,679)	\$ 3,167	488
OTHER NONOPERATING ACTIVITIES									
Net appreciation in fair value of investments			949			315			278
Gain (loss) on disposal of capital assets, net			13			(6)			(37)
Income before other changes in net assets			1,455			991			729
OTHER CHANGES IN NET ASSETS									
State capital appropriations			293			220			189
Capital gifts and grants, net			217			167			218
Permanent endowments			39			44			48
Increase in net assets			2,004			1,422			1,184
NET ASSETS									
Beginning of year			20,400			18,978			17,794
End of year			\$ 22,404			\$ 20,400			\$ 18,978

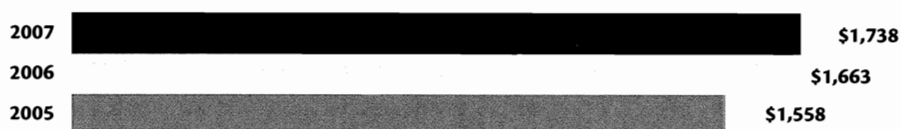
Revenues Supporting Core Activities

Categories of both operating and nonoperating revenue that supported the University's core activities in 2007 are as follows:



Revenues to support the University's core activities, including those classified as nonoperating revenues, were \$19.60 billion, \$20.56 billion and \$19.27 billion in 2007, 2006 and 2005, respectively. These diversified sources of revenue decreased in 2007 by \$956 million, largely a result of a loss of over \$2 billion of revenue from termination of the University's direct contract with the DOE to manage LANL. Revenues increased by \$1.29 billion in 2006. State of California educational appropriations, in conjunction with student tuition and fees, are the core components that support the instructional mission of the University. Grants and contracts provide opportunities for undergraduate and graduate students to participate in basic research alongside some of the most prominent researchers in the country. Gifts to the University allow crucial flexibility to faculty for support of their fundamental activities or new academic initiatives. Other significant revenues are from medical centers, educational activities and auxiliary enterprises such as student housing, food service operations and parking.

Student tuition and fees, net (in millions of dollars)



Student tuition and fees revenue, net of scholarship allowances, increased by \$75 million and \$105 million in 2007 and 2006, respectively. Scholarship allowances were \$461 million in 2007, \$436 million in 2006 and \$383 million in 2005. The new fee revenue over the past several years generally replaces state educational appropriations. Consistent with past practices, approximately one-third of the revenue generated from these fee increases was used for financial aid to mitigate the impact on needy students.

In 2007, enrollment grew by 2.5 percent. Resident undergraduate and graduate student fees were not increased in 2007. Certain professional school student fees increased by modest amounts. In addition to the resident student fees, nonresident undergraduate and graduate students pay tuition that increased by nearly 5 percent.

In 2006, enrollment grew by 0.6 percent. Resident undergraduate fees increased by 8 percent, graduate student fees by 10 percent and professional school student fees increased by varying amounts. Nonresident undergraduate and graduate student tuition was increased by 5 percent.

In 2005, enrollment was maintained at essentially the same level as in 2004. Fees for resident undergraduate and graduate students rose by 14 percent and 20 percent, respectively. Professional school fees rose by varying amounts and nonresident student tuition was increased by 20 percent.

State educational appropriations *(in millions of dollars)*

2007		\$2,793
2006		\$2,573
2005		\$2,463

Educational appropriations from the state of California increased in 2007 by \$220 million. In 2006, educational appropriations increased by \$110 million and marked the end of several years of budget reductions from the state that began in 2003 and included a round of mid-year reductions in both 2003 and 2004. In the intervening years, a wide variety of areas and programs were affected including administration, maintenance, libraries, equipment, academic preparation, K-12 teacher development, public service and student services. In order to maintain the quality of instruction, student fees were increased to partially offset the reduction in educational appropriations.

Grants and contracts, net *(in millions of dollars)*

2007		\$4,316
2006		\$4,145
2005		\$3,977

Highlighting the continued competitive and effective nature of the University's research enterprise, revenue from federal, state, private and local government grants and contracts, including an overall facilities and administration cost recovery of \$743 million, \$712 million and \$679 million in 2007, 2006 and 2005, respectively, increased in both 2007 and 2006 as follows:

<i>(in millions of dollars)</i>			
	2007	2006	2005
Federal	\$ 2,881	\$ 2,814	\$ 2,740
State	449	424	411
Private	804	744	681
Local	182	163	145
Grants and contracts net revenue	\$4,316	\$4,145	\$3,977

In 2007, federal grants and contracts revenue, including the federal facilities and administration cost recovery of \$590 million and direct expenditures of \$2.29 billion, grew by \$67 million, or 2.4 percent. This revenue represents support from a variety of federal agencies as indicated below:

<i>(in millions of dollars)</i>			
	2007	2006	2005
Department of Health and Human Services	\$ 1,682	\$ 1,644	\$ 1,560
National Science Foundation	422	423	414
Department of Education	240	215	210
Department of Defense	164	163	172
National Aeronautics and Space Administration	84	101	119
Department of Energy (excluding national laboratories)	76	76	78
Other federal agencies	213	192	187
Federal grants and contracts net revenue	\$2,881	\$2,814	\$2,740

State grants and contracts revenue was up by \$25 million, or 5.9 percent. Although revenue from private grants and contracts at the campuses can be volatile from year to year, overall it rose by \$60 million (8.1 percent), due particularly to a growing number of awards. Local government grants and contracts revenue grew by \$19 million (11.7 percent).

In 2006, overall revenue from federal, state, private and local government grants and contracts increased by \$168 million, or 4.2 percent. Federal grants and contracts revenue grew by \$74 million, or 2.7 percent; state grants and contracts revenue increased by \$13 million, or 3.2 percent; private grants and contracts revenue grew by \$63 million, or 9.3 percent, and local government grants and contracts revenue grew by \$18 million, or 12.4 percent.

Medical centers, educational activities and auxiliary enterprises, net *(in millions of dollars)*

2007		\$6,788
2006		\$6,222
2005		\$5,744

Revenue from medical centers, educational activities and auxiliary enterprises increased by \$566 million, or 9.1 percent, from 2006. In 2006, these revenues increased \$478 million, or 8.3 percent, from 2005. Revenues for each activity are as follows:



<i>(in millions of dollars)</i>			
	2007	2006	2005
Medical centers, net	\$ 4,526	\$ 4,206	\$ 3,834
Educational activities, net	1,250	1,123	1,063
Auxiliary enterprises, net	1,012	893	847
Medical centers, educational activities and auxiliary enterprises net revenues	\$6,788	\$6,222	\$5,744

Medical center revenue, net of allowances for doubtful accounts, increased by \$320 million and \$372 million in 2007 and 2006, respectively. The revenue growth in both years is primarily due to renegotiated contracts, rate adjustments, improved reimbursement rates and a modest increase in patient activity (a 2.8 percent and 1.0 percent increase in patient days for 2007 and 2006, respectively, and outpatient visits declined by 1.1 percent and 0.3 percent for 2007 and 2006, respectively).

Revenue from educational activities, primarily physicians' professional fees, net of allowances for doubtful accounts, grew by \$127 million in 2007, or 11.3 percent, and by \$60 million, or 5.6 percent, in 2006 and is generally associated with an expanded patient base and higher rates.

Revenue from auxiliary enterprises, net of scholarship allowances, grew by \$119 million in 2007, or 13.3 percent, and by \$46 million in 2006, or 5.4 percent, generally as a result of student demand for additional room capacity in new residence halls and fee increases to support new and remodeled facilities in both years. Scholarship allowances, substantially all for housing expenses, were \$119 million in 2007, \$109 million in 2006 and \$85 million in 2005.

DOE laboratories *(in millions of dollars)*

2007		\$2,188	
2006			\$4,232
2005			\$4,146

The national laboratories operate on federally financed budgets. Revenue related to each laboratory in 2007, 2006 and 2005 is as follows:

(in millions of dollars)



	2007	2006	2005
Los Alamos National Laboratory	\$ 17	\$ 2,055	\$ 2,007
Lawrence Livermore National Laboratory	1,643	1,649	1,640
Lawrence Berkeley National Laboratory	528	528	499
DOE laboratories revenue	\$2,188	\$4,232	\$4,146

LANL revenue in 2007 is entirely associated with DOE contributions to the UCRP for retirement benefits for employees who formerly worked at LANL. Operating revenue was reported in the University's financial statements through May 31, 2006 when the contract to manage and operate the laboratory was directly between the DOE and the University. The contract transitioned to LANS effective June 1, 2006. As a result, revenue comparisons for LANL are affected by the partial year in 2006 and the curtailment of operations for several months during a review of security procedures in 2005.

At LLNL, changes in revenue for both 2007 and 2006 are primarily related to the fluctuation in capital spending requirements for the National Ignition Facility.

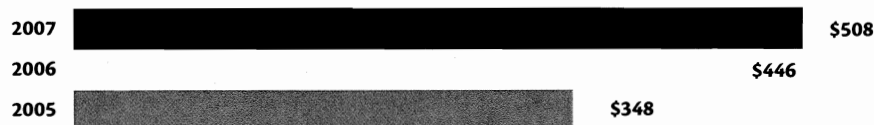
Compensation to the University under the contracts directly with the DOE is based, in part, on performance and totaled \$19 million in 2007 and \$34 million in 2006 and 2005. The first full-year of compensation to the University as a member of LANS totaled \$16 million in 2007 and is recorded as other operating revenue. A substantial portion of the compensation is available for research activities directed by the laboratories.

Private gifts, net *(in millions of dollars)*

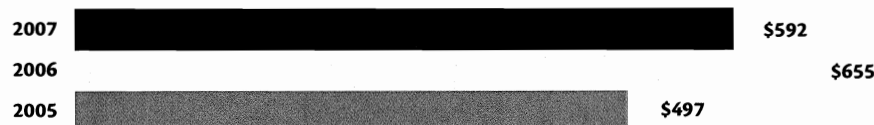
2007		\$681
2006		\$624
2005		\$537

Gifts may be made directly to the University or through one of the University's campus foundations. Private gifts, substantially all restricted as to use, increased by \$57 million in 2007, including an \$8 million increase in deferred gift arrangements, and were substantially above the \$537 million received in 2005. Nearly two-thirds of the increase in 2007 came to the University from the campus foundations.

The University continues to be aggressive in developing private revenue sources and gifts received from the campus foundations have generally increased over the past several years. In addition to private gifts for operating purposes, gifts are also received for capital purposes—recorded as capital gifts and grants—and for permanent endowments. The combined gifts for operating, capital and permanent endowment purposes totaled \$937 million in 2007, \$835 million in 2006 and \$803 million in 2005.

Investment income, net *(in millions of dollars)*

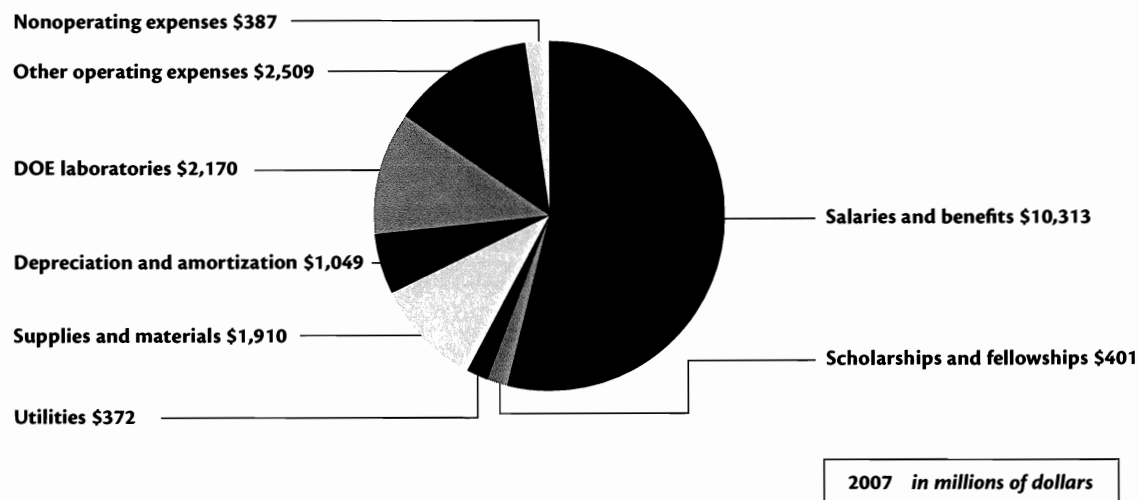
Investment income, principally consisting of \$340 million primarily from the STIP and \$162 million from endowments invested in the GEP, increased in 2007 by \$62 million. Investment income from the STIP grew by \$38 million and \$95 million in 2007 and 2006, respectively, as short-term interest rates rose during the past two years. The 2007 investment return distributed to participants was 4.7 percent for the University's STIP (4.2 percent for 2006). Endowment income also grew by \$29 million in 2007 and by \$3 million in 2006.

Other revenues *(in millions of dollars)*

Other revenues are from a variety of sources, including state financing appropriations. Collectively, they declined by \$63 million in 2007 after having increased by \$158 million in 2006. Patent income dropped by \$101 million compared to an increase in 2006 of \$89 million that included a significant non-recurring legal settlement. State financing appropriations grew by \$10 million and \$26 million in 2007 and 2006, respectively, and the first full-year of compensation to the University as a member of LANS totaled \$16 million in 2007.



Expenses Associated with Core Activities

Categories of both operating and nonoperating expenses related to the University's core activities in 2007 are as follows:



Expenses associated with the University's core activities, including those classified as nonoperating expenses, were \$19.11 billion, \$19.88 billion and \$18.78 billion in 2007, 2006 and 2005, respectively. Expenses decreased in 2007 by \$767 million, largely a result of a loss of over \$2 billion of expenses from termination of the University's direct contract with the DOE to manage LANL, and increased in 2006 by \$1.10 billion. Over one-half of the University's expenses are related to salaries and benefits and another 11.4 percent, or \$2.17 billion, involve spending at the national laboratories. Salaries and benefits attributable to the employees working in the national laboratories are included as laboratory expenses.

Salaries and benefits *(in millions of dollars)*

2007		\$10,313
2006		\$9,488
2005		\$8,924

There are over 127,000 full time equivalent (FTE) employees in the University, excluding employees who are associated with the national laboratories operated and managed directly by the University. FTE employees increased by approximately 3,400 over 2006. Over 50 percent of the increase was for academic and health sciences staff. The remaining increase in FTE employees was for staff to support the growth in research activities, as well as other activities of the University's mission.



Salaries and benefits for 2007, 2006 and 2005 are as follows:

<i>(in millions of dollars)</i>			
	2007	2006	2005
Salaries and wages	\$ 8,569	\$ 7,880	\$ 7,441
Benefits	1,744	1,608	1,483
Salaries and benefits	\$10,313	\$9,488	\$8,924

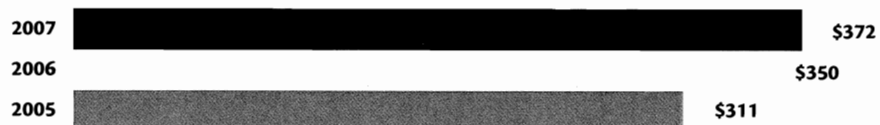
During 2007, salaries and benefits grew by \$825 million from 2006, or 8.7 percent, including \$254 million at the University's five medical centers where the growth was 12.4 percent. Salaries and wages increased by \$689 million, or 8.7 percent, generally related to new academic and administrative employees necessary to directly support the increase in academic and research programs and higher wages and costs associated with patient care activities. Benefit costs increased by \$136 million, or 8.5 percent. Increases in health insurance costs of \$99 million, the employer portion of payroll taxes of \$45 million and worker's compensation costs of \$29 million were partially offset by a reduction in compensated absences of \$18 million and various other costs totaling \$19 million.

In 2006, salaries and benefits grew by \$564 million, or 6.3 percent. Salaries and wages increased by \$439 million, or 5.9 percent, generally for the same reasons as indicated for 2007. Benefit costs increased by \$125 million, or 8.4 percent. Increases in health insurance costs of \$53 million, the employer portion of payroll taxes of \$48 million and fee remissions for graduate student teaching assistants of \$10 million were partially offset by declining workers' compensation expenses of \$14 million.

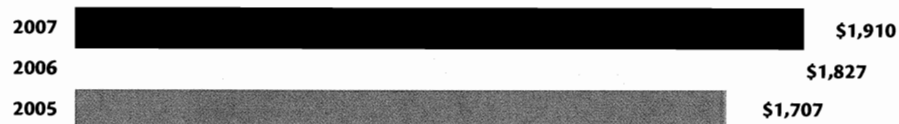
Scholarships and fellowships *(in millions of dollars)*

2007		\$401
2006		\$358
2005		\$363

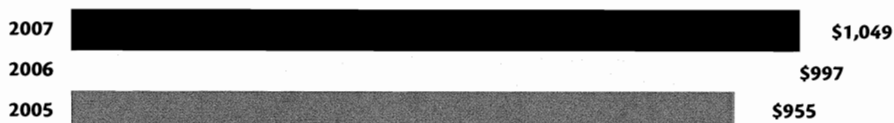
Scholarships and fellowships, representing payments of financial aid made directly to students and reported as an operating expense, were higher by \$43 million in 2007 than in 2006, an increase of 12.0 percent, and were lower by \$5 million in 2006 than in 2005, a decrease of 1.4 percent. In addition, scholarship allowances, representing financial aid and fee waivers by the University, are also forms of scholarship and fellowship costs that increased in 2007 by \$34 million, or 6.1 percent, to \$587 million and increased in 2006 by 16.4 percent to \$553 million. However, scholarship allowances are reported as an offset to revenue, not as an operating expense. On a combined basis, as the University continues its commitment to provide financial support for needy students, financial aid in all forms grew to \$988 million in 2007 from \$911 million in 2006 and \$838 million in 2005, an increase of \$150 million over the past two years, or 17.9 percent.

Utilities *(in millions of dollars)*

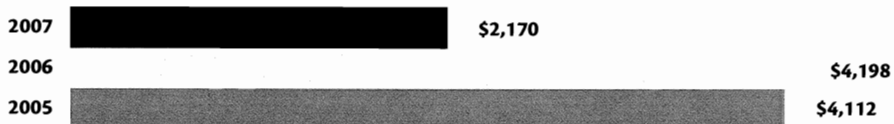
Utility costs rose by \$22 million in 2007 and by \$39 million in 2006. Almost three-quarters of the University's utility costs are for electricity and natural gas. In 2007, electricity costs grew by \$27 million, after declining in 2006 by \$1 million. Year-to-year comparisons are affected by the settlement in 2006 of outstanding litigation related to an electricity supply agreement. Natural gas costs dropped by \$2 million in 2007, after growing by \$30 million, or nearly 40 percent, in 2006.

Supplies and materials *(in millions of dollars)*

During 2007, supplies and materials costs increased by \$83 million, or 4.5 percent, and in 2006, by \$120 million, or 7.0 percent. During the past two years, there has been inflationary pressure on the costs for medical supplies and laboratory instruments and higher costs for general supplies necessary to support expanded research activity and student enrollment. In addition, the University's capitalization threshold was increased in 2006 to the federal limit for research grants and contracts of \$5,000 from \$3,000 in the prior year resulting in \$48 million, or 2.8 percent, of incremental expense.

Depreciation and amortization *(in millions of dollars)*

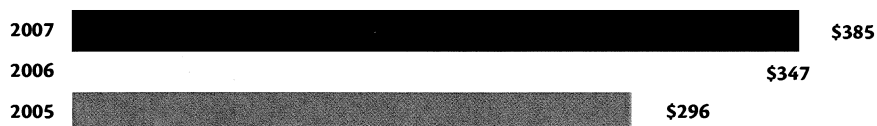
Higher capital spending over the past several years necessary to upgrade facilities and support both recent and anticipated enrollment growth resulted in depreciation and amortization expense increasing to \$1.05 billion in 2007 from \$997 million in 2006 and \$955 million in 2005.

DOE laboratories *(in millions of dollars)*

DOE laboratories' expenses declined by \$2.03 billion in 2007 and grew by \$86 million in 2006. LANL expenses were reported in the University's financial statements through May 31, 2006 when the contract to manage and operate the laboratory was directly between the DOE and the University. The contract transitioned to LANS effective June 1, 2006. As a result, expenses were reduced in 2007 by over \$2 billion, substantially all of the decline from 2006.

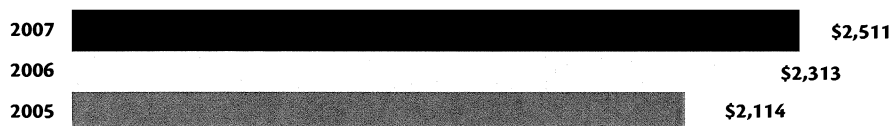
Salaries and benefits are the predominant expenses at the laboratories, totaling nearly \$1.05 billion in 2007, and spending patterns for capital assets are generally responsible for most of the extreme year-to-year variations. In 2007, LBNL expenses increased by \$7 million, although they were entirely offset by a \$7 million decline at LLNL. In 2006, although managed and operated directly by the University for only eleven months of the year, expenses at LANL increased by \$49 million compared to 2005 when operations were curtailed for several months during a review of security procedures. Expenses in 2006 at LBNL and LLNL grew by \$27 million and \$10 million, respectively.

Interest expense (in millions of dollars)



Interest expense, reported as a nonoperating expense, increased by \$38 million in 2007 and by \$51 million in 2006. In addition to lower capitalized interest in 2007 of \$13 million, the University has incurred additional interest expense as a result of new bonds issued during the past three years, although the weighted average interest rate of the overall portfolio has decreased from two years ago due to refinancing previously outstanding bonds at lower rates.

Other expenses (in millions of dollars)



Other expenses, including other nonoperating expenses, increased by \$198 million in 2007 and \$199 million in 2006. In 2007 and in 2006, there were increases generally across a variety of expense categories, including travel, rent, insurance and repairs and maintenance. In addition, in 2006, the transition of LANL to being managed and operated directly by LANS rather than the University resulted in \$21 million of expenses for reimbursements to the DOE associated with the transition of employees and their health benefits to LANS. Further, in 2006, nonoperating expenses included \$16 million for infrastructure to be dedicated in conjunction with the purchase of land to be used to expand health care facilities.

In accordance with the GASB's reporting standards, operating losses were \$3.26 billion in 2007, \$2.75 billion in 2006 and \$2.68 billion in 2005. However, these operating losses were more than offset by \$3.75 billion, \$3.43 billion and \$3.17 billion of net revenue and expenses in 2007, 2006 and 2005, respectively, that are required by the GASB to be classified as nonoperating, but clearly support operating activities of the University. Therefore, revenue to support core activities exceeded the associated expenses by \$493 million in 2007, \$682 million in 2006 and \$488 million in 2005. This income is restricted by either legal or fiduciary obligations, allocated for academic and research initiatives or programs, necessary for debt service or required for capital purposes.

Other Nonoperating Activities

The University's other nonoperating activities, generally noncash transactions and, therefore, not available to support operating expenses, are the net appreciation or depreciation in the fair value of investments and the gain or loss on the disposal of capital assets.

Net appreciation in fair value of investments *(in millions of dollars)*

2007		\$949
2006	\$315	
2005	\$278	

In 2007, the University recognized net appreciation in the fair value of investments of \$949 million compared to \$315 million of net appreciation during 2006 and \$278 million in 2005. As equity markets delivered substantial gains over the past two years, the equity portfolios appreciated in value. However, as short-term interest rates have generally risen over the past two years, the fair value of certain securities in the fixed-income portfolios has declined resulting in a modest net unrealized depreciation in these portfolios.

Gain (loss) on disposal of capital assets, net of proceeds *(in millions of dollars)*

2007		\$13
2006	\$(6)	
2005	\$(37)	

Disposals and write-offs of capital assets resulted in a gain of \$13 million in 2007 compared to a loss of \$6 million in 2006. Typically, routine disposals result in a very slight gain or loss.

Other Changes in Net Assets

Similar to other nonoperating activities discussed above, other changes in net assets are also not available to support the University's operating expenses in the current year. State capital appropriations and capital gifts and grants may only be used for the purchase or construction of the specified capital asset. Only income earned from gifts of permanent endowments is available in future years to support the specified program.

State capital appropriations *(in millions of dollars)*

2007		\$293
2006	\$220	
2005	\$189	

The University's enrollment growth requires new facilities, in addition to continuing needs for renewal, modernization and seismic correction of existing facilities. Capital appropriations from the state of California increased by \$73 million in 2007 and increased by \$31 million in 2006. Capital appropriations are from bond measures approved by the California voters.

Capital gifts and grants, net *(in millions of dollars)*

2007		\$217
2006	\$167	
2005		\$218

Capital gifts and grants increased by \$50 million in 2007 after having declined by \$51 million in 2006. In 2007, the University received \$30 million from the state for capital requirements to support patient care for children. Comparisons between 2007, 2006 and 2005 are affected by the timing of Federal Emergency Management Agency (FEMA) grants, primarily for the replacement hospitals at UCLA as the projects approach completion, along with the receipt of certain other significant gifts. Grants from FEMA increased by \$7 million in 2007, although declined by \$19 million and \$61 million in 2006 and 2005, respectively. The University also received gifts of software licenses of \$24 million in 2005.

Permanent endowments *(in millions of dollars)*

2007	\$39
2006	\$44
2005	\$48

Gifts of permanent endowments to the University are a measure of the University's continuing emphasis on private giving. In addition to gifts directly to the University, many gifts of permanent endowments are made through the campus foundations in support of University activities. Combined gifts of permanent endowments to both the University and campus foundations totaled \$210 million in 2007, \$204 million in 2006 and \$170 million in 2005.

The University's Cash Flows

The statement of cash flows presents the significant sources and uses of cash. A summary comparison of cash flows for 2007, 2006 and 2005 is as follows:

<i>(in millions of dollars)</i>			
	2007	2006	2005
Cash received from operations	\$ 13,100	\$ 12,454	\$ 11,567
Cash payments for operations	(15,299)	(14,655)	(13,389)
Net cash used by operating activities	(2,199)	(2,201)	(1,822)
Net cash provided by noncapital financing activities	3,472	3,221	3,049
Net cash used by capital and related financing activities	(1,721)	(772)	(1,291)
Net cash provided (used) by investing activities	393	(210)	157
Net increase (decrease) in cash	(55)	38	93
Cash, beginning of year	202	164	71
Cash, end of year	\$ 147	\$ 202	\$ 164

The University's cash in demand deposit accounts declined by \$55 million in 2007 and increased by \$38 million and \$93 million in 2006 and 2005, respectively. Cash in demand deposit accounts is minimized by sweeping available cash balances into investment accounts on a daily basis.

Nearly \$2.20 billion of cash was used for operating activities in 2007, offset by \$3.47 billion of cash provided by noncapital financing activities, resulting in \$1.27 billion of cash before capital financing or investing activities. Similarly, in 2006, \$2.20 billion of cash was used for operating activities, offset by \$3.22 billion of cash provided by noncapital financing activities, resulting in \$1.02 billion available for capital financing or investing activities. Noncapital financing activities, as defined by the GASB, include state educational appropriations and gifts received for other than capital purposes that are used to support operating activities.

Cash of \$1.72 billion and \$772 million in 2007 and 2006, respectively, was used for capital and related financing activities, primarily for purchases of capital assets and principal and interest payments, partially offset by sources that include new external financing, state and federal (FEMA) capital appropriations and gifts for capital purposes. During 2007, purchases of capital assets were greater than 2006 by \$745 million and proceeds from the issuance of debt, net of the refinancing of previously outstanding debt, were lower than 2006 by \$255 million.

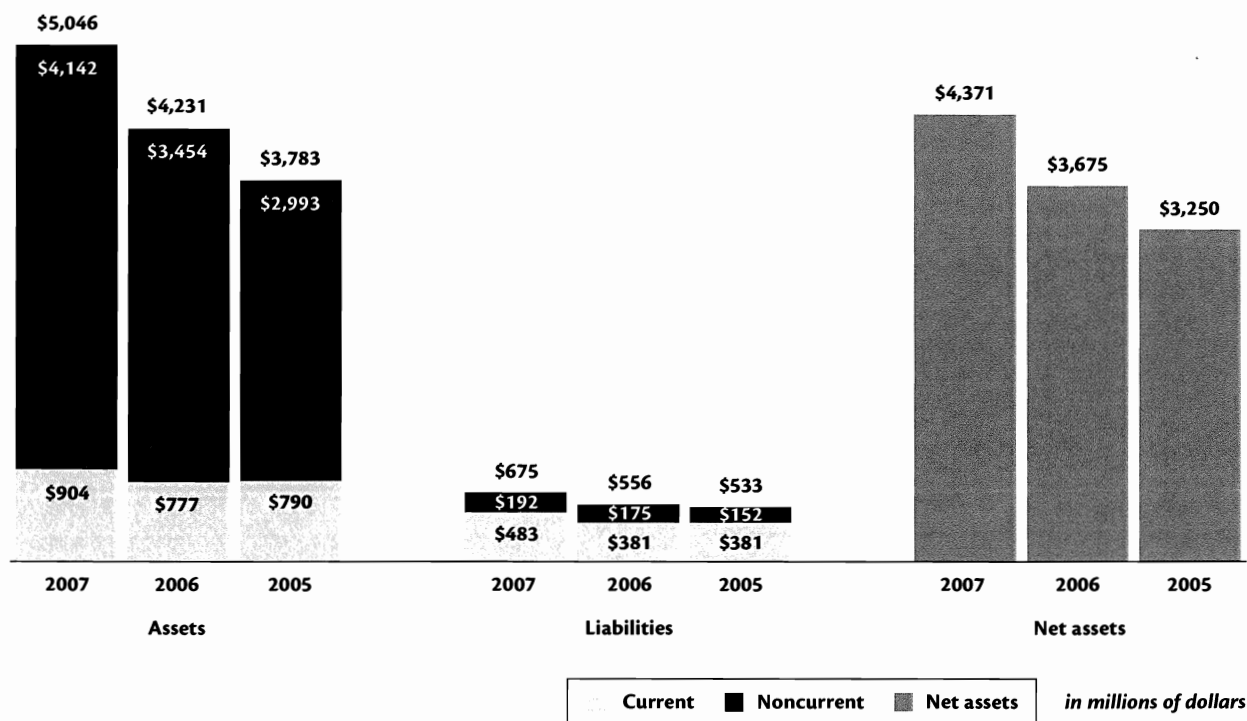
Cash provided by investing activities totaled \$393 million in 2007 and \$157 million in 2005, compared to cash used by investing activities of \$210 million in 2006. The differences are a result of the routine timing of investment transactions and greater investment income.

THE UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS

Separate foundations at each individual campus provide valuable assistance in fundraising, public outreach and other support for the missions of the campus and the University. Although independent boards govern each of these ten foundations, they are affiliated with, and their assets are dedicated for, the benefit of the University of California.

The Campus Foundations' Financial Position

The campus foundations' statement of net assets presents their combined financial position at the end of the year. It displays all of the campus foundations' assets, liabilities and net assets. The difference between assets and liabilities are net assets, representing a measure of the current financial condition of the campus foundations.



The major components of the combined assets, liabilities and net assets of the campus foundations at 2007, 2006 and 2005 are as follows:

<i>(in millions of dollars)</i>			
	2007	2006	2005
ASSETS			
Investments	\$ 4,037	\$ 3,364	\$ 2,950
Investment of cash collateral	367	280	288
Pledges receivable, net	450	430	427
Other assets	192	157	118
Total assets	5,046	4,231	3,783
LIABILITIES			
Securities lending collateral	367	280	288
Obligations under life income agreements	181	163	162
Other liabilities	127	113	83
Total liabilities	675	556	533
NET ASSETS			
Restricted:			
Nonexpendable	1,728	1,527	1,360
Expendable	2,628	2,132	1,874
Unrestricted	15	16	16
Total net assets	\$4,371	\$3,675	\$3,250

Assets. Investments in 2007 grew by \$673 million. The significant changes were \$172 million of new permanent endowments, \$451 million of net appreciation in the fair value of investments and \$79 million of investment income, partially offset by \$31 million of net cash distributions as cash receipts from gifts were less than the foundations' grants to the University.

Investments in 2006 grew by \$414 million, generally resulting from \$159 million of new permanent endowments, \$234 million of net appreciation in the fair value of investments and \$68 million of investment income, partially offset by \$48 million of net cash distributions.

The Board of Trustees for each campus foundation is responsible for its specific investment policy, although asset allocation guidelines are recommended to campus foundations by the Investment Committee of The Regents. The Boards of Trustees may determine that all or a portion of their investments will be managed by the University's Chief Investment Officer. The Chief Investment Officer managed \$1.13 billion and \$938 million of the campus foundations' investments at the end of 2007 and 2006, respectively.

The campus foundations' statement of net assets includes an allocation of the University's securities lending assets and liabilities at the end of each year and income and rebates for the year, in accordance with their respective investments with the University. One campus foundation participates directly in its own securities lending program. The investment of cash collateral and related securities lending liability allocated by the University to the campus foundations totaled \$320 million and \$230 million at the end of 2007 and 2006, respectively. The campus foundation with direct participation loaned securities for cash collateral of \$46 million and \$50 million at the end of 2007 and 2006, respectively.

Certain campuses and campus foundations have comprehensive fund-raising campaigns underway, raising both gifts and pledges. Pledges receivable, representing gifts to be received in the future, were \$450 million at the end of 2007, up \$20 million from last year. Pledges receivable were \$430 million in 2006, an increase of \$3 million from 2005.

Liabilities. Total campus foundations' liabilities were \$675 million in 2007 compared to \$556 million in 2006 and \$533 million in 2005. The \$119 million increase in 2007 is primarily related to securities lending activity that grew by \$87 million. While securities lending activity declined in 2006 by \$8 million, the Berkeley campus foundation deferred revenue from a conditional gift in 2006 that contributed to an overall increase in liabilities of \$23 million in that year.

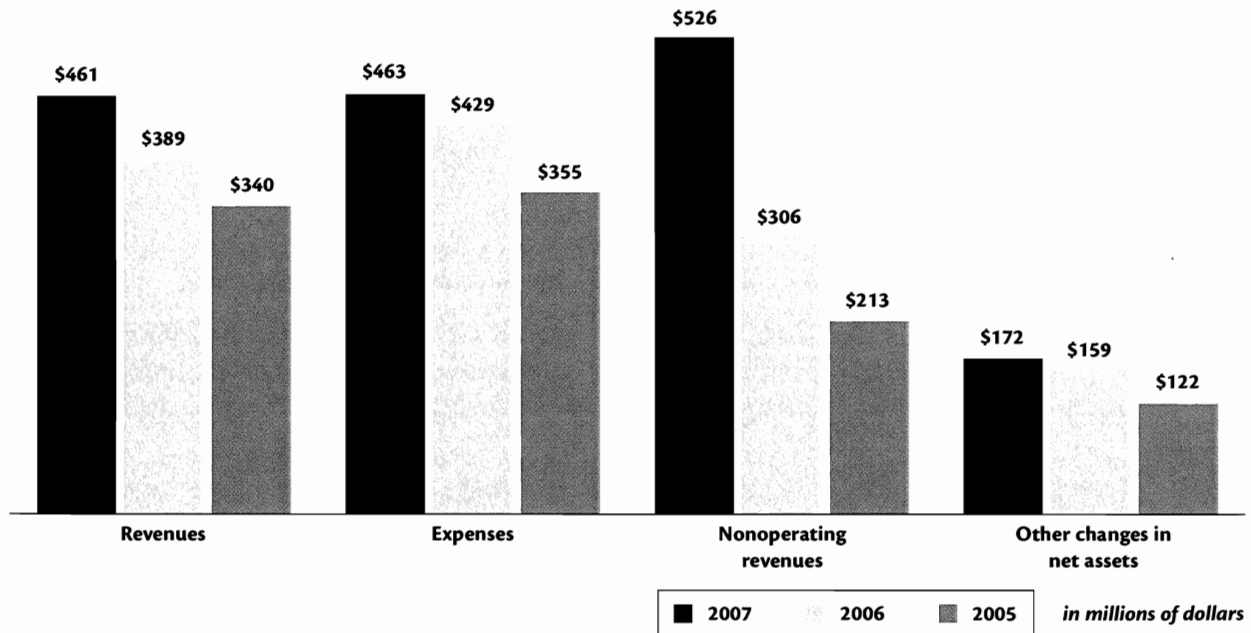
Net assets. Net assets are reported in certain categories based upon the nature of the restrictions on their use.

Restricted, nonexpendable net assets include the corpus of the campus foundations' permanent endowments and the estimated fair value of certain planned giving arrangements. The increase is primarily attributable to new permanent endowment gifts received, partially offset by an increase in the estimated liability to beneficiaries of the planned giving arrangements.

Restricted, expendable net assets are subject to externally imposed restrictions governing their use. These net assets may be spent only in accordance with the restrictions placed upon them and may include endowment income and investment gains, subject to each individual campus foundation's spending policy; support received from gifts; trustee held investments; or other third party receipts. New gifts and net appreciation in the fair value of investments were the primary reasons for the increase in value in 2007 and 2006.

Under generally accepted accounting principles, net assets that are not subject to externally imposed restrictions governing their use must be classified as unrestricted for financial reporting purposes.

The Campus Foundations' Results of Operations



The campus foundations' combined statement of revenues, expenses and changes in net assets is a presentation of their operating results for the year. It indicates whether their financial condition has improved or deteriorated during the year. A summarized comparison of the operating results for 2007, 2006 and 2005 is as follows:

(in millions of dollars)

	2007	2006	2005
OPERATING REVENUES			
Private gifts	\$ 458	\$ 388	\$ 332
Other revenues	3	1	8
Total operating revenues	461	389	340
OPERATING EXPENSES			
Grants to campuses	451	416	344
Other expenses	12	13	11
Total operating expenses	463	429	355
Operating loss	(2)	(40)	(15)
NONOPERATING REVENUES (EXPENSES)			
Investment income	79	69	62
Net appreciation in fair value of investments	451	234	151
Other nonoperating revenues (expenses)	(4)	3	
Income before other changes in net assets	524	266	198
OTHER CHANGES IN NET ASSETS			
Permanent endowments	172	159	122
Increase in net assets	696	425	320
NET ASSETS			
Beginning of year	3,675	3,250	2,930
End of year	\$4,371	\$3,675	\$3,250

Operating loss. Operating revenues generally consist of current-use gifts, including pledges and income from other fund-raising activities, although they do not include additions to permanent endowments and endowment income. Operating revenues increased by \$72 million and \$49 million in 2007 and 2006, respectively.

Operating expenses generally consist of grants to University campuses, comprised of current-use gifts and endowment income and other expenses, including gift fees. Grants to campuses typically follow the pattern indicated by private gift revenue; however, the campus' programmatic needs are also taken into consideration, subject to abiding by the designated purposes of gifts to the endowment and the amounts available for grants in any particular year.

Private gift revenue includes pledges, a non-cash operating revenue. Grants to the campuses can only be made when the cash is received and, in addition, also include endowment investment income, classified as nonoperating income. Therefore, operating losses can occur when grants distributed to the campuses in any particular year exceed private gift revenue.

Nonoperating revenues (expenses). Nonoperating revenues or expenses include net investment income, net appreciation or depreciation in the fair value of investments and adjustments to gift annuity and trust liabilities. Investment income of \$79 million was up from \$69 million in 2006 and \$62 million in 2005. Due to the performance of the financial markets in 2007 and 2006, the campus foundations' results include \$451 million and \$234 million, respectively, of net appreciation in the fair value of investments.

Other changes in net assets. Gifts of permanent endowments of \$172 million in 2007 grew by \$13 million from 2006 levels. In 2006, gifts of permanent endowments grew by \$37 million from 2005.

The Campus Foundations' Cash Flows

The campus foundations' combined statement of cash flows presents the significant sources and uses of cash and cash equivalents. A summary comparison of cash flows for 2007, 2006 and 2005 is as follows:

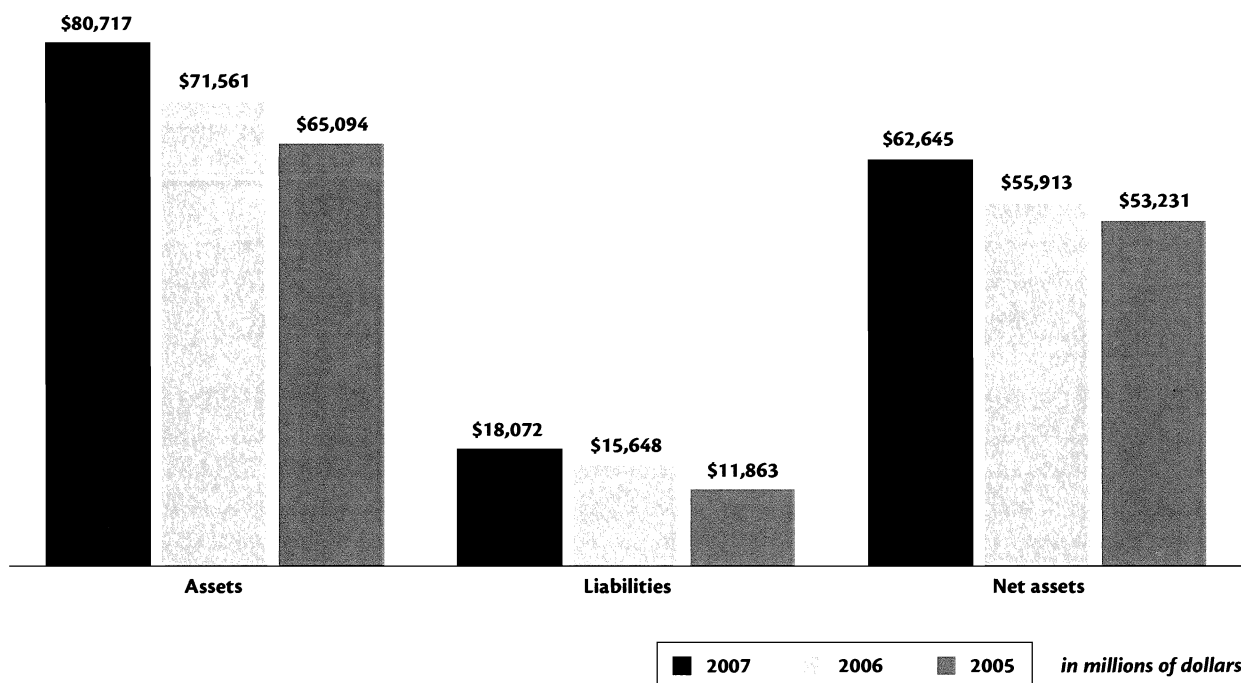
<i>(in millions of dollars)</i>			
	2007	2006	2005
Cash received from private gifts	\$ 429	\$ 385	\$ 338
Cash payments for grants	(463)	(430)	(370)
Other cash receipts (payments), net	3	(3)	4
Net cash used by operating activities	(31)	(48)	(28)
Net cash provided by noncapital financing activities	163	141	107
Net cash used by investing activities	(96)	(47)	(88)
Net increase (decrease) in cash and cash equivalents	36	46	(9)
Cash and cash equivalents, beginning of year	126	80	89
Cash and cash equivalents, end of year	\$ 162	\$ 126	\$ 80

Cash and cash equivalents were \$162 million in 2007 compared to \$126 million in 2006, an increase of \$36 million. In 2006, cash increased by \$46 million. Cash used by operating activities was \$31 million in 2007 compared to \$48 million in 2006 due to increasing grants made to campuses. As discussed above, cash payments for grants are an operating activity, but these payments also include investment income which is an investing activity. In addition, while the trend is for grants to campuses to coincide with contributions revenue, the timing may not always occur in the same year. Cash provided by noncapital financing activities primarily results from cash gifts for permanent endowments.

THE UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM (UCRS)

The UCRS is a valuable component of the comprehensive benefits package offered to employees of the University. The UCRS consists of the University of California Retirement Plan (the UCRP), a defined benefit plan for members; the University of California Retirement Savings Program that includes three defined contribution plans (the DCP, the 403(b) and the 457(b) plans) to complement the defined benefit plan, with several investment portfolio options for participants' elective and non-elective contributions; and the California Public Employees Retirement System (PERS) Voluntary Early Retirement Incentive Plan (PERS-VERIP) for certain University employees that were members of PERS who elected early retirement.

The UCRS' Financial Position



The statement of plans' fiduciary net assets presents the financial position of the UCRS at the end of the fiscal year. It displays all of the retirement system's assets, liabilities and net assets. The difference between assets and liabilities are the net assets held in trust for pension benefits. These represent amounts available to provide pension benefits to members of the UCRP and participants in the defined contribution plans and the PERS-VERIP. At June 30, 2007, the UCRS plans' assets were nearly \$81 billion, liabilities were over \$18 billion and net assets held in trust for pension benefits exceeded \$62 billion, an increase of \$6.73 billion from 2006. Net assets increased in 2006 by \$2.68 billion from 2005.

The major components of the assets, liabilities and net assets available for pension benefits for 2007, 2006 and 2005 are as follows:

<i>(in millions of dollars)</i>			
	2007	2006	2005
ASSETS			
Investments	\$ 59,685	\$ 53,866	\$ 51,372
Participants' interest in external mutual funds	3,794	3,019	2,359
Investment of cash collateral	16,884	13,993	10,894
Other assets	354	683	469
Total assets	80,717	71,561	65,094
LIABILITIES			
Securities lending collateral	16,885	13,994	10,891
Other liabilities	1,187	1,654	972
Total liabilities	18,072	15,648	11,863
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Members' defined benefit plan benefits	48,192	43,440	41,936
Participants' defined contribution plan benefits	14,453	12,473	11,295
Total net assets held in trust for pension benefits	\$62,645	\$55,913	\$53,231

Assets. UCRS investments, including participants' interest in external mutual funds, totaled \$63.48 billion at the end of 2007 compared to \$56.89 billion at the end of 2006, an increase of \$6.59 billion, including the net effect at the end of the year of security purchases and sales yet to be settled of \$141 million. The increase, net of the effect of future settlements of security purchases and sales, was generally a result of \$7.86 billion net appreciation in the fair value of investments, \$1.06 billion in contributions to the UCRS and \$1.87 billion in net investment earnings, partially offset by benefit payments and participant withdrawals of \$2.57 billion and a transfer of UCRP assets to the LANS defined benefit plan of \$1.44 billion.

In 2006, UCRS investments, including participants' interest in external mutual funds, increased by \$3.16 billion, including the net effect at the end of the year of security purchases or sales yet to be settled of \$553 million. The increase, net of the effect of future settlements of security purchases and sales, was primarily a result of \$2.14 billion net appreciation in the fair value of investments, \$1.02 billion in contributions to the UCRS and \$1.72 billion in net investment earnings, partially offset by benefit payments of \$2.17 billion.

During 2007, participants' interest in external mutual funds, representing defined contribution plan contributions to certain external mutual funds on a custodial plan basis, grew by \$775 million to \$3.79 billion primarily through a combination of \$278 million of participant contributions, \$581 million of investment earnings and appreciation in the fair value of investments and \$158 million transferred from University managed investments, partially offset by \$242 million of participant withdrawals. In 2006, participants' interest in external mutual funds grew by \$660 million to \$3.02 billion generally through \$267 million of participant contributions, \$302 million of investment earnings and appreciation in the fair value of investments and \$257 million transferred from University managed investments, partially offset by \$154 million of participant withdrawals.

Along with the University, the UCRS participates in a securities lending program as a means to augment income. The investment of cash collateral and the associated liability for collateral held by the UCRS for securities on loan at the end of the year increased in 2007 and 2006 by 20.7 percent and 28.4 percent, respectively. The securities lending investment income, net of fees and rebates, increased to \$32 million in 2007 from \$24 million in 2006.

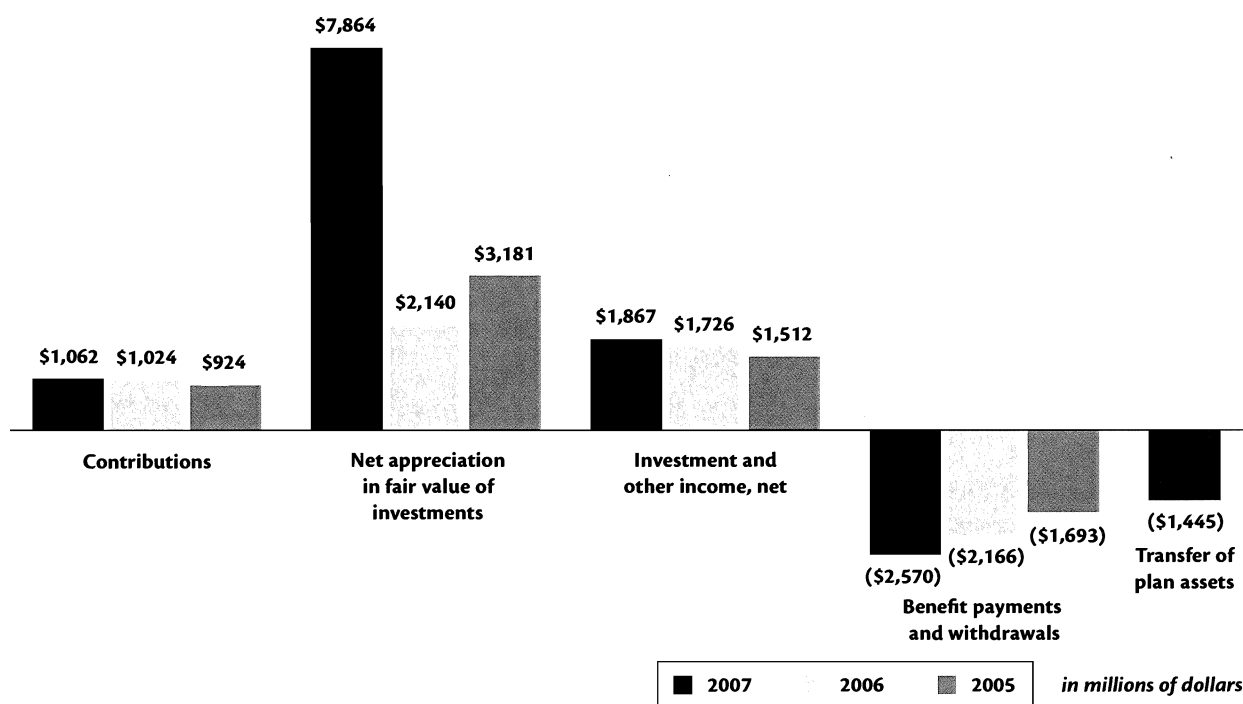
During 2006, two additional securities lending agents provided additional activity under the University's program. Lending activity and interest rates in the past two years are substantially above 2005 levels leading to a large increase in both gross income and rebates, and an increase in net income for the overall program.

Liabilities. Total UCRS liabilities were \$18.07 billion in 2007 compared to \$15.65 billion in 2006. Over \$2.89 billion of the increase results from the securities lending program discussed above, with the remainder a result of liabilities for security purchases to be settled after year-end.

Net assets. A total of \$48.19 billion of the net assets are dedicated to the UCRP members' defined benefit plan benefits and over \$14.45 billion are associated with participants' tax deferred, defined contribution plan benefits. As of June 30, 2007, the date of the most recent actuarial report, the UCRP's overall funded ratio was 104.8 percent compared to 104.1 percent as of June 30, 2006. This indicates that for every dollar of benefits due to UCRP members under the University's defined benefit plan, assets of over \$1.04 are available to cover benefit obligations.

All assets of the UCRP are available to pay any member's benefits. However, assets and liabilities for the campus and medical center segment of the UCRP are internally tracked separately from the DOE national laboratory segment of the UCRP. As of June 30, 2007, the funded ratio for the campus and medical center segment was 105.2 percent compared to 105.6 percent as of June 30, 2006. For the DOE national laboratory segment, as of June 30, 2007 the funded ratio was 103.5 percent compared to 100.1 percent as of June 30, 2006. The DOE has a continuing obligation to the University to provide contributions to pay UCRP benefits to laboratory segment retirees.

The UCRS' Results of Operations



The statement of changes in plans' fiduciary net assets is a presentation of the UCRS' operating results. It indicates whether the financial condition has improved or deteriorated during the year. A summarized comparison of the operating results for 2007, 2006 and 2005 is as follows:

(in millions of dollars)			
	2007	2006	2005
ADDITIONS			
Contributions	\$ 1,062	\$ 1,024	\$ 924
Net appreciation in fair value of investments	7,864	2,140	3,181
Investment and other income, net	1,867	1,726	1,512
Total additions	10,793	4,890	5,617
DEDUCTIONS			
Benefit payments and participant withdrawals	2,570	2,166	1,693
Plan expenses	46	42	33
Transfer of assets to the LANS defined benefit plan	1,445		
Total deductions	4,061	2,208	1,726
Increase in net assets held in trust for pension benefits	\$ 6,732	\$ 2,682	\$ 3,891

Contributions. Contributions in 2007 increased by \$38 million and in 2006 by \$100 million. The majority of contributions are made into the defined contribution plans that included \$13 million and \$21 million of University contributions in 2007 and 2006, respectively. Participants are required to make contributions to the DCP and may make voluntary and rollover contributions to the DCP, 403(b) plan, and 457(b) plan established in 2005. Due to the UCRP's funded position, neither the University nor the members has been required to make contributions since 1990. However, \$25 million of contributions were recorded in 2007, primarily a \$17 million contribution from the DOE on behalf of members who formerly worked at LANL.

Net appreciation in fair value of investments. The UCRS recognized net appreciation in the fair value of investments of \$7.86 billion during 2007 compared to \$2.14 billion during 2006.

The overall investment gain based upon unit values for the UCRS was 17.7 percent and 7.1 percent in 2007 and 2006, respectively.

Investment and other income. Investment and other income in 2007 of \$1.87 billion increased by \$141 million, or 8.2 percent. Similarly, investment and other income in 2006 of \$1.73 billion increased by \$214 million, or 14.2 percent. Short-term interest rates rose in both years.

Benefit payments and withdrawals. Benefit payments and participant withdrawals were \$404 million higher in 2007 than in 2006 and \$473 million higher in 2006 than in 2005. Payments from the UCRP and PERS-VERIP to retirees increased by \$175 million and \$124 million in 2007 and 2006, respectively, due to a growing number of retirees receiving payments and cost-of-living adjustments and member withdrawals. There are 45,400 retirees and beneficiaries currently receiving payments compared to 41,500 at the end of 2005. In addition, elections of lump sum cash-outs of the UCRP and participant withdrawals from the Retirement Savings Plans grew by \$229 million and \$350 million in 2007 and 2006, respectively. In 2007 and 2006, participant withdrawals from the Retirement Savings Plans were affected by former employees at LANL transitioning from the University to LANS.

Transfer of assets to LANS' defined benefit plan. With the selection of LANS as the successor contractor to the University for the management of LANL effective June 1, 2006, assets and liabilities attributable to the UCRP benefits of the approximately 6,500 LANL employees who accepted employment with LANS and elected to participate in the defined benefit plan established by LANS were transferred to the LANS defined benefit plan. The market value of assets transferred as of March 31, 2007 to the LANS defined benefit plan associated with the transitioning employees who are not retained in the UCRP was \$1.44 billion.

Additional information on the retirement plans can be obtained from the 2007 annual reports of the University of California Retirement Plan, the University of California Retirement Savings Plans and the University of California PERS-VERIP by writing to the University of California, Office of the President, Human Resources/Benefits Department, Financial Services and Plan Disbursements, 300 Lakeside Drive, Suite 400, Oakland, California 94612.

LOOKING FORWARD

The University of California is a world center of learning, known for generating a steady stream of talent, knowledge and social benefits, and has always been at the center of California's capacity to innovate. The excellence of its programs attracts the best students, leverages hundreds of millions of dollars in state, federal and private funding and promotes discovery of new knowledge that fuels economic growth.

Major financial strengths of the University include a diverse source of revenues, including those from the state of California, student fees, federally sponsored grants and contracts, medical centers, private support and self-supporting enterprises.

The variety of fund sources has become increasingly important over the past several years given the effects of the state fiscal crisis that required reductions in both instructional and non-instructional programs. Student fee increases were necessary to address the reductions in state educational appropriations. The state is continuing its work to resolve its financial situation in which expenditures have continued to exceed revenues. Three years ago, the University and the Governor agreed on a Compact to provide guidance and financial commitments to a long-term resource plan for the University. The Compact addresses fundamental financial support, enrollment, student fees and other key program elements for 2007 through 2011. It provides a financial foundation for the University and the ability to plan for student fee levels over the next several years. In exchange for this long-term stability, the University commits to focus its resources to address long-term accountability goals for enrollment, student fees, financial aid and program quality, among other areas.

As a result of some improvement in the state's financial position, resident student fees were not increased in 2007 as they had been for the prior four years in order to maintain the quality of instructional programs, although nonresident undergraduate student tuition was raised by 5 percent. However, for 2008, resident undergraduate fees will increase by 7 percent, graduate student fees by 7 percent and most professional school fees will increase between 7 and 10 percent. In addition to the resident student fees, nonresident undergraduate and graduate students pay tuition. Tuition will increase by 5 percent for undergraduate students. Consistent with past practice, a portion of the fee increases will be used for financial aid.

The University remains highly competitive in attracting federal grants and contracts revenue, with fluctuations in the awards received closely paralleling trends in the budgets of federal research granting agencies. Over two-thirds of the University's federal research revenue comes from two agencies, the Department of Health and Human Services, primarily through the National Institutes of Health, and the National Science Foundation. Other agencies that figure prominently in the University's awards are the Department of Education, Department of Defense, the National Aeronautics and Space Administration and the Department of Energy. While the federal government is under tight fiscal constraints, there is a bi-partisan effort underway to focus on innovation and competitiveness for the nation. The University is a unique national resource for helping the nation address competitiveness and economic initiatives.

The University's medical centers have demonstrated very positive financial results, although they continue to face financial challenges in a price-sensitive, managed care environment, along with the added costs and responsibilities related to their function as academic institutions. The demand for health care services and the cost of providing them are increasing significantly. In addition to the rising costs of salaries, benefits and medical supplies faced by hospitals across the state, the University's medical centers also face additional costs associated with new technologies, biomedical research, the education and training of health care professionals and the care for a disproportionate share of the medically underserved in California. Other than Medicare and Medi-Cal (California's Medicaid program), health insurance payments do not recognize the added cost of teaching in their payment to academic medical centers. Over the last few years, Medicare margins have declined as a result of payment reductions. Recent changes to the Medi-Cal program will likely limit or reduce the rates of payment growth to the medical centers in future years. Also, as a result of state legislation, the medical centers face capital requirements to ensure that facilities can maintain uninterrupted operations following a major earthquake. While the state has provided additional capital to meet these requirements, the level of support provided will not cover the full cost to the University. Other sources of capital are required.

The continuing financial success of the medical centers is predicated on a multifaceted strategy, which includes competing in commercial markets and offering high quality regional services. Positive results in commercial contracts

have helped address the lack of support for medical education and care for the poor. Further, the medical centers remain competitive in their respective markets by reducing costs through improved efficiencies, making strategic investments and by expanding their presence in the market through stronger links with other providers and payers. Payment strategies must recognize the need to maintain an operating margin sufficient to cover debt, provide working capital, purchase state-of-the-art equipment and invest in infrastructure and program expansion.

The University's private support is a testament to its distinction as a leader in philanthropy among the nation's colleges and universities and the high regard in which its alumni, corporations, foundations and other supporters hold the University. The level of private support underscores the continued confidence among donors in the quality of the University's programs and the importance of its mission. At the same time, private support in 2008 will likely reflect the changes in the economy and financial markets, the effect of which is not determinable at this time.

Additional, affordable and accessible student housing will be required in order to satisfy the demand. Most campus residence halls continue to be occupied at design capacity. The University is responding to the demand by building student housing in the traditional manner, with housing fees set to generate sufficient revenue to cover direct and indirect operating costs and debt service, and by seeking development opportunities for privately owned housing on University campuses.

The University must have a balanced array of many categories of facilities to meet its education, research and public service goals and continues to assess its long-term capital requirements. The support for the University's capital program will be provided from a combination of sources, including the state of California, external financing, gifts and other sources.

In November 2006, a general obligation bond package for education was approved by the California voters. As a result, the University will receive \$690 million for its capital program for the two-year period 2008 and 2009. In addition, the University will receive over \$200 million over the same period for expansion of the University's medical schools and delivery of health care through telemedicine. This level of support from the state will not meet all of the University's capital needs and institutional resources will continue to be necessary to address many critical projects.

There are also plans for additional capital projects that are traditionally not considered to be state supportable. This is a continuing process that is amended, as required, to include projects when gifts or other supplemental resources are obtained or financing plans are developed.

The University operates and manages, or participates in the management of, three national laboratories on behalf of the DOE since their formation, without financial gain, as a public service to the nation.

The University's contract to manage LLNL for the National Nuclear Security Administration of the United States Department of Energy expired on September 30, 2007. The University is a member in a joint venture, Lawrence Livermore National Security, LLC (LLNS), that was selected to operate and manage LLNL effective October 1, 2007. LLNS is a separate corporate entity that is expected to be reported as a joint venture using the equity method in the University's financial statements. As a result, the gross revenues and expenses associated with the successor contract are not expected to be reported in the University's statement of revenues, expenses and changes in net assets.

With the selection of LLNS as the successor contractor to the University for the management of LLNL effective October 1, 2007, the assets and liabilities attributable to the UCRP benefits of the approximately 7,300 employees who may accept employment with LLNS and who elect to participate in the defined benefit plan established by LLNS are expected to be transferred to the LLNS plan at a future date provided all required and advisable regulatory rulings and approvals are obtained. The amount of the assets and liabilities to be retained in the UCRP for LLNL members who are retired or are inactive, and the amount of assets that may be transferred to the LLNS plan for the transitioning employees who elected to participate in the LLNS plan is not currently known and is dependent on the assumptions used and future discussions with the DOE.

The UCRP costs are funded by a combination of investment earnings, employee member and employer contributions. Since 1990, there have not been any University contributions to the UCRP. In addition, since 1990, the required employee member contributions to the UCRP have been suspended. However, contributions are required to be made to the separate defined contribution plan maintained by the University. The Regents recently updated the funding policy for

UCRP to provide for a targeted funding level of 100 percent over the long term, and for University and UCRP member contributions at rates necessary to maintain that level within a range of 95 percent to 110 percent. The University will implement a multi-year contribution strategy under which shared employer and employee contribution rates will increase gradually over time to 16 percent of covered compensation, shared between employer and employees, based upon UCRP's current normal cost. The Regents has not yet authorized the initial resumption of shared employer and employee contributions.

In August 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for the University in 2008. Statement No. 45 requires accrual-based measurement, recognition and disclosure of other postemployment benefits (OPEB) expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability, net of any plan assets. Currently, the University records retiree medical and dental costs as they are paid and does not recognize the liability in the financial statements. The University is currently evaluating the effect that Statement No. 45 will have on its financial statements, although it is expected that retiree medical and dental costs, including normal cost, amortization of the unfunded transition liability over 30 years and interest on the unfunded liability will range between \$1.35 billion and \$1.45 billion. The transition liability is expected to range between \$11.70 billion and \$12.60 billion. The University will continue to pay for these benefits on a "pay-as-you-go" basis in 2008.

Cautionary Note Regarding Forward-Looking Statements

Certain information provided by the University, including written as outlined above or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, which address activities, events, or developments that the University expects or anticipates will or may occur in the future contain forward-looking information.

In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and was derived using various assumptions. The University does not undertake to update forward-looking information contained in this report or elsewhere to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking information.

UNIVERSITY OF CALIFORNIA
STATEMENTS OF NET ASSETS

AT JUNE 30, 2007 AND 2006 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2007	2006	2007	2006
ASSETS				
Cash and cash equivalents	\$ 147,209	\$ 202,026	\$ 161,543	\$ 126,024
Short-term investments	2,574,989	4,019,551	376,666	332,033
Investment of cash collateral	3,042,293	2,227,050	261,084	198,670
Investments held by trustees	41,937	59,026		
Accounts receivable, net	2,145,559	1,954,675	5,893	6,816
Pledges receivable, net	56,418	32,592	94,939	105,149
Current portion of notes and mortgages receivable, net	28,242	28,758	42	389
Inventories	143,254	129,210		
Department of Energy receivable	210,162	148,107		
Other current assets	134,688	119,475	4,120	7,752
Current assets	8,524,751	8,920,470	904,287	776,833
Investments	11,635,046	9,224,614	3,659,823	3,031,965
Investment of cash collateral	1,511,546	1,228,274	106,069	81,790
Investments held by trustees	751,798	700,701		
Pledges receivable, net	65,637	61,421	355,403	324,385
Notes and mortgages receivable, net	275,457	264,466	551	121
Department of Energy receivable	27,080	27,473		
Capital assets, net	18,105,332	16,665,001		
Other noncurrent assets	178,802	156,233	19,911	16,240
Noncurrent assets	32,550,698	28,328,183	4,141,757	3,454,501
Total assets	41,075,449	37,248,653	5,046,044	4,231,334
LIABILITIES				
Accounts payable	1,257,402	1,322,076	8,745	5,878
Accrued salaries and benefits	475,095	385,915		
Deferred revenue	754,158	678,820	1,551	1,453
Collateral held for securities lending	4,553,954	3,455,800	367,153	280,460
Commercial paper	550,000	550,000		
Current portion of long-term debt	629,713	407,888		
Funds held for others	276,945	252,762	80,559	71,053
Department of Energy laboratories' liabilities	178,899	138,936		
Other current liabilities	828,365	798,279	24,946	22,936
Current liabilities	9,504,531	7,990,476	482,954	381,780
Federal refundable loans	196,119	193,098		
Self-insurance	402,857	374,912		
Obligations under life income agreements	31,962	20,456	157,107	141,761
Long-term debt	8,184,017	7,918,360		
Other noncurrent liabilities	351,783	351,328	34,488	32,924
Noncurrent liabilities	9,166,738	8,858,154	191,595	174,685
Total liabilities	18,671,269	16,848,630	674,549	556,465
NET ASSETS				
Invested in capital assets, net of related debt	9,101,981	8,535,316		
Restricted:				
Nonexpendable:				
Endowments and gifts	920,329	872,707	1,727,602	1,526,885
Expendable:				
Endowments and gifts	5,457,743	4,657,857	2,628,262	2,131,606
Other, including debt service, loans, capital projects and appropriations	397,698	398,332		
Unrestricted	6,526,429	5,935,811	15,631	16,378
Total net assets	\$22,404,180	\$20,400,023	\$4,371,495	\$3,674,869

See accompanying Notes to Financial Statements

UNIVERSITY OF CALIFORNIA

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2007 AND 2006 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2007	2006	2007	2006
OPERATING REVENUES				
Student tuition and fees, net	\$ 1,737,597	\$ 1,662,948		
Grants and contracts, net				
Federal	2,881,396	2,814,091		
State	448,922	423,506		
Private	803,559	744,352		
Local	181,718	162,627		
Medical centers, net	4,526,355	4,205,635		
Educational activities, net	1,249,668	1,122,765		
Auxiliary enterprises, net	1,012,266	893,248		
Department of Energy laboratories	2,188,475	4,231,922		
Campus foundation private gifts			\$ 457,814	\$ 387,814
Other operating revenues, net	435,273	508,539	3,803	1,182
Total operating revenues	15,465,229	16,769,633	461,617	388,996
OPERATING EXPENSES				
Salaries and wages	8,569,207	7,879,858		
Benefits	1,744,035	1,608,156		
Scholarships and fellowships	401,153	357,965		
Utilities	371,661	349,788		
Supplies and materials	1,909,814	1,826,954		
Depreciation and amortization	1,049,008	997,023		
Department of Energy laboratories	2,169,750	4,197,685		
Campus foundation grants			451,290	416,248
Other operating expenses	2,509,081	2,299,274	12,049	13,115
Total operating expenses	18,723,709	19,516,703	463,339	429,363
Operating loss	(3,258,480)	(2,747,070)	(1,722)	(40,367)
NONOPERATING REVENUES (EXPENSES)				
State educational appropriations	2,793,235	2,572,565		
State financing appropriations	156,899	146,816		
Private gifts, net	681,277	624,052		
Investment income:				
Short Term Investment Pool and other, net	339,528	307,937		
Endowment, net	161,909	133,345		
Securities lending, net	6,338	5,376	565	435
Campus foundations			78,825	68,330
Net appreciation in fair value of investments	948,887	315,422	450,633	234,439
Interest expense	(385,201)	(347,172)		
Gain (loss) on disposal of capital assets	12,664	(5,814)		
Other nonoperating revenues (expenses)	(1,555)	(14,167)	(3,382)	2,782
Net nonoperating revenues	4,713,981	3,738,360	526,641	305,986
Income before other changes in net assets	1,455,501	991,290	524,919	265,619
OTHER CHANGES IN NET ASSETS				
State capital appropriations	293,358	220,158		
Capital gifts and grants, net	216,783	166,502		
Permanent endowments	38,515	44,456	171,707	159,308
Increase in net assets	2,004,157	1,422,406	696,626	424,927
NET ASSETS				
Beginning of year	20,400,023	18,977,617	3,674,869	3,249,942
End of year	\$22,404,180	\$20,400,023	\$4,371,495	\$3,674,869

See accompanying Notes to Financial Statements

UNIVERSITY OF CALIFORNIA
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2007 AND 2006 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2007	2006	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Student tuition and fees	\$ 1,737,847	\$ 1,654,279		
Grants and contracts	4,276,529	4,228,316		
Medical centers	4,446,937	4,105,737		
Educational activities	1,243,164	1,117,729		
Auxiliary enterprises	1,010,263	899,250		
Collection of loans from students and employees	58,818	59,557		
Campus foundation private gifts			\$ 429,131	\$ 384,981
Payments to employees	(8,520,200)	(8,115,186)		
Payments to suppliers and utilities	(4,606,013)	(4,479,424)		
Payments for benefits	(1,703,052)	(1,636,389)		
Payments for scholarships and fellowships	(400,836)	(357,941)		
Loans issued to students and employees	(68,525)	(66,345)		
Payments to campuses and beneficiaries			(463,439)	(429,702)
Other receipts (payments)	326,174	389,231	3,110	(2,950)
Net cash used by operating activities	(2,198,894)	(2,201,186)	(31,198)	(47,671)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State educational appropriations	2,798,516	2,577,962		
Gifts received for other than capital purposes:				
Private gifts for endowment purposes	38,259	39,634	157,174	141,461
Other private gifts	644,670	587,942		
Student direct lending receipts	468,180	452,299		
Student direct lending payments	(468,180)	(452,299)		
Other receipts (payments)	(9,182)	15,882	5,877	
Net cash provided by noncapital financing activities	3,472,263	3,221,420	163,051	141,461
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Commercial paper financing:				
Proceeds from issuance	127,405	522,862		
Payments of principal	(127,405)	(522,862)		
Interest paid	(21,150)	(17,250)		
State capital appropriations	277,130	226,311		
State financing appropriations	2,483	3,421		
Capital gifts and grants	164,692	131,149		
Proceeds from debt issuance	2,294,416	1,886,469		
Proceeds from the sale of capital assets	59,717	19,476		
Proceeds from insurance recoveries	935	1,024		
Purchase of capital assets	(2,426,740)	(1,682,065)		
Refinancing or prepayment of outstanding debt	(1,477,837)	(814,943)		
Scheduled principal paid on debt and capital leases	(233,977)	(201,203)		
Interest paid on debt and capital leases	(360,639)	(324,226)		
Net cash used by capital and related financing activities	(1,720,970)	(771,837)		
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments:				
Short Term Investment Pool	61,023,956	63,559,787		
Other investments	6,104,662	3,415,784	646,519	679,159
Purchase of investments:				
Short Term Investment Pool	(60,862,917)	(64,037,298)		
Other investments	(6,364,028)	(3,573,965)	(824,716)	(798,646)
Investment income, net of investment expenses	491,111	424,864	81,863	72,052
Net cash provided (used) by investing activities	392,784	(210,828)	(96,334)	(47,435)
Net increase (decrease) in cash and cash equivalents	(54,817)	37,569	35,519	46,355
Cash and cash equivalents, beginning of year	202,026	164,457	126,024	79,669
Cash and cash equivalents, end of year	\$ 147,209	\$ 202,026	\$ 161,543	\$ 126,024

UNIVERSITY OF CALIFORNIA

STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED JUNE 30, 2007 AND 2006 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2007	2006	2007	2006
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating loss	\$ (3,258,480)	\$ (2,747,070)	\$ (1,722)	\$ (40,367)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation and amortization expense	1,049,008	997,023		
Noncash gifts			(15,610)	(18,543)
Allowance for doubtful accounts	30,169	(3,254)	(555)	1,147
Loss on impairment of capital assets	24	672		
Change in assets and liabilities:				
Investments			(508)	(6,863)
Accounts receivable	(229,259)	(173,685)	(222)	2,511
Pledges receivable			(20,313)	(4,095)
Investments held by trustees	(38,826)	(53,490)		
Inventories	(14,044)	(5,381)		
Other assets	(32,931)	(29,471)	985	3,066
Accounts payable	76,414	(12,559)	548	456
Accrued salaries and benefits	71,739	(250,171)		
Deferred revenue	81,561	62,992	(98)	22,019
Self-insurance	35,361	(37,607)		
Obligations to life beneficiaries			3,811	(6,580)
Other liabilities	30,370	50,815	2,486	(422)
Net cash used by operating activities	\$(2,198,894)	\$(2,201,186)	\$(31,198)	\$(47,671)
SUPPLEMENTAL NONCASH ACTIVITIES INFORMATION				
Capital assets acquired through capital leases	\$ 55,522	\$ 84,155		
Capital assets acquired with a liability at year-end	114,731	84,496		
Investments held by trustees	8,480	(167,599)		
State financing appropriations	145,982	143,395		
Gifts of capital assets	36,734	18,399	\$ 1,223	\$ 9,570
Other noncash gifts	15,293	25,629	100,482	54,376
Gain (loss) on the disposal of capital assets	12,664	(5,814)		
Debt service for, or refinancing of, lease revenue bonds	(515,940)	(157,772)		
Refinancing of interim loans under lease-purchase agreements	(8,692)	(124,425)		
Securities lending activity	1,098,154	878,256	(2,772)	(6,746)

See accompanying Notes to Financial Statements

UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM
STATEMENTS OF PLANS' FIDUCIARY NET ASSETS

AT JUNE 30, 2007 AND 2006 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA RETIREMENT PLAN	UNIVERSITY OF CALIFORNIA RETIREMENT SAVINGS PLANS	UNIVERSITY OF CALIFORNIA PERS-VOLUNTARY EARLY RETIREMENT INCENTIVE PLAN	UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2007	2007	2007	2006
ASSETS					
Investments	\$ 48,835,961	\$ 10,761,897	\$ 87,609	\$ 59,685,467	\$ 53,866,319
Participants' interest in external mutual funds		3,794,050		3,794,050	3,018,557
Investment of cash collateral	12,641,611	4,219,458	22,738	16,883,807	13,992,585
Participant 403(b) loans		87,085		87,085	81,819
Accounts receivable:					
Contributions	92,540	77		92,617	74,464
Investment income	114,509	46,268	205	160,982	179,179
Security sales and other	7,645	5,451	13	13,109	347,681
Total assets	61,692,266	18,914,286	110,565	80,717,117	71,560,604
LIABILITIES					
Payable for securities purchases	900,010	237,671	1,616	1,139,297	1,615,627
Member withdrawals, refunds and other payables	44,652	3,620	61	48,333	38,341
Collateral held for securities lending	12,642,256	4,219,515	22,739	16,884,510	13,994,062
Total liabilities	13,586,918	4,460,806	24,416	18,072,140	15,648,030
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Members' defined benefit plan benefits	48,105,348		86,149	48,191,497	43,440,054
Participants' defined contribution plan benefits		14,453,480		14,453,480	12,472,520
Total net assets held in trust for pension benefits	\$48,105,348	\$14,453,480	\$ 86,149	\$62,644,977	\$55,912,574

See accompanying Notes to Financial Statements

UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLANS' FIDUCIARY NET ASSETS

YEARS ENDED JUNE 30, 2007 AND 2006 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA RETIREMENT PLAN	UNIVERSITY OF CALIFORNIA RETIREMENT SAVINGS PLANS	UNIVERSITY OF CALIFORNIA PERS-VOLUNTARY EARLY RETIREMENT INCENTIVE PLAN	UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2007	2007	2007	2006
ADDITIONS (REDUCTIONS)					
Contributions:					
Participants		\$ 1,023,578		\$ 1,023,578	\$ 1,001,850
Members	\$ 1,406			1,406	1,746
Employer	23,934	13,050		36,984	20,666
Total contributions	25,340	1,036,628		1,061,968	1,024,262
Investment income (expense), net:					
Net appreciation in fair value of investments	6,616,576	1,234,233	\$ 13,066	7,863,875	2,140,449
Interest, dividends and other investment income	1,266,051	561,809	538	1,828,398	1,694,354
Securities lending income	741,547	172,925	441	914,913	590,520
Securities lending fees and rebates	(714,353)	(167,686)	(427)	(882,466)	(566,281)
Total investment income, net	7,909,821	1,801,281	13,618	9,724,720	3,859,042
Interest income from contributions receivable	6,119			6,119	6,506
Total additions	7,941,280	2,837,909	13,618	10,792,807	4,889,810
DEDUCTIONS					
Benefit payments:					
Retirement payments	1,066,342		5,291	1,071,633	935,894
Member withdrawals	89,829			89,829	70,865
Cost-of-living adjustments	193,751			193,751	176,181
Lump sum cashouts	292,556			292,556	193,999
Preretirement survivor payments	29,480			29,480	27,758
Disability payments	35,816			35,816	34,771
Death payments	7,008			7,008	6,580
Participant withdrawals		849,939		849,939	720,181
Total benefit payments	1,714,782	849,939	5,291	2,570,012	2,166,229
Expenses:					
Plan administration	37,801	7,010	8	44,819	40,409
Other	1,113			1,113	1,128
Total expenses	38,914	7,010	8	45,932	41,537
Transfer of assets to LANS' defined benefit plan	1,444,460			1,444,460	
Total deductions	3,198,156	856,949	5,299	4,060,404	2,207,766
Increase in net assets held in trust for pension benefits	4,743,124	1,980,960	8,319	6,732,403	2,682,044
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Beginning of year	43,362,224	12,472,520	77,830	55,912,574	53,230,530
End of year	\$ 48,105,348	\$ 14,453,480	\$ 86,149	\$ 62,644,977	\$ 55,912,574

See accompanying Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2007 AND 2006

ORGANIZATION

The University of California (the University) was founded in 1868 as a public, state-supported institution. The California State Constitution provides that the University shall be a public trust administered by the corporation, “The Regents of the University of California,” which is vested with full powers of organization and government, subject only to such legislative control necessary to ensure the security of its funds and compliance with certain statutory and administrative requirements. The majority of the 26-member independent governing board (The Regents) are appointed by the Governor and approved by the State Senate. Various University programs and capital outlay projects are funded through appropriations from the state’s annual Budget Act. The University’s financial statements are discretely presented in the state’s general purpose financial statements as a component unit.

FINANCIAL REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The University’s financial statements include the accounts of ten campuses, five medical centers, a statewide agricultural extension program and the operations of most student government or associated student organizations as part of the primary financial reporting entity because The Regents has certain fiduciary responsibilities for these organizations. In addition, the financial position and operating results of certain other legally separate organizations are included in the University’s financial reporting entity on a blended basis if The Regents is determined to be financially accountable for the organization. Organizations that are not significant or financially accountable to the University, such as booster and alumni organizations, are not included in the reporting entity. However, cash invested with the University by these organizations, along with the related liability, is included in the statement of net assets. The statement of revenues, expenses and changes in net assets excludes the activities associated with these organizations.

Specific assets and liabilities and all revenues and expenses associated with the Lawrence Berkeley National Laboratory (LBNL) and the Lawrence Livermore National Laboratory (LLNL)—two major United States Department of Energy (DOE) national laboratories operated and managed by the University under contracts directly with the DOE—are also included in the financial statements. In addition, the University is a member in a joint venture, Los Alamos National Security, LLC (LANS), that operates and manages the Los Alamos National Laboratory (LANL) under a contract directly with the DOE. The University has an ongoing financial interest and financial responsibility in the separate entity, along with the other members, and the organization is jointly controlled by the University and one member. Accordingly, assets and liabilities and revenues and expenses of the joint venture are not included in the University’s financial statements.

The University has ten legally separate, tax-exempt, affiliated campus foundations. The combined financial statements of the University of California campus foundations (campus foundations) are presented discretely in the University’s financial statements because of the nature and significance of their relationship with the University, including their ongoing financial support of the University. Campus foundations may invest all or a portion of their investments in University-managed investment pools. Securities in these investment pools are included in the University’s securities lending program. Accordingly, the campus foundations’ investments in University-managed investment pools and their allocated share of the securities lending activities have been excluded from the University’s financial statements and displayed in the campus foundations’ column.

The Regents has fiduciary responsibility for the University of California Retirement System (the UCRS) that includes two defined benefit plans, the University of California Retirement Plan (the UCRP) and the University of California Public Employees Retirement System (PERS) Voluntary Early Retirement Incentive Plan (the PERS-VERIP), and three defined contribution plans in the University of California Retirement Savings Program (the UCRSP), consisting of the Defined Contribution Plan (the DC Plan), the Tax Deferred 403(b) Plan (the 403(b) Plan) and the Tax Deferred 457(b) Plan (the 457(b) Plan). The UCRS statements of plans’ fiduciary net assets and changes in plans’ fiduciary net assets are also presented discretely in the University’s financial statements.

Significant Accounting Policies

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, including all applicable effective statements of the Governmental Accounting Standards Board (GASB) and all statements of the Financial Accounting Standards Board issued through November 30, 1989, using the economic resources measurement focus and the accrual basis of accounting.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, was adopted during the year ended June 30, 2007. Statement No. 48 establishes criteria to ascertain whether certain transactions should be recorded as sales or collateralized borrowings.

GASB Statement No. 50, *Pension Disclosures*, was also adopted during the year ended June 30, 2007. Statement No. 50 enhances information disclosed in notes to financial statements or presented as required supplementary information by employers who provide pension benefits.

The implementation of GASB Statement No. 48 and Statement No. 50 had no effect on the University's net assets or changes in net assets for the years ended June 30, 2007 or 2006.

The significant accounting policies of the University are as follows:

Cash and cash equivalents. The University and campus foundations consider all balances in demand deposit accounts to be cash. The University classifies all other highly liquid cash equivalents as short-term investments. Certain campus foundations classify their deposits in the University's Short Term Investment Pool as a cash equivalent.

Investments. Investments for the University and campus foundations are primarily recorded at fair value. Securities, including derivative investments, are valued at the last sale price on the last business day of the fiscal year, as quoted on a recognized exchange or an industry standard pricing service, when available. Securities for which no sale was reported as of the close of the last business day of the fiscal year are valued at the quoted bid price of a dealer who regularly trades in the security being valued. Interests in private equity and real estate partnerships are based upon valuations provided by the general partners of the respective partnerships as of March 31, adjusted for cash receipts, cash disbursements and securities distributions through June 30. Investments in absolute return partnerships are valued as of May 31, adjusted for cash receipts and cash disbursements through June 30. The University believes the carrying amount of these financial instruments is a reasonable estimate of fair value at June 30. Because the private equity, real estate and absolute return partnerships are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ significantly from the value that would be used had a ready market for such investments existed. Private equities include venture capital partnerships, buyout and international funds. Investments in registered investment companies are valued based upon the reported net asset value of those companies. Mortgage loans, held as investments, are valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments. Insurance contracts are valued at contract value, plus reinvested interest, which approximates fair value. Estimates of the fair value of interests in externally held irrevocable trusts where the University is the beneficiary of either the income or the remainder that will not become a permanent endowment upon distribution to the University are based upon the present value of the expected future income or, if available, the University's proportional interest in the fair value of the trust assets.

Investments denominated in foreign currencies are translated into U.S. dollar equivalents using year-end spot foreign currency exchange rates. Purchases and sales of investments and their related income are translated at the rate of exchange on the respective transaction dates. Realized and unrealized gains and losses resulting from foreign currency changes are included in the University's statement of revenues, expenses and changes in net assets.

Investment transactions are recorded on the date the securities are purchased or sold (trade date). Realized gains or losses are recorded as the difference between the proceeds from the sale and the average cost of the investment sold. Dividend income is recorded on the ex-dividend date and interest income is accrued as earned. Gifts of securities are recorded based on fair value at date of donation.

Participants' interest in external mutual funds. Participants in the University's defined contribution retirement plans may invest their contributions in, and transfer plan accumulations to, funds managed by the University's Chief Investment Officer or to external mutual funds on a custodial plan basis.

Accounts receivable. Accounts receivable include reimbursements due from state and federal sponsors of externally funded research, patient billings, accrued income on investments and other receivables. Other receivables include local government and private grants and contracts, educational activities and amounts due from students, employees and faculty for services.

Pledges receivable. Unconditional pledges of private gifts to the University or to the campus foundations in the future are recorded as pledges receivable and revenue in the year promised at the present value of expected cash flows. Conditional pledges, including all pledges of endowments and intentions to pledge, are recognized as receivables and revenues when the specified conditions are met.

Notes and mortgages receivable. Loans to students are provided from federal student loan programs and from other University sources. Home mortgage loans, primarily to faculty, are provided from the University's Short Term Investment Pool and from other University sources. Mortgage loans provided by the Short Term Investment Pool are classified as investments and loans provided by other sources are classified as mortgages receivable in the statement of net assets.

Inventories. Inventories, consisting primarily of supplies and merchandise for resale, are valued at cost, typically determined under the weighted average method, which is not in excess of net realizable value.

DOE National Laboratory Contracts. The University operates and manages LBNL and LLNL under contracts directly with the DOE. LANS operates and manages LANL under a contract directly with the DOE.

The University's statement of net assets includes LBNL and LLNL operating liabilities associated with vendor, employee-related and certain other costs, along with the corresponding receivable from the DOE to satisfy these liabilities. Other assets, such as cash, property and equipment and other liabilities of these laboratories are owned by the United States government rather than the University and, therefore, are not included in the statement of net assets.

The statement of revenues, expenses and changes in net assets includes the operational results from LBNL and LLNL. The statement of cash flows excludes the cash flows associated with LBNL and LLNL since all cash transactions are recorded in bank accounts owned by the DOE.

LANS is a joint venture between the University and industrial members. The University's investment in LANS is accounted for using the equity method. Under the equity method, the statement of net assets includes the University's equity interest in LANS, adjusted for the equity in undistributed earnings or losses. The statement of revenues, expenses and changes in net assets includes the University's equity in current earnings or losses of LANS.

Capital assets. Land, infrastructure, buildings and improvements, equipment, libraries and collections and special collections are recorded at cost at the date of acquisition, or estimated fair value at the date of donation in the case of gifts. Estimates of fair value involve assumptions and estimation methods that are uncertain and, therefore, the estimates could differ from actual results. Capital leases are recorded at the present value of future minimum lease payments. Significant additions, replacements, major repairs and renovations to infrastructure and buildings are generally capitalized if the cost exceeds \$35,000 and if they have a useful life of more than one year. Minor renovations are charged to operations. Equipment with a cost in excess of \$5,000 and a useful life of more than one year is capitalized. All costs of land, library collections and special collections are capitalized.

Depreciation is calculated using the straight-line method over the estimated economic life of the asset. Leasehold improvements are amortized using the straight-line method over the shorter of the life of the applicable lease or the economic life of the asset.

Estimated economic lives are generally as follows:

Infrastructure	25 years
Buildings and improvements	15–33 years
Equipment	2–20 years
Computer software	3–7 years
Library books and materials	15 years

Capital assets acquired through federal grants and contracts where the federal government retains a reversionary interest are also capitalized and depreciated.

Inexhaustible capital assets, such as land or special collections that are protected, preserved and held for public exhibition, education or research, including art, museum, scientific and rare book collections, are not depreciated.

Interest on borrowings to finance facilities is capitalized during construction, net of any investment income earned during the temporary investment of project related borrowings.

Deferred revenue. Deferred revenue primarily includes amounts received from grant and contract sponsors that have not been earned under the terms of the agreement and other revenue billed in advance of the event, such as student tuition and fees and fees for housing and dining services.

Funds held for others. Funds held for others result from the University or the campus foundations acting as an agent, or fiduciary, on behalf of organizations that are not significant or financially accountable to the University or campus foundations.

Federal refundable loans. Certain loans to students are administered by the University with funding primarily supported by the federal government. The University's statement of net assets includes both the notes receivable and the related federal refundable loan liability representing federal capital contributions owed upon termination of the program.

Obligations under life income agreements. Obligations under life income agreements represent actuarially-determined liabilities under gift annuity and life income contracts.

Net assets. Net assets are required to be classified for accounting and reporting purposes into the following categories:

Invested in capital assets, net of related debt. This category includes all of the University's capital assets, net of accumulated depreciation, reduced by outstanding debt attributable to the acquisition, construction or improvement of those assets.

Restricted. The University and campus foundations classify net assets resulting from transactions with purpose restrictions as restricted net assets until the specific resources are used for the required purpose or for as long as the provider requires the resources to remain intact.

Nonexpendable. Net assets subject to externally-imposed restrictions that must be retained in perpetuity by the University or the campus foundations are classified as nonexpendable net assets. Such assets include the University's permanent endowment funds.

Expendable. Net assets whose use by the University or the campus foundations is subject to externally-imposed restrictions that can be fulfilled by actions of the University or campus foundations pursuant to those restrictions or that expire by the passage of time are classified as expendable net assets.

Unrestricted. Net assets that are neither restricted nor invested in capital assets, net of related debt, are classified as unrestricted net assets. The University's unrestricted net assets may be designated for specific purposes by management or The Regents. The campus foundations' unrestricted net assets may be designated for specific purposes by their Boards of Trustees. Substantially all of the University's unrestricted net assets are allocated for academic and research initiatives or programs, for capital programs or for other purposes.

Expenses are charged to either restricted or unrestricted net assets based upon a variety of factors, including consideration of prior and future revenue sources, the type of expense incurred, the University's budgetary policies surrounding the various revenue sources or whether the expense is a recurring cost.

Revenues and expenses. Operating revenues of the University include receipts from student tuition and fees, grants and contracts for specific operating activities and sales and services from medical centers, educational activities and auxiliary enterprises. Operating expenses incurred in conducting the programs and services of the University are presented in the statement of revenues, expenses and changes in net assets as operating activities. The University's equity in current earnings or losses of LANS is also an operating transaction.

Certain significant revenues relied upon and budgeted for fundamental operational support of the core instructional mission of the University are mandated by the GASB to be recorded as nonoperating revenues, including state educational appropriations, private gifts and investment income, since the GASB does not consider them to be related to the principal operating activities of the University.

Campus foundations are established to financially support the University. Private gifts to campus foundations are recognized as operating revenues since, in contrast to the University, such contributions are fundamental to the core mission of the campus foundations. Foundation grants to the University are recognized as operating expenses. Private gift or capital gift revenues associated with campus foundation grants to the University are recorded by the University as the gifts are made.

Nonoperating revenues and expenses include state educational appropriations (for the support of University operating expenses), state financing appropriations, private gifts for other than capital purposes, investment income, net unrealized appreciation or depreciation in the fair value of investments, interest expense and gain or loss on the disposal of capital assets.

State capital appropriations, capital gifts and grants and gifts for endowment purposes are classified as other changes in net assets.

Student tuition and fees. Substantially all of the student tuition and fees provide for current operations of the University. A small portion of the student fees, reported as capital gifts and grants, is required for debt service associated with student union and recreational centers. Certain waivers of student tuition and fees considered to be scholarship allowances are recorded as an offset to revenue.

State appropriations. The state of California provides appropriations to the University on an annual basis. State educational appropriations are recognized as nonoperating revenue; however, the related expenses are incurred to support either educational operations or other specific operating purposes. State financing appropriations provide for principal and interest payments associated with lease-purchase agreements with the State Public Works Board and are also reported as nonoperating revenue. State appropriations for capital projects are recorded as revenue under other changes in net assets when the related expenditures are incurred. Special state appropriations for AIDS, tobacco and breast cancer research are reported as grant revenue.

Grant and contract revenue. The University receives grant and contract revenue from governmental and private sources. The University recognizes revenue associated with the direct costs of sponsored programs as the related expenditures are incurred. Recovery of facilities and administrative costs of federally-sponsored programs is at cost reimbursement rates negotiated with the University's federal cognizant agency, the U.S. Department of Health and Human Services. For the year ended June 30, 2007, the facilities and administrative cost recovery totaled \$743.0 million, \$590.0 million from federally-sponsored programs and \$153.0 million from other sponsors. For the year ended June 30, 2006, the facilities and administrative cost recovery totaled \$711.7 million, \$575.8 million from federally-sponsored programs and \$135.9 million from other sponsors.

Medical center revenue. Medical center revenue is reported at the estimated net realizable amounts from patients and third-party payors, including Medicare, Medi-Cal and others for services rendered, as well as estimated retroactive adjustments under reimbursement agreements with third-party payors. Laws and regulations governing Medicare and Medi-Cal are complex and subject to interpretation. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. It is reasonably possible that estimated amounts accrued could change significantly based upon settlement, or as additional information becomes available.

Scholarship allowances. The University recognizes scholarship allowances, including both financial aid and fee waivers, as the difference between the stated charge for tuition and fees, housing and dining charges, recreational center fees, etc. and the amount that is paid by the student, as well as third parties making payments on behalf of the student. Payments of financial aid made directly to students are classified as scholarship and fellowship expenses.

Scholarship allowances in the following amounts are recorded as an offset to the following revenues for the years ended June 30, 2007 and 2006:

<i>(in thousands of dollars)</i>		
	2007	2006
Student tuition and fees	\$460,693	\$436,089
Auxiliary enterprises	119,102	108,972
Other operating revenues	7,279	7,781
Scholarship allowances	\$587,074	\$552,842

Compensated absences. The University accrues annual leave, including employer-related costs, for employees at rates based upon length of service and job classification and compensatory time based upon job classification and hours worked.

Endowment spending. Under provisions of California law, the Uniform Management of Institutional Funds Act allows for investment income, as well as a portion of realized and unrealized gains, to be expended for the operational requirements of University programs.

Interest rate swap agreements. The University has entered into interest rate swap agreements to limit the exposure of its variable rate debt to changes in market interest rates. Interest rate swap agreements involve the exchange with a counterparty of fixed and variable rate interest payments periodically over the life of the agreement without exchange of the underlying notional principal amounts. The differential to be paid or received is recognized over the life of the agreements as an adjustment to interest expense. The University's counterparties are major financial institutions.

In accordance with GASB standards, the fair value of the interest rate swap agreements is not reported in the University's statement of net assets and changes in fair value are not recognized in the statement of revenues, expenses and changes in net assets.

Tax exemption. The University and the campus foundations are qualified as tax-exempt organizations under the provisions of Section 501(c)(3) of the Internal Revenue Code and are exempt from federal and state income taxes on related income. The UCRS plans are qualified under Section 401(a) and the related trusts are tax exempt under Section 501(a) of the Internal Revenue Code.

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 expenditures during the reporting period. Although management believes the estimates and assumptions are reasonable, they are based upon information available at the time the estimate or judgment is made and actual amounts could differ from those estimates.

New accounting pronouncements. In August 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for the University's fiscal year beginning July 1, 2007. Statement No. 45 requires accrual-based measurement, recognition and disclosure of other postemployment benefits (OPEB) expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability, net of any plan assets. Currently, the University records retiree medical and dental costs as they are paid and does not recognize the liability in the financial statements. The University is currently evaluating the effect that Statement No. 45 will have on its financial statements. It is expected that the annual OPEB expense will range between \$1.35 billion and \$1.45 billion, and the transition liability at July 1, 2007 to be amortized over 30 years will range between \$11.70 billion and \$12.60 billion.

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, effective for the University's fiscal year beginning July 1, 2008. This Statement establishes criteria to ascertain whether certain events result in a requirement for the University to estimate the components of any expected pollution remediation costs and determine whether these costs should be accrued as a liability or, if appropriate, capitalized.

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective for the University's fiscal year beginning July 1, 2009. This Statement requires capitalization of identifiable intangible assets in the statement of net assets and provides guidance for amortization of intangible assets unless they are considered to have an indefinite useful life.

The University is evaluating the effect that Statements No. 49 and 51 will have on its financial statements.

1. CASH AND CASH EQUIVALENTS

The University maintains centralized management for substantially all of its cash. Accounts are authorized at financial institutions that maintain a minimum credit quality rating of A from an independent bond rating agency. Cash in demand deposit accounts is minimized by sweeping available cash balances into investment accounts on a daily basis.

At June 30, 2007 and 2006, the carrying amount of the University's demand deposits, held in nationally recognized banking institutions, was \$147.2 million and \$202.0 million, respectively, compared to bank balances of \$113.7 million and \$176.3 million, respectively. Deposits in transit are the primary difference. Bank balances of \$24.4 million and \$67.3 million at June 30, 2007 and 2006, respectively, are collateralized by U.S. government securities held in the name of the bank. The Federal Deposit Insurance Corporation (FDIC) insures the remaining uncollateralized bank balances for at least \$400 thousand for both years.

The University does not have a significant exposure to foreign currency risk in demand deposit accounts. Accounts held in foreign countries maintain minimum operating balances with the intent to reduce potential foreign exchange risk while providing an adequate level of liquidity to meet the obligations of the academic programs established abroad. The equivalent U.S. dollar balances required to support research groups and education abroad programs in foreign countries were \$1.1 million at June 30, 2007 and 2006.

The carrying amount of the campus foundations' cash and cash equivalents at June 30, 2007 and 2006 was \$161.5 million and \$126.0 million, respectively, compared to bank balances of \$101.3 million and \$88.9 million, respectively. Deposits in transit and cash awaiting investment are the primary differences. Included in bank balances are deposits in the University's Short Term Investment Pool of \$44.4 million and \$13.6 million at June 30, 2007 and 2006, respectively, with a portion of the remaining uncollateralized bank balances insured by the FDIC. The campus foundations do not have exposure to foreign currency risk in their cash and cash equivalents.

2. INVESTMENTS

The Regents, as the governing Board, is responsible for the oversight of the University's and the UCRS' investments and establishes investment policy, which is carried out by the Chief Investment Officer. These investments are associated with the Short Term Investment Pool (STIP), General Endowment Pool (GEP), UCRS, other investment pools managed by the Chief Investment Officer, or are separately invested. Pursuant to The Regents' policies on campus foundations, the Board of Trustees for each campus foundation may determine that all or a portion of their investments will be managed by the Chief Investment Officer. Asset allocation guidelines are provided to the campus foundations by the Investment Committee of The Regents.

The STIP allows participants to maximize the returns on their short-term cash balances by taking advantage of the economies of scale of investing in a large pool with a broad range of maturities. Cash to provide for payroll, construction expenditures and other operating expenses for campuses and medical centers is invested in the STIP. The available cash in the UCRS or endowment investment pools awaiting investment, or cash for administrative expenses, is also invested in the STIP.

Investments authorized by The Regents for the STIP include fixed income securities with a maximum maturity of five and one-half years. In addition, for the STIP, The Regents has also authorized loans, primarily to faculty members residing in California, under the University's Mortgage Origination Program with terms up to 40 years.

The GEP is an investment pool in which a large number of individual endowments participate in order to benefit from diversification and economies of scale. The GEP is a balanced portfolio and the primary investment vehicle for endowed gift funds.

Other investment pools primarily facilitate annuity and life income arrangements. Separate investments are those that cannot be pooled due to investment restrictions or income requirements, or represent the University's estimated interest in externally held irrevocable trusts.

Investments authorized by The Regents for the GEP, UCRS, other investment pools and separate investments include equity securities, fixed income securities and certain other asset classes. The equity portion of the investment portfolios include both domestic and foreign common and preferred stocks which may be included in actively or passively managed strategies, along with a modest exposure to private equities. The University's investment portfolios may include foreign currency denominated equity securities. The fixed income portion of the investment portfolios may include both domestic and foreign securities, along with certain securitized investments, including mortgage-backed and asset-backed securities. Fixed income investment guidelines permit the use of futures and options on fixed income instruments in the ongoing management of the portfolios. Derivative contracts are authorized for portfolio rebalancing in accordance with The Regents' asset allocation policy and as substitutes for physical securities. Real estate investments are authorized for both the GEP and the UCRS. Absolute return strategies, which may incorporate short sales, plus derivative positions to implement or hedge an investment position, are also authorized for the GEP. Where donor agreements place constraints on allowable investments, assets associated with endowments are invested in accordance with the terms of the agreements.

The Regents has also authorized certain employee contributions to defined contribution plans included as part of the UCRS' investments to be maintained in external mutual funds on a custodial plan basis. The participants' interest in external mutual funds is not managed by the Chief Investment Officer and totaled \$3.79 billion and \$3.02 billion at June 30, 2007 and 2006, respectively.

Campus foundations' investments in pools managed by the Chief Investment Officer are classified for investment type purposes as either commingled balanced funds or commingled money market funds in the campus foundations' column depending on whether they are invested in the GEP or STIP, respectively. Similarly, the UCRS' investment in the STIP is classified in the commingled money market category in the UCRS column.

The composition of investments, by investment type, at June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
Equity securities:						
Domestic	\$ 1,934,651	\$ 2,189,734	\$ 366,036	\$ 462,805	\$ 26,321,714	\$ 24,554,247
Foreign	1,330,630	1,155,743	124,746	118,678	8,999,241	7,985,900
Equity securities	3,265,281	3,345,477	490,782	581,483	35,320,955	32,540,147
Fixed or variable income securities:						
U.S. government guaranteed:						
U.S. Treasury bills, notes and bonds	1,379,320	1,497,513	132,579	83,863	1,182,113	1,703,950
U.S. Treasury strips	16,916	41,791			1,386,969	1,266,221
U.S. TIPS	404,913	243,672			3,095,649	2,841,164
U.S. government-backed securities	3,577	3,764	5,529	5,560	13,926	14,655
U.S. government-backed–asset-backed securities		3,098	15	21		5,141
U.S. government guaranteed	1,804,726	1,789,838	138,123	89,444	5,678,657	5,831,131
Other U.S. dollar denominated:						
Corporate bonds	2,620,866	1,869,577	47,703	58,191	2,985,787	2,443,103
Commercial paper	1,245,777	2,685,766			464,027	758,403
U.S. agencies	2,335,213	1,698,310	84,693	88,660	3,156,931	2,889,014
U.S. agencies–asset-backed securities	170,956	313,912	2,450	2,089	1,635,579	1,710,186
Corporate–asset-backed securities	92,603	123,151	10,868	2,452	1,078,925	722,671
Supranational/foreign	917,248	789,424	622	618	1,434,561	1,384,799
Other	205	536	815	1,211		5,930
Other U.S. dollar denominated	7,382,868	7,480,676	147,151	153,221	10,755,810	9,914,106
Foreign currency denominated:						
Government/sovereign	165,557				1,314,611	1,325,283
Corporate	6,405	6,437			83,729	68,809
Foreign currency denominated	171,962	6,437			1,398,340	1,394,092
Commingled funds:						
Absolute return funds	1,082,248	518,693	298,691	204,628		
Balanced funds			724,387	616,777		
U.S. equity funds	31,838		429,853	297,484	337,051	165,655
Non-U.S. equity funds	501,657	356,785	579,511	404,993	2,446,242	1,147,414
U.S. bond funds	36,887	34,800	207,542	195,062		
Non-U.S. bond funds			7,879	9,306		
Real estate investment trusts			16,074		31,948	
Money market funds	25,187	10,127	395,711	372,968	493,826	583,432
Commingled funds	1,677,817	920,405	2,659,648	2,101,218	3,309,067	1,896,501
Private equity	358,006	210,366	228,923	170,821	1,315,246	888,217
Mortgage loans	395,791	246,741	7,893	6,752		
Insurance contracts					745,468	712,681
Real estate	208,630	105,576	146,519	85,411	633,081	229,968
Equitized market neutral investments	54,642	49,607	5,796		528,843	459,476
Externally held irrevocable trusts	238,642	216,570	63,732	59,317		
Other investments	6,446	6,131	147,922	116,331		
Campus foundations' investments with the University	(1,130,817)	(938,304)				
UCRS investment in the STIP	(223,959)	(195,355)				
Total investments	14,210,035	13,244,165	4,036,489	3,363,998	\$59,685,467	\$53,866,319
Less: Current portion	(2,574,989)	(4,019,551)	(376,666)	(332,033)		
Noncurrent portion	\$11,635,046	\$ 9,224,614	\$3,659,823	\$3,031,965		

Investment Risk Factors

There are many factors that can affect the value of investments. Some, such as custodial credit risk, concentration of credit risk and foreign currency risk may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates.

Credit Risk

Fixed income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. These circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments. Certain fixed income securities, primarily obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Service (Moody's) or Standard and Poor's (S&P). The lower the rating, the greater the chance—in the rating agency's opinion—that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

The investment guidelines for the STIP recognize that a limited amount of credit risk, properly managed and monitored, is prudent and provides incremental risk adjusted return over its benchmark (the benchmark for the STIP, the two-year Treasury note, has no credit risk). No more than 5 percent of the total market value of the STIP portfolio may be invested in securities rated below investment grade (BB, Ba or lower). The average credit quality of the STIP must be A or better and commercial paper must be rated at least A-1, P-1 or F-1.

The University recognizes that credit risk is appropriate in balanced investment pools such as the UCRS and GEP by virtue of the benchmarks chosen for the fixed income portion of those pools. Those fixed income benchmarks, the Citigroup Large Pension Fund Index and Lehman Aggregate Index, respectively, are comprised of approximately 30 percent high grade corporate bonds and 30-35 percent mortgage/asset-backed securities, all of which carry some degree of credit risk. The remaining 35-40 percent are government-issued bonds. Credit risk in the UCRS and GEP is managed primarily by diversifying across issuers, and portfolio guidelines mandate that no more than 10 percent of the market value of fixed income securities may be invested in issues with credit rating below investment grade. Further, the weighted average credit rating must be A or higher.

In addition, the investment policy for both the UCRP and the GEP allows for dedicated allocations to non-investment grade and emerging market bonds, investment in which entails credit, default and/or sovereign risk.

The credit risk profile for fixed or variable income securities at June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
Fixed or variable income securities:						
U.S. government guaranteed	\$1,804,726	\$1,789,838	\$138,123	\$ 89,444	\$5,678,657	\$5,831,131
Other U.S. dollar denominated:						
AAA	2,944,380	2,329,189	98,623	96,239	5,950,651	5,420,532
AA	885,069	944,285	5,791	2,744	254,508	165,247
A	906,378	629,152	9,574	13,155	778,789	1,357,097
BBB	1,127,045	663,194	13,406	23,901	1,452,401	1,402,909
BB	144,042	87,307	8,723	9,724	918,892	895,223
B	127,643	1,912	97	5,162	932,309	253,499
CCC	559				4,233	34,506
CC						794
D						69,828
A-1 / P-1 / F-1	1,245,777	2,825,637			464,027	314,471
Not rated	1,975		10,937	2,296		
Foreign currency denominated:						
AAA						596,879
AA	165,557				1,314,611	669,442
A		6,437			25,824	127,675
BBB	2,566				25,527	
B	3,839				32,378	
Not rated						96
Commingled funds:						
U.S. bond funds: Not rated	36,887	34,800	207,542	195,062		
Non-U.S. bond funds: Not rated			7,879	9,306		
Money market funds: Not rated	25,187	10,127	395,711	372,968	493,826	583,432
Mortgage loans: Not rated	395,791	246,741	7,893	6,752		
Insurance contracts: Not rated					745,468	712,681

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned.

The University's and the UCRS' securities are registered in the University's name by the custodial bank as an agent for the University. Other types of investments represent ownership interests that do not exist in physical or book-entry form. As a result, custodial credit risk is remote.

Some of the investments at certain of the campus foundations are exposed to custodial credit risk. These investments may be uninsured, or not registered in the name of the campus foundation and held by a custodian.

Custodial credit risk exposure related to investments is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2007	2006
Equity securities:		
Domestic	\$173,916	\$200,454
Foreign	20,397	16,286
Fixed or variable income securities:		
U.S. government guaranteed:		
U.S. Treasury bills, notes and bonds	98,041	42,123
U.S. government-backed securities		1,782
Other U.S. dollar denominated:		
Corporate bonds		11,247
U.S. agencies	3,625	18,017
Corporate-asset-backed securities		467
Custodial credit risk exposure	\$295,979	\$290,376

Concentration of Credit Risk

Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments.

The U.S. and non-U.S. equity portions of the University and UCRS portfolios may be managed either passively or actively. For the portion managed passively, the concentration of individual securities is exactly equal to their concentration in the benchmark. While some securities have a larger representation in the benchmark than others, the University considers that passive management results in an absence of concentration of credit risk. For the portion managed actively, asset class guidelines do not specifically address concentration risk, but do state that the U.S. equity asset class, in the aggregate, will be appropriately diversified to control overall risk and will exhibit portfolio characteristics similar to the asset class benchmark (including concentration of credit risk). Concentration risk for individual portfolios is monitored relative to their individual benchmarks and agreed-upon risk parameters in their guidelines.

Investment guidelines addressing concentration of credit risk related to the investment-grade fixed income portion of the University and UCRS portfolios include a limit of no more than 3 percent of the portfolio's market value to be invested in any single issuer (except for securities issued by the U.S. government or its agencies). These same guidelines apply to the STIP. For high-yield and emerging market debt, the corresponding limit is 5 percent.

Each campus foundation may have its own individual investment policy designed to limit exposure to a concentration of credit risk.

Investments in issuers other than U.S. government guaranteed securities that represent 5 percent or more of total investments at June 30, 2007 and 2006 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2007	2006	2007	2006
Federal National Mortgage Association	\$ 1,292,560	\$ 1,151,309	\$67,061	\$53,686
Federal Home Loan Mortgage Association	1,226,887	805,423		
Vanguard S&P 500 Index Fund			30,215	25,064
Gryphon International EAFE Growth Fund			29,414	
Silchester International Value Equity Trust			28,947	
Dodge and Cox International Stock Fund			28,836	

Interest Rate Risk

Interest rate risk is the risk that the value of fixed income securities will decline because of changing interest rates. The prices of fixed income securities with a longer time to maturity, measured by effective duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter durations. Effective duration is the approximate change in price of a security resulting from a 100 basis point (1 percentage point) change in the level of interest rates. It is not a measure of time.

Interest rate risk for the STIP is managed by constraining the maturity of all individual securities to be less than five and one-half years. There is no restriction on weighted average maturity of the portfolio as it is managed relative to the liquidity demands of the investors. The nature and maturity of individual securities in the STIP allow for the use of weighted average maturity as an effective risk management tool, rather than the more complex measure, effective duration.

Portfolio guidelines for the fixed income portion of the UCRS and GEP limit weighted average effective duration to the effective duration of the benchmarks (Citigroup Large Pension Fund Index and Lehman Aggregate Index, respectively), plus or minus 20 percent. This constrains the potential price movement due to interest rate changes of the portfolio to be similar to that of the benchmark. There are similar restrictions for the high-yield and emerging market debt portfolios relative to their benchmarks.

The effective durations for fixed or variable income securities at June 30, 2007 and 2006 are as follows:

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
Fixed or variable income securities:						
U.S. government guaranteed:						
U.S. Treasury bills, notes and bonds	1.6	2.5	4.4	3.2	1.2	2.6
U.S. Treasury strips	13.6	10.8			12.3	12.4
U.S. TIPS	5.4	5.1			5.4	5.1
U.S. government-backed securities	6.3	6.6	3.6	3.9	6.3	6.6
U.S. government-backed–asset-backed securities		5.1	3.3	3.2		4.6
Other U.S. dollar denominated:						
Corporate bonds	2.3	2.4	4.4	5.1	7.1	7.6
Commercial paper	0.0	0.0			0.0	0.0
U.S. agencies	1.3	1.1	2.6	2.8	1.7	1.9
U.S. agencies–asset-backed securities	5.3	4.6	3.9	3.6	5.3	4.6
Corporate–asset-backed securities	1.7	8.4	0.6	1.3	1.8	9.4
Supranational / foreign	2.5	2.0	1.0	1.8	7.0	6.8
Other	0.9	8.8	3.0	2.0		13.5
Foreign currency denominated:						
Government/sovereign	6.3				6.3	6.2
Corporate	12.4	27.1			10.0	12.7
Commingled funds:						
U.S. bond funds	4.7	4.8	4.9	5.0		
Non-U.S. bond funds			5.7	5.9		
Money market funds	0.0	0.0	1.2	1.1	1.2	1.1
Mortgage loans	0.0	0.0		0.0		
Insurance contracts					0.0	0.0

The University considers the effective durations for commercial paper, mortgage loans, insurance contracts and money market funds, with the exception of the STIP, to be zero. The terms of the mortgage loans include variable interest rates, insurance contracts can be liquidated without loss of principal and money market funds have a constant \$1 share value due to the short-term, liquid nature of the underlying securities.

Investments may also include various mortgage-backed securities, collateralized mortgage obligations, structured notes, variable-rate securities, callable bonds and convertible bonds that may be considered to be highly sensitive to changes in interest rates due to the existence of prepayment or conversion features, although the effective durations of these securities may be low.

At June 30, 2007 and 2006, the fair values of such investments are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
Mortgage-backed securities	\$ 263,559	\$ 372,010	\$ 69,504	\$ 72,678	\$ 2,660,065	\$ 1,922,793
Collateralized mortgage obligations		68,151	12,185	13,618	54,439	515,205
Other asset-backed securities			10,868	2,409		
Variable-rate securities	566,833				30,898	
Callable bonds	1,992,692	736,511	798	1,095	2,432,952	715,613
Total	\$2,823,084	\$1,176,672	\$93,355	\$89,800	\$5,178,354	\$3,153,611

Mortgage-Backed Securities. These securities are issued primarily by the Federal National Mortgage Association (Fannie Mae), Government National Mortgage Association (Ginnie Mae) and Federal Home Loan Mortgage Association (Freddie Mac) and include short embedded prepayment options. Unanticipated prepayments by the obligees of the underlying asset reduce the total expected rate of return.

Collateralized Mortgage Obligations. Collateralized mortgage obligations (CMOs) generate a return based upon either the payment of interest or principal on mortgages in an underlying pool. The relationship between interest rates and prepayments makes the fair value highly sensitive to changes in interest rates. In falling interest rate environments, the underlying mortgages are subject to a higher propensity of prepayments. In a rising interest rate environment, the opposite is true.

Other Asset-Backed Securities. Other asset-backed securities also generate a return based upon either the payment of interest or principal on obligations in an underlying pool, generally associated with auto loans or credit cards. As with CMOs, the relationship between interest rates and prepayments makes the fair value highly sensitive to changes in interest rates.

Variable-Rate Securities. These securities are investments with terms that provide for the adjustment of their interest rates on set dates and are expected to have fair values that will be relatively unaffected by interest rate changes. Variable-rate securities may have limits on how high or low the interest rate may change. These constraints may affect the market value of the security.

Callable Bonds. Although bonds are issued with clearly defined maturities, an issuer may be able to redeem, or call, a bond earlier than its maturity date. The University must then replace the called bond with a bond that may have a lower yield than the original. The call feature causes the fair value to be highly sensitive to changes in interest rates.

At June 30, 2007 and 2006, the effective durations for these securities are as follows:

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
Mortgage-backed securities	4.0	6.1	2.7	2.8	3.9	7.7
Collateralized mortgage obligations		3.5	1.9	2.3	5.9	3.8
Other asset-backed securities			0.7	1.3		
Variable-rate securities	0.5				2.6	
Callable bonds	1.7	1.5	4.6	4.2	3.0	3.7

Foreign Currency Risk

The University's strategic asset allocation policy for the UCRS and GEP include allocations to non-U.S. equities and non-dollar denominated bonds. The benchmarks for these investments are not hedged, therefore foreign currency risk is an essential part of the investment strategies. Portfolio guidelines for U.S. investment-grade fixed income securities also allow exposure to non-U.S. dollar denominated bonds up to 10 percent of the total portfolio market value. Exposure to foreign currency risk from these securities is permitted and it may be fully or partially hedged using forward foreign currency exchange contracts. Under the University's investment policies, such instruments are not permitted for speculative use or to create leverage. Similar limits on foreign exchange exposure apply to the high-yield debt and emerging market debt portfolios (10 percent and 20 percent, respectively).

At June 30, 2007 and 2006, the foreign currency risk expressed in U.S. dollars, organized by currency denomination and investment type, is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
Equity securities						
Euro	\$ 463,157	\$ 367,499	\$ 30,296	\$ 30,672	\$ 3,074,584	\$ 2,487,647
British Pound	285,180	263,801	23,012	25,882	1,916,670	1,801,308
Japanese Yen	245,627	246,175	25,421	25,662	1,700,580	1,749,324
Swiss Franc	96,028	82,850	10,169	8,353	612,655	546,206
Canadian Dollar	70,258	61,319	2,895	2,673	547,320	494,698
Australian Dollar	63,433	50,169	2,736	2,391	461,674	365,805
Swedish Krona	28,604	19,900		1,020	200,654	150,954
Hong Kong Dollar	30,466	27,562	3,947	4,640	183,220	162,195
Singapore Dollar	14,905	11,519	1,201	1,731	96,989	72,992
Norwegian Krone	11,280	8,819	845	396	80,199	61,473
Danish Krone	8,502	6,359	1,007	941	62,915	48,244
South Korean Won	4,826	3,872	1,434	1,311	20,452	16,043
New Zealand Dollar	2,637	1,266			17,062	9,813
South African Rand	1,677	2,085		343	7,105	8,639
Thai Baht	2,017	1,431	533		8,547	5,931
Other	2,033	1,117	21,250	12,663	8,615	4,628
Subtotal	1,330,630	1,155,743	124,746	118,678	8,999,241	7,985,900
Fixed income securities:						
Euro	88,094				701,342	657,968
Japanese Yen	56,438				448,145	485,715
British Pound	12,609				100,204	91,941
Canadian Dollar	6,759	6,437			84,637	100,857
Polish Zloty	1,683				13,362	8,327
Danish Krone	1,528				12,132	11,857
Swiss Franc	1,499				11,904	11,479
Swedish Krona	1,467				11,646	13,523
Australian Dollar	713				5,660	4,948
Singapore Dollar	627				4,977	4,232
Norwegian Krone	545				4,331	3,245
Subtotal	171,962	6,437			1,398,340	1,394,092
Commingled funds:						
Various currency denominations:						
Balanced funds			198,684	146,160		
Non-U.S. equity funds	501,657	356,785	523,261	362,304	2,446,242	1,147,414
Non-U.S. bond funds			2,999	5,742		
Real estate investment trusts			3,391			
Subtotal	501,657	356,785	728,335	514,206	2,446,242	1,147,414
Total exposure to foreign currency risk	\$2,004,249	\$1,518,965	\$853,081	\$632,884	\$12,843,823	\$10,527,406

Futures, Forward Contracts, Options and Swaps

The University may include futures, forward contracts, options and swap contracts in its investment portfolios. The Board of Trustees for each campus foundation may also authorize these contracts in its investment policy.

The University enters into futures contracts for the purpose of acting as a substitute for investment in equity and fixed income securities. A futures contract is an agreement between two parties to buy and sell a security or financial index, interest rate or foreign currency at a set price on a future date. They are standardized contracts that can be easily bought and sold and are exchange-traded. Upon entering into such a contract, the University is required to pledge to the broker an amount of cash or securities equal to the minimum initial margin requirements of the exchange on which the contract is traded. Pursuant to the contract, the University agrees to receive from, or pay to, the counterparty an amount of cash equal to the daily fluctuation in the value of the contract. Since these contracts are settled on a daily basis, with the resulting realized gain or loss included in the statement of revenues, expenses and changes in net assets, there is no fair value for these contracts at the end of the year included in the statement of net assets. Forward contracts are similar to futures, except they are custom contracts and are not exchange-traded. They are the primary instrument used in currency management.

An option contract gives the University the right, but not the obligation, to buy or sell a specified security or index at a fixed price during a specified period for a nonrefundable fee (the "premium"). The maximum loss to the University is limited to the premium originally paid for covered options. The University records premiums paid for the purchase of these options in the statement of net assets as an investment which is subsequently adjusted to reflect the fair value of the options, with unrealized gains and losses included in the statement of revenues, expenses and changes in net assets. Neither the University nor the UCRS held any option contracts at June 30, 2007 or June 30, 2006.

A swap is a contractual agreement entered into between the University and a counterparty under which each agrees to exchange periodic fixed or variable payments for an agreed period of time based upon a notional amount of principal or value of the underlying contract. The payments correspond to an equity index, interest rate or currency. The University records interest rate swaps entered into for investment purposes at fair value, with unrealized gains and losses included in the statement of revenues, expenses and changes in net assets. Neither the University nor the UCRS held any interest rate swap contracts at June 30, 2007 or June 30, 2006.

The University could be exposed to risk if the counterparty to the contracts was unable to meet the terms of the contracts. Counterparty credit risk is limited to a receivable due to the variation margin in futures contracts, or to the ability of the counterparty to meet the terms of an option contract that the University may exercise. Either risk is remote for exchange-traded contracts. Additional risk may arise from futures contracts traded in non-U.S. markets as the foreign futures contracts are cleared on, and subject to, the rules of foreign boards of trade. In addition, funds provided for foreign futures contracts may not be afforded the same protection as funds received in respect of U.S. transactions. The University seeks to control counterparty credit risk in all derivative contracts that are not exchange-traded through counterparty credit evaluations and approvals, counterparty credit limits and exposure monitoring procedures undertaken by the Chief Investment Officer.

The University's Investment Pools

The composition of the University of California's investments at June 30, 2007, by investment pool, is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA			TOTAL
	STIP	GEP	OTHER	
Equity securities:				
Domestic		\$ 1,831,790	\$ 102,861	\$ 1,934,651
Foreign		1,310,021	20,609	1,330,630
Fixed or variable income securities:				
U.S. government guaranteed	\$ 1,293,841	467,816	43,069	1,804,726
Other U.S. dollar denominated	6,528,051	791,706	63,111	7,382,868
Foreign currency denominated		171,962		171,962
Commingled funds		1,608,845	68,972	1,677,817
Private equity		350,991	7,015	358,006
Mortgage loans	395,579		212	395,791
Real estate		194,548	14,082	208,630
Externally held irrevocable trusts			238,642	238,642
Equitized market neutral investments		54,642		54,642
Other investments			6,446	6,446
Subtotal	8,217,471	6,782,321	565,019	15,564,811
Campus foundations' investments with the University	(415,116)	(606,513)	(109,188)	(1,130,817)
UCRS investment in the STIP	(223,959)			(223,959)
Total investments	\$7,578,396	\$ 6,175,808	\$455,831	\$ 14,210,035

The total investment return based upon unit values, representing the combined income plus net appreciation or depreciation in the fair value of investments, for the year ended June 30, 2007 was 19.8 percent for the GEP and 17.7 percent for the UCRS. The investment return for the STIP distributed to participants, representing combined income and realized gains or losses, during the same period, was 4.7 percent. Other investments consist of numerous, small portfolios of investments, or individual securities, each with its individual rate of return.

Related Party Relationships with the University

The UCRS and campus foundations may invest available cash in the STIP. Shares are purchased or redeemed in the STIP at a constant value of \$1 per share. Actual income earned, including any realized gains or losses on the sale of the STIP investments, is allocated to the UCRS and campus foundations based upon the number of shares held. Unrealized gains and losses associated with the fluctuation in the fair value of investments included in the STIP are recorded by the University of California as the manager of the pool.

The campus foundations may purchase or redeem shares in the GEP or other investment pools at the unitized value of the portfolio at the time of purchase or redemption. Actual income earned is allocated to the campus foundations based upon the number of shares held.

Campus Foundations

Campus foundations' cash and cash equivalents and investments that are invested with the University and managed by the Chief Investment Officer are excluded from the University's statement of net assets and included in the campus foundations' statement of net assets. Under the accounting policies elected by each separate foundation, certain foundations classify all or a portion of their investment in the STIP as cash and cash equivalents, rather than investments. Substantially all of the campus foundations' investments managed by the Chief Investment Officer are categorized as commingled funds by the campus foundations in the composition of investments.

The fair value of the campus foundations' cash and cash equivalents and investments that are invested with the University, by investment pool, at June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	2007	2006
STIP	\$ 415,116	\$ 356,862
GEP	606,513	510,446
Other investment pools	109,188	70,996
Campus foundations' investments with the University	1,130,817	938,304
Classified as cash and cash equivalents by campus foundations	(44,416)	(13,626)
Classified as investments by campus foundations	\$1,086,401	\$924,678

Endowment investment income in the University's statement of revenues, expenses and changes in net assets is net of income earned by, and distributed to, the campus foundations totaling \$33.9 million and \$27.7 million for the years ending June 30, 2007 and 2006, respectively.

The UCRS

The UCRS had \$224.0 million and \$195.4 million invested in the STIP at June 30, 2007 and 2006, respectively. These investments are also excluded from the University's statement of net assets and are included in the UCRS' statement of plans' fiduciary net assets and categorized as commingled funds in the composition of investments. The STIP investment income in the University's statement of revenues, expenses and changes in net assets is net of income earned by, and distributed to, the UCRS totaling \$6.6 million and \$15.1 million for the years ended June 30, 2007 and 2006, respectively.

Agency Relationships with the University

The STIP and GEP are external investment pools and include investments on behalf of external organizations that are associated with the University, although not significant or financially accountable to the University. These organizations are not required to invest in these pools. As with the UCRS and campus foundations, participants purchase or redeem shares in the STIP at a constant value of \$1 per share and purchase or redeem shares in the GEP at the unitized value of the portfolio at the time of purchase or redemption. Actual income earned is allocated to participants based upon the number of shares held.

The fair value of these investments in each investment pool and the related liability associated with these organizations that are included in the University's statement of net assets at June 30, 2007 and 2006 are as follows:

(in thousands of dollars)

	2007	2006
Short-term investments:		
STIP	\$ 101,122	\$ 101,482
GEP	152,781	129,221
Other investment pools	23,042	22,059
Total agency assets	\$276,945	\$252,762
 Funds held for others	 \$276,945	 \$252,762

The composition of the net assets at June 30, 2007 and 2006 for the STIP and GEP is as follows:

(in thousands of dollars)

	STIP		GEP	
	2007	2006	2007	2006
Investments	\$ 8,217,471	\$ 7,976,070	\$ 6,782,321	\$ 5,900,570
Investment of cash collateral	3,452,672	2,438,128	1,352,127	1,199,512
Securities lending collateral	(3,452,720)	(2,438,479)	(1,352,193)	(1,199,629)
Other assets (liabilities), net	154,211	211,170	(28,898)	(235,676)
Net assets	\$8,371,634	\$8,186,889	\$6,753,357	\$5,664,777

The changes in net assets for the STIP and GEP for the years ending June 30, 2007 and 2006 are as follows:

(in thousands of dollars)

	STIP		GEP	
	2007	2006	2007	2006
Net assets, beginning of year	\$ 8,186,889	\$ 7,923,839	\$ 5,664,777	\$ 5,153,774
Investment income	390,815	346,615	167,916	135,263
Net appreciation (depreciation) in fair value of investments	56,586	(112,104)	891,003	401,586
Participant contributions (withdrawals), net	(262,656)	28,539	29,661	(25,846)
Net assets, end of year	\$8,371,634	\$8,186,889	\$6,753,357	\$5,664,777

3. SECURITIES LENDING

The University and the UCRS jointly participate in a securities lending program as a means to augment income. Campus foundations' cash and cash equivalents and investments that are invested with the University and managed by the Chief Investment Officer are included in the University's investment pools that participate in a securities lending program. The campus foundations' allocated share of the program's cash collateral received, investment of cash collateral and collateral held for securities lending is determined based upon their equity in the investment pools. The Board of Trustees for each campus foundation may also authorize participation in a direct securities lending program.

Securities are lent to selected brokerage firms for which collateral received equals or exceeds the fair value of such investments during the period of the loan. Securities loans immediately terminate upon notice by either the University or the borrower. Collateral may be cash or securities issued by the U.S. government or its agencies, or the sovereign or provincial debt of foreign countries. Collateral securities cannot be pledged or sold by the University unless the borrower defaults.

Loans of domestic equities and all fixed income securities are initially collateralized at 102 percent of the fair value of securities lent. Loans of foreign equities are initially collateralized at 105 percent. All borrowers are required to provide additional collateral by the next business day if the value of the collateral falls to less than 100 percent of the fair value of securities lent.

Cash collateral received from the borrower is invested by lending agents, as agents for the University, in investment pools in the name of the University, with guidelines approved by the University. These investments are shown as investment of cash collateral in the statement of net assets. At June 30, 2007 and 2006, the securities in these pools had a weighted average maturity of 62 and 34 days, respectively. The University records a liability for the return of the cash collateral shown as collateral held for securities lending in the statement of net assets. Securities collateral received from the borrower is held in investment pools by the University's custodial bank.

At June 30, 2007, the University had no exposure to borrowers because the amounts the University owed the borrowers exceeded the amounts the borrowers owed the University. The University is fully indemnified by its lending agents against any losses incurred as a result of borrower default.

The composition of the securities lending programs at June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
SECURITIES LENT						
<i>For cash collateral:</i>						
Equity securities:						
Domestic	\$ 440,475	\$ 383,934	\$ 45,812	\$ 49,531	\$ 5,234,310	\$ 4,108,073
Foreign	350,787	283,707			2,377,126	1,929,957
Fixed income securities:						
U.S. government guaranteed	1,680,926	1,628,894			5,131,402	5,125,299
Other U.S. dollar denominated	2,298,331	1,318,482			3,370,627	2,535,427
Foreign currency denominated					354,387	
Campus foundations' share	(319,553)	(230,088)	319,553	230,088		
Lent for cash collateral	4,450,966	3,384,929	365,365	279,619	16,467,852	13,698,756
<i>For securities collateral:</i>						
Equity securities:						
Domestic	8,058	1,271		447	124,118	15,942
Foreign	23,988	14,785			116,892	75,523
Fixed income securities:						
U.S. government guaranteed	103,125	111,409			274,306	421,856
Other U.S. dollar denominated	9,377	2,155			595	9,479
Foreign currency denominated					7,431	
Lent for securities collateral	144,548	129,620		447	523,342	522,800
Total securities lent	\$4,595,514	\$3,514,549	\$365,365	\$280,066	\$16,991,194	\$14,221,556
COLLATERAL RECEIVED						
Cash	\$ 4,873,507	\$ 3,685,888	\$ 47,600	\$ 50,372	\$ 16,884,510	\$ 13,994,062
Campus foundations' share	(319,553)	(230,088)	319,553	230,088		
Total cash collateral received	4,553,954	3,455,800	367,153	280,460	16,884,510	13,994,062
Securities	166,633	137,473		425	615,356	551,463
Total collateral received	\$4,720,587	\$3,593,273	\$367,153	\$280,885	\$17,499,866	\$14,545,525
INVESTMENT OF CASH COLLATERAL						
Fixed income securities:						
Other U.S. dollar denominated:						
Corporate bonds	\$ 739,151	\$ 725,048	\$ 11,583	\$ 10,000	\$ 2,589,606	\$ 2,686,754
Commercial paper	1,095,415	310,425			3,265,950	1,050,545
Repurchase agreements	987,675	1,550,221	175	8,032	4,656,318	6,429,468
Corporate-asset-backed securities	712,550	464,674	3,226	9,347	2,368,214	1,680,586
Certificates of deposit/time deposits	822,400	526,415	24,074	9,995	2,451,964	1,781,506
Supranational/foreign	502,293	119,272			1,497,572	403,643
Other			8,542	12,998		
Commingled funds-money market funds	2,754	173			26,810	1,656
Other assets (liabilities), net	11,154	(10,816)			27,373	(41,573)
Campus foundations' share	(319,553)	(230,088)	319,553	230,088		
Investment of cash collateral	4,553,839	3,455,324	367,153	280,460	\$16,883,807	\$13,992,585
Less: Current portion	(3,042,293)	(2,227,050)	(261,084)	(198,670)		
Noncurrent portion	\$1,511,546	\$1,228,274	\$106,069	\$ 81,790		

The University earns interest and dividends on the collateral held during the loan period, as well as a fee from the brokerage firm, and is obligated to pay a fee and rebate to the borrower. The University receives the net investment income. The securities lending income and fees and rebates for the years ended June 30, 2007 and 2006 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
Securities lending income	\$ 193,341	\$ 136,239	\$ 17,074	\$ 10,823	\$ 914,913	\$ 590,520
Securities lending fees and rebates	(187,003)	(130,863)	(16,509)	(10,388)	(882,466)	(566,281)
Securities lending investment income, net	\$ 6,338	\$ 5,376	\$ 565	\$ 435	\$ 32,447	\$ 24,239

Investment Risk Factors

There are a variety of potential risk factors involved in a securities lending program. Risks associated with the investment of cash collateral may include the credit risk from fixed income securities, concentration of credit risk, interest rate risk and foreign currency risk. In addition, there may be custodial credit risk associated with both cash and securities received as collateral for securities lent.

The University and the UCRS investment policies and other information related to each of these risks are summarized below. Campus foundations that participate in a securities lending program may have their own individual investment policies designed to limit the same risks.

Credit Risk

The University's and the UCRS' investment policies for the investment of cash collateral maintained in separately managed collateral pools restrict the credit rating of issuers to no less than A-1, P-1 or F-1 for short term securities and no less than A2/A for long term securities. Asset-backed securities must have a rating of AAA.

The credit risk profile for fixed or variable income securities associated with the investment of cash collateral at June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
Fixed or variable income securities:						
Other U.S. dollar denominated:						
AAA	\$ 745,939	\$ 621,457	\$ 8,270	\$ 10,347	\$2,543,895	\$2,211,164
AA	88,165	196,140	23,085	20,496	324,384	723,687
AA-	137,924	279,403			430,222	945,562
A+	429,445	296,975			1,409,690	1,005,019
A	61,685	53,115	16,070	11,497	241,678	352,867
BBB	6,122				60,359	
A1+	1,811,075	1,350,568			5,399,672	4,570,433
A-1 / P-1 / F-1	1,473,965	897,469			5,382,957	3,558,171
Not rated	105,164	928	175	8,032	1,036,767	665,599
Commingled funds:						
Money market funds: Not rated	2,754	173			26,810	1,656
Other assets (liabilities), net: Not rated	11,154	(10,816)			27,373	(41,573)
Campus foundations' share	(319,553)	(230,088)	319,553	230,088		

Custodial Credit Risk

Cash collateral received for securities lent is invested in pools by the University's lending agents. The University of California and the UCRS securities related to the investment of cash collateral are registered in the University's name by the lending agents. Securities collateral received for securities lent are held in investment pools by the University's lending agents. As a result, custodial credit risk is remote.

Concentration of Credit Risk

The University's and the UCRS' investment policy with respect to the concentration of credit risk associated with the investment of cash collateral in the separately managed collateral pools restrict investments in any single issuer of corporate debt securities, time deposits, certificates of deposit, bankers acceptances and money market funds to no more than 5 percent of the portfolio value. The campus foundation that directly participates in a securities lending program does not have a specific investment policy related to concentration of credit risk, although the lending agreement with the agent establishes restrictions for the type of investments and minimum credit ratings.

Investments in issuers other than U.S. government guaranteed securities that represent 5 percent or more of the total investment of cash collateral at June 30, 2007 and 2006 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
Goldman Sachs		\$ 285,652				\$1,339,348
Deutsche Bank Securities		244,057	\$ 3,009			825,943
JP Morgan Chase		235,992				798,648
Lehman Brothers		214,405				725,595
Salomon Brothers		188,175				
Fortis		182,473				
U.S. Bancorp		173,799				
Bank of America	\$ 236,973	173,091				
Morgan Stanley				\$ 8,056		
General Electric Capital Corporation			3,039			
Nordea Bank			3,011			
Bank of Ireland			3,008			
Calyon (CIB)			3,007			
Campus foundations' share	(15,539)	(105,791)	15,539	105,791		

Interest Rate Risk

The nature of individual securities in the collateral pools allows for the use of weighted average maturity as an effective risk management measure. The University's and the UCRS' investment policy with respect to the interest rate risk associated with the investment of cash collateral in the separately managed collateral pools requires the weighted average maturity of the entire collateral pool to be less than 120 days. The maturity of securities issued by the U.S. government and asset-backed securities must be less than five years, corporate debt obligations must be less than two years and time deposits must be less than 190 days. Floating rate debt may be used, but it is limited to 65 percent of the market value of the portfolio.

The weighted average maturity expressed in days for fixed or variable income securities associated with the investment of cash collateral at June 30, 2007 and 2006 is as follows:

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
Fixed or variable income securities:						
Other U.S. dollar denominated:						
Corporate bonds	53	43	25	44	75	43
Commercial paper	141	149			141	149
Repurchase agreements	3	3	2	3	2	3
Corporate-asset-backed securities	39	16	25	25	67	16
Certificates of deposit/time deposits	84	62	15	13	84	62
Supranational/foreign	60	34			60	34
Other			32	17		
Commingled funds:						
Money market funds	2	3			2	3

Investment of cash collateral may include various asset-backed securities, structured notes and variable-rate securities that may be considered to be highly sensitive to changes in interest rates due to the existence of prepayment or conversion features, although the weighted average maturity may be short.

At June 30, 2007 and 2006, the fair value of investments that are considered to be highly sensitive to changes in interest rates is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2007	2006	2007	2006	2007	2006
Other asset-backed securities	\$ 712,546	\$ 464,674	\$ 3,226	\$ 9,347	\$ 2,368,218	\$ 1,680,586
Variable-rate investments	826,951	892,115			2,723,356	3,246,290
Campus foundations' share	(100,946)	(84,551)	100,946	84,551		
Total	\$1,438,551	\$1,272,238	\$104,172	\$93,898	\$5,091,574	\$4,926,876

At June 30, 2007 and 2006, the weighted average maturity expressed in days for asset-backed securities was 56 days and 16 days, respectively, and for variable-rate investments was 26 days and 40 days, respectively.

Foreign Currency Risk

The University's and the UCRS' investment policy with respect to the foreign currency risk associated with the investment of cash collateral maintained in separate collateral pools restricts investments to U.S. dollar denominated securities. Therefore, there is no foreign currency risk.

4. INVESTMENTS HELD BY TRUSTEES

The University has entered into agreements with trustees to maintain trusts for the University's self-insurance programs, long-term debt requirements, capital projects and certain other requirements. In addition, the state of California retains on deposit certain proceeds from the sale of lease-revenue bonds to be used for capital projects. The combined fair value of all of the investments and deposits held by trustees was \$793.7 million and \$759.7 million at June 30, 2007 and 2006, respectively.

Self-Insurance Programs

Investments held by trustees for self-insurance programs include separate trusts for the workers' compensation and professional medical and hospital liability programs. Securities are held by the trustee in the name of the University. The trust agreements permit the trustee to invest in U.S. and state government or agency obligations, corporate debt securities, commercial paper or certificates of deposit.

The composition of cash and investments and effective duration associated with fixed income securities for self-insurance programs at June 30, 2007 and 2006, respectively, is as follows:

(in thousands of dollars)

	INVESTMENTS AT FAIR VALUE		EFFECTIVE DURATION	
	2007	2006	2007	2006
Cash	\$ 2,371	\$ 1,956	0.0	0.0
U.S. government guaranteed:				
U.S. Treasury bills, notes and bonds				
U.S. government-backed-asset-backed securities	35,609	38,184	3.6	3.7
Other U.S. dollar denominated:				
Corporate-asset-backed securities	86,031	62,763	1.7	2.2
U.S. agencies-asset-backed securities	404,541	373,228	3.4	3.5
Commingled funds-money market funds	6,704	20,133	0.0	0.0
Total	\$535,256	\$496,264		

Asset-backed securities, generally collateralized mortgage obligations, with underlying government agency collateral or credit ratings ranging from A to AAA, are utilized within the investment constraints in order to enhance investment returns over other high-grade fixed income asset classes.

Long-Term Debt

Investments held by trustees for future payment of principal and interest in accordance with various indenture and other long-term debt requirements totaled \$89.4 million and \$96.0 million at June 30, 2007 and 2006, respectively.

The state financing appropriations to the University are deposited in commingled U.S. bond funds managed by the State of California Treasurer's Office, as trustee, and used to satisfy the annual lease requirements under lease-purchase agreements with the state. The fair value of these deposits was \$77.0 million and \$80.8 million at June 30, 2007 and 2006, respectively.

In addition, other securities held by trustees are held in the name of the University. These trust agreements permit trustees to invest in U.S. and state government or agency obligations, commercial paper or other corporate obligations meeting certain credit rating requirements. The fair value of these investments was \$12.4 million and \$15.2 million at June 30, 2007 and 2006, respectively.

Capital Projects

Investments held by trustees to be used for capital projects totaled \$168.3 million and \$166.6 million at June 30, 2007 and 2006, respectively.

Proceeds from the sale of the state's lease revenue bonds to be used for financing certain of the University's capital projects are deposited in a commingled U.S. bond fund managed by the State of California Treasurer's Office, as trustee, and distributed to the University as the projects are constructed. The fair value of these deposits was \$138.9 million and \$130.4 million at June 30, 2007 and 2006, respectively.

In addition, proceeds from the sale of bonds and certain gifts to the University are held by trustees to be used for financing other capital projects. The fair value of these investments was \$29.4 million and \$36.2 million at June 30, 2007 and 2006, respectively.

Substantially all of these investments are of a highly liquid, short term nature.

University deposits into the trusts, or receipts from the trusts, are classified as an operating activity in the University's statement of cash flows if related to the self-insurance programs, or a capital and related financing activity if related to long-term debt requirements or a capital project. Deposits directly into trusts by third parties, investment transactions initiated by trustees in conjunction with the management of trust assets and payments from trusts directly to third parties are not included in the University's statement of cash flows.

5. ACCOUNTS RECEIVABLE

Accounts receivable and the allowance for uncollectible amounts at June 30, 2007 and 2006 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA					UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS
	STATE AND FEDERAL GOVERNMENT	MEDICAL CENTERS	INVESTMENT INCOME	OTHER	TOTAL	
At June 30, 2007						
Accounts receivable	\$ 649,880	\$1,023,803	\$ 97,477	\$ 580,798	\$ 2,351,958	\$ 5,893
Allowance for uncollectible amounts	(1,307)	(164,637)		(40,455)	(206,399)	
Accounts receivable, net	\$648,573	\$ 859,166	\$97,477	\$540,343	\$2,145,559	\$5,893
At June 30, 2006						
Accounts receivable	\$ 537,731	\$ 920,354	\$ 77,216	\$ 595,255	\$ 2,130,556	\$ 6,816
Allowance for uncollectible amounts	(955)	(140,298)		(34,628)	(175,881)	
Accounts receivable, net	\$536,776	\$ 780,056	\$77,216	\$560,627	\$1,954,675	\$6,816

The University's other accounts receivable are primarily related to private grants and contracts, physicians' professional fees, investment sales, tuition and fees and auxiliary enterprises.

The University of California campus foundations' accounts receivable are primarily related to investment income.

Adjustments to the allowance for doubtful accounts have either increased or (decreased) the following revenues for the years ended June 30, 2007 and 2006:

(in thousands of dollars)

	2007	2006
Student tuition and fees	\$ (2,358)	\$ (3,494)
Grants and contracts:		
Federal	(177)	(310)
State	(84)	(159)
Private	(873)	(478)
Local	13	(14)
Medical centers	(173,732)	(139,131)
Educational activities	(35,793)	(39,831)
Auxiliary enterprises	(1,052)	(611)
Other operating revenues	(1,270)	3,654

Retirement System Contribution

The state of California agreed to make contributions related to certain prior years to the University for the UCRP in annual installments over 30 years. During each of the years ended June 30, 2007 and 2006, under the terms of these agreements, the state of California contributed \$11.3 million, including interest at rates ranging from 8.0 percent to 8.5 percent. At June 30, 2007 and 2006, the remaining amounts owed to the UCRP by the state were \$68.9 million and \$74.0 million, respectively. These amounts are recorded in the University's statement of net assets as a receivable from the state of California and as a liability owed to the UCRP.

6. PLEDGES RECEIVABLE

The composition of pledges receivable at June 30, 2007 and 2006 is summarized as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2007	2006	2007	2006
Total pledges receivable outstanding	\$ 135,894	\$ 126,808	\$ 552,597	\$ 541,954
Less: Unamortized discount to present value	(8,173)	(5,929)	(83,042)	(90,844)
Allowance for uncollectible pledges	(5,666)	(26,866)	(19,213)	(21,576)
Total pledges receivable, net	122,055	94,013	450,342	429,534
Less: Current portion of pledges receivable	(56,418)	(32,592)	(94,939)	(105,149)
Noncurrent portion of pledges receivable	\$ 65,637	\$ 61,421	\$355,403	\$324,385

Future pledge payments for each of the five fiscal years subsequent to June 30, 2007 and thereafter are as follows:

(in thousands of dollars)

Year Ending June 30	UNIVERSITY OF CALIFORNIA	UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS
2008	\$ 60,226	\$ 98,676
2009	33,547	81,665
2010	17,342	75,523
2011	14,441	76,427
2012	6,828	124,181
2013-2017	3,510	32,031
Beyond 2017		64,094
Total payments on pledges receivable	\$135,894	\$552,597

Adjustments to the allowance for doubtful accounts associated with pledges have either increased or (decreased) the following revenues for the years ended June 30, 2007 and 2006:

(in thousands of dollars)

	2007	2006
Private gifts	\$(1,089)	\$ 514
Capital gifts and grants	969	4,496

7. NOTES AND MORTGAGES RECEIVABLE

Notes and mortgages receivable at June 30, 2007 and 2006, along with the allowance for uncollectible amounts, are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA				UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		
	CURRENT	NOTES	MORTGAGES	TOTAL	CURRENT	NONCURRENT	TOTAL
<i>At June 30, 2007</i>							
Notes and mortgages receivable	\$ 33,429	\$ 268,392	\$ 19,809	\$ 288,201	\$ 42	\$ 551	\$ 593
Allowance for uncollectible amounts	(5,187)	(12,616)	(128)	(12,744)			
Notes and mortgages receivable, net	\$28,242	\$255,776	\$19,681	\$ 275,457	\$ 42	\$551	\$ 593

At June 30, 2006

Notes and mortgages receivable	\$ 34,108	\$ 260,179	\$ 17,217	\$ 277,396	\$ 389	\$ 121	\$ 510
Allowance for uncollectible amounts	(5,350)	(12,804)	(126)	(12,930)			
Notes and mortgages receivable, net	\$28,758	\$ 247,375	\$17,091	\$264,466	\$389	\$121	\$ 510

8. DOE NATIONAL LABORATORY CONTRACTS

The DOE is financially responsible for substantially all of the liabilities incurred at the national laboratories. These include operating liabilities associated with laboratories operated and managed by the University under contracts directly with the DOE, such as third-party vendor and employee-related liabilities. They may also include the DOE's continuing obligation to the University for current and future contributions to the UCRP. In addition, the University may perform services directly for the national laboratories, or incur costs in conjunction with the transition of contracts to a successor contractor.

Receivables from the DOE at June 30, 2007 and 2006 related to the following DOE liabilities are as follows:

(in thousands of dollars)

	2007	2006
Vendor and employee-related operating costs	\$ 178,899	\$ 138,936
Contributions to the UCRP	17,440	
Performance of services and transition costs	13,823	9,171
Current portion of DOE receivable	\$210,162	\$148,107
Employee-related operating costs	\$ 27,080	\$ 27,473
Noncurrent portion of DOE receivable	\$ 27,080	\$ 27,473

Los Alamos National Security, LLC (LANS)

As of June 1, 2006, LANS became the operator and manager of the DOE's LANL. LANS current earnings or losses are dependent on the percentage of base and incentive fees earned under the terms of the contract, offset by any unallowable or disallowed costs. While the University has a 50 percent membership interest in LANS, its equity in the current earnings or losses is subject to certain limitations and special allocations of both the fees and costs. As a result, the University's equity in the current earnings or losses may range from 17 to 50 percent. For the year ending June 30, 2007 and the one-month period ending June 30, 2006, the University recorded \$15.9 million and \$1.3 million, respectively, as its equity in the current earnings of LANS and received \$6.7 million and \$959 thousand in cash distributions, respectively.

Lawrence Livermore National Security, LLC (LLNS)

On September 30, 2007, the University's contract to operate and manage LLNL for the National Nuclear Security Administration of the DOE expired. The DOE awarded the contract to a separate legal entity, Lawrence Livermore National Security, LLC (LLNS), who assumed operations at LLNL on October 1, 2007. LLNS is a joint venture between the University and industrial members to operate and manage LLNL. While the University has a 50 percent membership interest in LLNS, its equity in the current earnings or losses is subject to certain limitations and special allocations of both the fees and costs.

The University expects to report its interest in LLNS under the equity method in its financial statements. As a result, subsequent to September 30, 2007, the University will exclude the gross revenues and expenses of LLNL from its statement of revenues, expenses and changes in net assets, although it will include the University's equity in the current earnings of LLNS.

Gross revenues and expenses associated with LLNL recorded by the University for the year ended June 30, 2007 were \$1.64 billion and \$1.63 billion, respectively. For the year ended June 30, 2006, gross revenues and expenses were \$1.65 billion and \$1.64 billion, respectively. The difference of \$13.9 million in 2007 and \$14.0 million in 2006, represents the University's contract management fee and reimbursed costs incurred by the University.

9. CAPITAL ASSETS

The University's capital asset activity for the years ended June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	2005	ADDITIONS	DISPOSALS	2006	ADDITIONS	DISPOSALS	2007
ORIGINAL COST							
Land	\$ 489,685	\$ 60,828	\$ (1,288)	\$ 549,225	\$ 68,278	\$ (2,488)	\$ 615,015
Infrastructure	363,306	36,934	(4,909)	395,331	30,848		426,179
Buildings and improvements	14,330,626	1,659,687	(13,135)	15,977,178	1,171,249	(23,395)	17,125,032
Equipment	4,253,820	403,813	(278,280)	4,379,353	460,961	(336,777)	4,503,537
Libraries and collections	2,788,390	122,951		2,911,341	134,169		3,045,510
Special collections	245,578	9,327	(355)	254,550	11,966	(363)	266,153
Construction in progress	3,311,500	(135,067)		3,176,433	659,645		3,836,078
Capital assets, at original cost	\$25,782,905	\$2,158,473	\$(297,967)	\$27,643,411	\$2,537,116	\$(363,023)	\$29,817,504
ACCUMULATED DEPRECIATION AND AMORTIZATION							
	2005	DEPRECIATION AND AMORTIZATION	DISPOSALS	2006	DEPRECIATION AND AMORTIZATION	DISPOSALS	2007
Infrastructure	\$ 163,638	\$ 6,485		\$ 170,123	\$ 14,687		\$ 184,810
Buildings and improvements	5,411,474	494,508	\$ (7,202)	5,898,780	537,332	\$ (18,385)	6,417,727
Equipment	2,721,917	400,104	(264,011)	2,858,010	410,856	(296,861)	2,972,005
Libraries and collections	1,955,571	95,926		2,051,497	86,133		2,137,630
Accumulated depreciation and amortization	\$10,252,600	\$ 997,023	\$(271,213)	\$10,978,410	\$1,049,008	\$(315,246)	\$11,712,172
Capital assets, net	\$15,530,305			\$16,665,001			\$18,105,332

10. SELF-INSURANCE, OBLIGATIONS UNDER LIFE INCOME AGREEMENTS AND OTHER LIABILITIES

The University's self-insurance and other liabilities, primarily employee leave and other compensated absences with similar characteristics, contributions owed to the UCRP by the state of California and accrued interest, at June 30, 2007 and 2006 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA				UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS			
	2007		2006		2007		2006	
	CURRENT	NONCURRENT	CURRENT	NONCURRENT	CURRENT	NONCURRENT	CURRENT	NONCURRENT
Self-insurance programs	\$ 156,724	<u>\$402,857</u>	\$ 149,308	<u>\$374,912</u>				
Obligations under life income agreements	965	<u>\$ 31,962</u>	751	<u>\$ 20,456</u>	\$ 24,043	<u>\$157,107</u>	\$ 21,675	<u>\$141,761</u>
Other liabilities:								
Compensated absences	376,482	\$ 202,606	350,896	\$ 209,398				
UCRP	5,559	63,316	5,140	68,875				
Accrued interest	53,597		64,530					
Other	235,038	85,861	227,654	73,055	903	\$ 34,488	1,261	\$ 32,924
Total	\$828,365	\$351,783	\$798,279	\$351,328	\$24,946	\$ 34,488	\$22,936	\$ 32,924

The UCRP has the equivalent amounts recorded as a contribution receivable from the University in its statement of fiduciary net assets.

Self-Insurance Programs

The University is self-insured for medical malpractice, workers' compensation, employee health care and general liability claims. These risks are subject to various claim and aggregate limits, with excess liability coverage provided by an independent insurer. Liabilities are recorded when it is probable a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate for claims that have been incurred, but not reported. The estimated liabilities are based upon an independent actuarial determination of the present value of the anticipated future payments.

Changes in self-insurance liabilities for years ended June 30, 2007 and 2006 are as follows:

(in thousands of dollars)

	MEDICAL MALPRACTICE	WORKERS' COMPENSATION	EMPLOYEE HEALTH CARE	GENERAL LIABILITY	TOTAL
Year Ended June 30, 2007					
Liabilities at June 30, 2006	\$ 155,033	\$ 316,071	\$ 5,208	\$ 47,908	\$ 524,220
Claims incurred and changes in estimates	81,825	71,539	33,066	38,496	224,926
Claim payments	(57,269)	(71,388)	(34,116)	(26,792)	(189,565)
Liabilities at June 30, 2007	\$179,589	\$316,222	\$ 4,158	\$59,612	\$559,581
Discount rate	5.5%	5.0%	Undiscounted	4.5%	
Year Ended June 30, 2006					
Liabilities at June 30, 2005	\$ 154,357	\$ 349,078	\$ 16,178	\$ 42,214	\$ 561,827
Claims incurred and changes in estimates	44,563	41,781	105,659	21,601	213,604
Claim payments	(43,887)	(74,788)	(116,629)	(15,907)	(251,211)
Liabilities at June 30, 2006	\$155,033	\$316,071	\$ 5,208	\$47,908	\$524,220
Discount rate	6.0%	5.5%	Undiscounted	4.5%	

The University increased the probability level for medical malpractice liabilities at June 30, 2007 due to an increasing degree of uncertainty. As a result, the medical malpractice liabilities at June 30, 2007 increased by \$14.5 million. In addition, the University decreased the discount rate for medical malpractice and workers' compensation claims. The increase in the estimate for medical malpractice and workers' compensation claims at June 30, 2007 resulting from the decrease in the discount rate from that used at June 30, 2006 was \$2.0 million and \$ 4.8 million, respectively.

Obligations Under Life Income Agreements

Obligations under life income agreements represent trusts with living income beneficiaries where the University has a residual interest. The investments associated with these agreements are recorded at their fair value. The discounted present value of any income beneficiary interest is reported as a liability in the statement of net assets. Gifts subject to such agreements are recorded as revenue, net of the income beneficiary share, at the date of the gift. Actuarial gains and losses are included in other nonoperating income (expense) in the statement of revenues, expenses and changes in net assets. Resources that are expendable upon maturity are classified as restricted, expendable net assets; all others are classified as restricted, nonexpendable net assets.

Changes in current and noncurrent obligations under life income agreements for the years ended June 30, 2007 and 2006 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	ANNUITIES	LIFE BENEFICIARIES	ANNUITIES	LIFE BENEFICIARIES
<i>Year Ended June 30, 2007</i>				
Current portion at June 30, 2006	\$ 316	\$ 435	\$ 7,116	\$ 14,559
Reclassification from noncurrent	1,392	2,115	7,392	16,072
Payments to beneficiaries	(1,336)	(1,957)	(7,032)	(14,064)
Current portion at June 30, 2007	\$ 372	\$ 593	\$ 7,476	\$ 16,567
Noncurrent portion at June 30, 2006	\$ 8,176	\$ 12,280	\$ 39,736	\$ 102,025
New obligations to beneficiaries	3,220	11,793	10,730	28,080
Reclassification to current	(1,392)	(2,115)	(7,392)	(16,072)
Noncurrent portion at June 30, 2007	\$10,004	\$21,958	\$43,074	\$114,033
<i>Year Ended June 30, 2006</i>				
Current portion at June 30, 2005	\$ 259	\$ 415	\$ 6,745	\$ 13,848
Reclassification from noncurrent	1,343	1,896	7,086	13,783
Payments to beneficiaries	(1,286)	(1,876)	(6,715)	(13,072)
Current portion at June 30, 2006	\$ 316	\$ 435	\$ 7,116	\$ 14,559
Noncurrent portion at June 30, 2005	\$ 7,396	\$ 12,728	\$ 38,161	\$ 103,591
New obligations to beneficiaries	2,123	1,448	8,661	12,217
Reclassification to current	(1,343)	(1,896)	(7,086)	(13,783)
Noncurrent portion at June 30, 2006	\$ 8,176	\$12,280	\$39,736	\$102,025

Other Noncurrent Liabilities

Changes in other noncurrent liabilities for the years ended June 30, 2007 and 2006 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA				UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS
	COMPENSATED ABSENCES	UCRP	OTHER	TOTAL	
Year Ended June 30, 2007					
Liabilities at June 30, 2006	\$ 209,398	\$ 68,875	\$ 73,055	\$ 351,328	\$ 32,924
New obligations	255,426		27,464	282,890	4,478
Reclassification to current	(262,218)	(5,559)	(14,658)	(282,435)	(2,914)
Liabilities at June 30, 2007	\$202,606	\$63,316	\$85,861	\$351,783	\$34,488
Year Ended June 30, 2006					
Liabilities at June 30, 2005	\$ 235,355	\$ 74,015	\$ 74,548	\$ 383,918	\$ 10,224
New obligations	304,092		4,488	308,580	25,332
Reclassification to current	(330,049)	(5,140)	(5,981)	(341,170)	(2,632)
Liabilities at June 30, 2006	\$209,398	\$68,875	\$73,055	\$351,328	\$32,924

Payments are generally made from a variety of revenue sources, including state educational appropriations, grants and contracts, auxiliary enterprises, endowment income or other revenue sources that support the employee's salary.

11. DEBT

The University directly finances the construction, renovation and acquisition of facilities and equipment through the issuance of debt obligations or indirectly through structures that involve a separate limited liability corporation (LLC). Commercial paper and bank loans provide for interim financing. Long-term financing includes revenue bonds, certificates of participation, capital lease obligations and other borrowings.

The University's outstanding debt at June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	WEIGHTED AVERAGE INTEREST RATE	INTEREST RATE RANGE	MATURITY YEARS	2007	2006
INTERIM FINANCING:					
Commercial paper		3.5–5.3%	2007	\$ 550,000	\$ 550,000
LONG-TERM FINANCING:					
University of California General Revenue Bonds	4.8%	3.0–5.3%	2008–2039	3,673,090	2,373,880
University of California Limited Project Revenue Bonds	4.9%	2.3–5.0%	2008–2038	988,040	988,040
University of California Multiple Purpose Projects Revenue Bonds	4.8%	3.0–5.8%	2007–2027	306,340	1,489,520
University of California Medical Center Pooled Revenue Bonds	4.5%	3.5–5.0%	2008–2047	537,325	
University of California Medical Center Revenue Bonds	4.3%	2.5–5.5%	2007–2039	672,130	786,110
University of California Research Facilities Revenue Bonds	4.7%	4.0–5.0%	2007–2013	20,335	205,390
Adjusted by: Unamortized deferred financing costs				(85,747)	(57,900)
Unamortized bond premium				162,649	118,921
University of California revenue bonds	4.7%			6,274,162	5,903,961
Certificates of participation	4.2%	4.0–5.0%	2007–2010	8,465	50,815
Capital lease obligations		0.0–10.0%	2009–2019	2,009,498	2,012,469
Other University borrowings		Various	2008–2022	411,358	248,579
Student housing LLC revenue bonds, net	5.0%	4.0–5.8%	2008–2038	110,247	110,424
Total outstanding debt				9,363,730	8,876,248
Less: Commercial paper				(550,000)	(550,000)
Current portion of outstanding debt				(629,713)	(407,888)
Noncurrent portion of outstanding debt				\$8,184,017	\$7,918,360

Total interest expense during the years ended June 30, 2007 and 2006 was \$419.1 million and \$394.4 million, respectively. Interest expense of \$33.9 million and \$47.2 million associated with financing projects during the construction phase was capitalized during the years ended June 30, 2007 and 2006, respectively. The remaining \$385.2 million in 2007 and \$347.2 million in 2006 are reported as interest expense in the statement of revenues, expenses and changes in net assets.

Outstanding Debt Activity

The activity with respect to the University's current and noncurrent debt, including the revenue bonds associated with the student housing LLC, for the years ended June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	UNIVERSITY REVENUE BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASE OBLIGATIONS	STUDENT HOUSING LLC REVENUE BONDS	OTHER UNIVERSITY BORROWINGS	TOTAL
<i>Year Ended June 30, 2007</i>						
Current portion at June 30, 2006	\$ 142,424	\$ 3,840	\$ 111,195	\$ 178	\$ 150,251	\$ 407,888
Reclassification from noncurrent	1,569,390	42,530	489,549	397	270,500	2,372,366
Refinancing or prepayment of outstanding debt	(1,400,140)	(38,510)	(357,484)		(47,715)	(1,843,849)
Scheduled principal payments	(148,400)	(3,840)	(117,939)	(360)	(33,825)	(304,364)
Amortization of bond premium	(9,108)			(80)		(9,188)
Amortization of deferred financing costs	6,597			263		6,860
Current portion at June 30, 2007	\$ 160,763	\$ 4,020	\$ 125,321	\$ 398	\$339,211	\$ 629,713
Noncurrent portion at June 30, 2006	\$ 5,761,537	\$ 46,975	\$ 1,901,274	\$ 110,246	\$ 98,328	\$ 7,918,360
New obligations	1,902,860		472,452		244,319	2,619,631
Bond premium	52,836					52,836
Deferred financing costs	(34,444)					(34,444)
Reclassification to current	(1,569,390)	(42,530)	(489,549)	(397)	(270,500)	(2,372,366)
Noncurrent portion at June 30, 2007	\$6,113,399	\$ 4,445	\$1,884,177	\$109,849	\$ 72,147	\$8,184,017
<i>Year Ended June 30, 2006</i>						
Current portion at June 30, 2005	\$ 122,293	\$ 7,270	\$ 103,824		\$ 216,626	\$ 450,013
Reclassification from noncurrent	633,187	80,975	118,707	\$ 95,247	238,746	1,166,862
Refinancing or prepayment of outstanding debt	(481,900)	(80,735)		(95,040)	(281,680)	(939,355)
Scheduled principal payments	(128,380)	(3,670)	(111,336)		(23,441)	(266,827)
Amortization of bond premium	(8,036)			(45)		(8,081)
Amortization of deferred financing costs	5,260			16		5,276
Current portion at June 30, 2006	\$ 142,424	\$ 3,840	\$ 111,195	\$ 178	\$150,251	\$ 407,888
Noncurrent portion at June 30, 2005	\$ 4,832,547	\$ 127,950	\$ 1,779,604	\$ 111,010	\$ 94,161	\$ 6,945,272
New obligations	1,527,695		240,377	99,290	242,913	2,110,275
Bond premium	52,056			1,361		53,417
Deferred financing costs	(17,574)			(6,168)		(23,742)
Reclassification to current	(633,187)	(80,975)	(118,707)	(95,247)	(238,746)	(1,166,862)
Noncurrent portion at June 30, 2006	\$5,761,537	\$ 46,975	\$1,901,274	\$110,246	\$ 98,328	\$7,918,360

Commercial Paper

The University has available a \$550.0 million commercial paper program with tax-exempt and taxable components. The program's liquidity is supported by the legally available unrestricted investments in the STIP. Commercial paper is collateralized by a pledge of the net revenues generated by the enterprise financed, not by any encumbrance, mortgage or other pledge of property and does not constitute a general obligation of the University.

Commercial paper outstanding, including interest rates, at June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	2007		2006	
	INTEREST RATES	OUTSTANDING	INTEREST RATES	OUTSTANDING
Tax-exempt	3.5–3.7%	\$ 430,000	2.5–3.5%	\$ 430,000
Taxable	5.2–5.3%	120,000	3.1–5.1%	120,000
Total outstanding		\$ 550,000		\$ 550,000

University of California Revenue Bonds

Revenue bonds have financed various auxiliary, administrative, academic, medical center and research facilities of the University. They generally have annual principal and semiannual interest payments, serial and term maturities, contain sinking fund requirements and may have optional redemption provisions. Revenue bonds are not collateralized by any encumbrance, mortgage, or other pledge of property, except pledged revenues, and do not constitute general obligations of The Regents. Revenue bond indentures require the University to use the facilities in a way which will not cause the interest on the tax-exempt bonds to be included in the gross income of the bondholders for federal tax purposes.

General Revenue Bonds are collateralized solely by General Revenues as defined in the Indenture. General Revenues are certain operating and nonoperating revenues of the University consisting of gross student tuition and fees; facilities and administrative cost recovery from contracts and grants; revenues from educational, auxiliary and other activities; and other revenues, including unrestricted investment income. The General Revenue Bond indenture requires the University to set rates, charges and fees each year sufficient for General Revenues to pay for the annual principal and interest on the bonds and certain other financial covenants. General Revenues for the years ended June 30, 2007 and 2006 were \$6.11 billion and \$5.82 billion, respectively.

Limited Project Revenue Bonds are issued to finance auxiliary enterprises and are collateralized by a pledge consisting of the sum of the gross revenues of the specific projects. The indenture requires the University to achieve the sum of gross project revenues equal to 1.1 times debt service and maintain certain other financial covenants. Pledged revenues for the years ended June 30, 2007 and 2006 were \$302.0 million and \$258.6 million, respectively.

Multiple Purpose Projects Revenue Bonds are collateralized by a pledge of the net revenues generated by the enterprises. The Multiple Purpose Projects Revenue Bond indentures require the University to achieve net revenues after expenses and requirements for senior lien indentures equal to 1.25 times debt service and maintain certain other financial covenants. Pledged revenues for the years ended June 30, 2007 and 2006 were \$546.0 million and \$563.2 million, respectively.

Medical Center Pooled Revenue Bonds are issued to finance the University's medical centers and are collateralized by a joint and several pledge of the gross revenues of all five of the University's medical centers. Medical center gross revenues are excluded from General Revenues. The Medical Center Pooled Revenue Bond indenture requires the medical centers to set rates, charges and fees each year sufficient for the medical center gross revenues to pay for the annual principal and interest on the bonds and certain other financial covenants. Gross revenues of the medical centers for the years ended June 30, 2007 and 2006 were \$4.59 billion and \$4.27 billion, respectively.

Medical Center Revenue Bonds have also financed certain facilities of the University's five medical centers and are collateralized by a pledge of the specific gross revenues associated with each medical center. The Medical Center Revenue Bond indentures require each medical center to achieve debt service coverage of 1.1 times to 1.2 times (depending on the indenture), set limitations on encumbrances, indebtedness, disposition of assets and transfer services, as well as maintain certain other financial covenants.

Research Facilities Revenue Bonds are collateralized by a pledge of the University's share of facilities and administrative recoveries received on federal research grants and contracts. The Research Facilities Revenue Bond indentures require the University to achieve debt service coverage of 1.25 times and maintain certain other financial covenants.

Generally, in accordance with the terms of the indentures, the pledge of General Revenues under General Revenue Bonds are subordinate to the pledge of the University's share of facilities and administrative cost recoveries received on federal research grants and contracts under Research Facilities Revenue Bonds. The pledge of revenues under Limited Project Revenue Bonds is subordinate to the pledge of revenues associated with General Revenue Bonds, but senior to pledges under Multiple Purpose Projects Revenue Bonds, commercial paper agreements or bank loans. The pledge of net revenues associated with projects financed with Multiple Purpose Projects Revenue Bonds is subordinate to General Revenue Bonds and Limited Project Revenue Bonds, but senior to pledges under commercial paper agreements or bank loans.

Medical Center gross revenues are not pledged for any purpose other than under the indentures for the Medical Center Pooled Revenue Bonds, interest rate swap agreements and specific Medical Center Revenue Bonds. The pledge of medical center revenues under Medical Center Pooled Revenue Bonds is subordinate to the specific Medical Center Bonds. The pledge of medical center revenues for interest rate swap agreements may be at parity with or subordinate to specific Medical Center Revenue Bonds and Medical Center Pooled Revenue Bonds.

All indentures permit the University to issue additional bonds as long as certain conditions are met.

2007 Activity

In January 2007, General Revenue Bonds totaling \$1.12 billion were issued to refinance certain facilities and projects of the University. Proceeds, including a bond premium of \$36.0 million, were used to refund \$881.4 million of outstanding Multiple Purpose Projects Revenue Bonds, \$178.7 million of Research Facilities Revenue Bonds and \$38.5 million of certificates of participation. The bonds mature at various dates through 2035 and have a weighted average interest rate of 4.6 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds. Deferred costs of financing totaling \$30.2 million will be amortized as interest expense over the term of the bonds. Aggregate debt service payments were reduced by \$34.2 million over the next 28 years and the University was able to achieve an economic gain of \$52.4 million.

Also in January 2007, Medical Center Pooled Revenue Bonds totaling \$537.3 million, plus a bond premium of \$4.1 million, were issued to finance or refinance certain improvements to each of the five medical centers. The bonds include \$441.2 million with a fixed interest rate and \$96.2 million with a variable interest rate. Proceeds for the variable interest rate bonds were used to refund \$93.0 million of Medical Center Revenue Bonds. The bonds mature at various dates through 2047. The fixed rate bonds have a weighted average interest rate of 4.6 percent. In connection with the variable interest rate bonds, the University entered into an interest rate swap agreement with the intention that the variable interest rate it pays to the bondholders will approximate the variable payments it receives from the interest rate swaps, resulting in a fixed interest rate of 3.6 percent paid to the swap counterparty. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds. Deferred costs of financing totaling \$1.8 million will be amortized as interest expense over the term of the bonds. Aggregate debt service payments on the refunded bonds were reduced by \$14.4 million over the next 25 years and the University was able to achieve an economic gain of \$9.9 million.

In June 2007, General Revenue Bonds totaling \$241.6 million were issued to refinance certain facilities and projects of the University. Proceeds, including a bond premium of \$12.7 million, were used to refund \$247.0 million of outstanding Multiple Purpose Projects Revenue Bonds. The bonds mature at various dates through 2025 and have a weighted average interest rate of 4.8 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds. Deferred costs of financing totaling \$2.4 million will be amortized as interest expense over the term of the bonds. Aggregate debt service payments were reduced by \$12.8 million over the next 18 years and the University was able to achieve an economic gain of \$15.2 million.

Subsequent Events

In July 2007, Medical Center Pooled Revenue Bonds totaling \$197.0 million, \$7.3 million with a fixed interest rate and \$189.8 million with a variable interest rate were issued to refinance certain improvements to one of the medical centers. Proceeds were used to refund \$188.2 million of Medical Center Revenue Bonds. The bonds mature at various dates through 2047. The fixed rate bonds have a weighted average interest rate of 4.3 percent. In connection with the variable

interest rate bonds, the University entered into four interest rate swap agreements with a financial institution such that the variable interest it pays to the bondholders matches the variable payments it receives from the interest rate swaps, resulting in a weighted average fixed interest rate of 4.7 percent paid to the swap counterparty. These swap transactions do not result in any basis or tax risk to the University. The bonds and the related swap agreements mature at various times through 2047 and the aggregate notional amount of the swaps matches the outstanding amount of the bonds throughout the entire term of the bonds. Aggregate debt service payments on the refunded bonds increased by \$152.6 million due to the extension of maturities over the next 40 years and the University was able to achieve an economic gain of \$1.5 million.

In October 2007, the University proceeded with an offering statement for the sale of Limited Project Revenue Bonds to finance and refinance certain auxiliary enterprises of the University. Proceeds approximating \$415.4 million would be available to pay for project construction and issuance costs and repay interim financing incurred prior to the issuance of the bonds.

2006 Activity

In July 2005, General Revenue Bonds totaling \$558.4 million were issued to refinance certain facilities and projects of the University. Proceeds, including a bond premium of \$33.1 million, together with certain University funds, were used to refund \$439.2 million of outstanding Multiple Purpose Projects Revenue Bonds, \$42.7 million of Research Facilities Revenue Bonds and \$80.7 million of certificates of participation. The bonds mature at various dates through 2035 and have a weighted average interest rate of 4.8 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds. Aggregate debt service payments were decreased by \$6.8 million over the term of the bonds and the University was able to obtain an economic gain of \$25.8 million.

In October 2005, General Revenue Bonds totaling \$352.8 million were sold to finance certain facilities of the University. Proceeds include a bond premium of \$6.4 million and are to be used to pay for project construction and issuance costs and repay interim financing incurred prior to the issuance of the bonds, including commercial paper of \$108.7 million. The bonds mature at various dates through 2039 and have a weighted average interest rate of 4.8 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds.

Also in October 2005, Limited Project Revenue Bonds totaling \$616.5 million were issued to finance and refinance certain auxiliary enterprises of the University. Proceeds include a bond premium of \$12.5 million and are to be used to pay for project construction and issuance costs and repay interim financing incurred prior to the issuance of the bonds, including commercial paper and bank loans totaling \$481.1 million. The bonds mature at various dates through 2038 and have a weighted average interest rate of 4.9 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds.

Interest Rate Swap Agreements

As a means to lower the University's borrowing costs, when compared against fixed-rate bonds at the time of issuance, the University entered into two separate interest rate swaps in connection with certain variable-rate Medical Center Revenue Bonds and Medical Center Pooled Revenue Bonds. Each of these are pay fixed, receive variable interest rate swaps that effectively changes the University's variable interest rate bonds to synthetic fixed rate bonds.

The notional amount of the swaps matches the principal amounts of the associated bond issuance. The University's swap agreements contain scheduled reductions to outstanding notional amounts that match scheduled reductions in the associated bond issuance. Under the swaps, the University pays the swap counterparties a fixed interest rate payment and receives a variable rate interest rate payment. The University believes that over time the variable interest rates it pays to the bondholders will approximate the variable payments it receives on the interest rate swaps, leaving the fixed interest rate payment to the swap counterparty as the net payment obligation for the transaction.

The terms of each outstanding swap and their fair values at June 30, 2007 are as follows:

(in thousands of dollars)

ASSOCIATED BOND ISSUE	NOTIONAL AMOUNT	EFFECTIVE DATE	SWAP TERMINATION DATE	SWAP TYPE	FIXED RATE	VARIABLE RATE	FAIR VALUE
Medical Center Revenue Bonds	\$ 336,225	2003	2026	Pay fixed; receive variable	3.1385%	67% of LIBOR*	\$ 16,460
Medical Center Pooled Revenue Bonds	96,155	2007	2032	Pay fixed; receive variable	3.5897%	58% of LIBOR* + 0.48%	1,734
Total	\$432,380						\$18,194

* 1-Month London Interbank Offered Rate (LIBOR)

Because swap rates have changed since execution of the swaps, financial institutions have estimated the fair value using quoted market prices when available or a forecast of expected discounted future net cash flows. The fair value of the interest rate swaps is the estimated amount the University would have either received or (paid) if the swap agreements were terminated on June 30, 2007.

The swaps expose the University to basis risk whenever the interest rates on the bonds are reset. The interest rate on the bonds is a tax-exempt interest rate, while the basis of the variable receipt on the interest rate swaps is taxable. Tax-exempt interest rates can change without a corresponding change in the LIBOR rate due to factors affecting the tax-exempt market which do not have a similar effect on the taxable market.

Although the University has entered into the interest rate swaps with credit worthy financial institutions, there is credit and termination risk for losses in the event of non-performance by counterparties or unfavorable interest rate movements. The swap contracts with positive fair values are exposed to credit risk. The University faces a maximum possible loss equivalent to the amount of the derivative's fair value. Swaps with negative fair values are not exposed to credit risk. Depending on the agreement, certain swaps may be terminated if the insurer's credit quality rating, as issued by Fitch Ratings or Standard & Poor's, falls below A-, or if the Medical Center Pooled Revenue Bonds or swap counterparty's bond ratings falls below Baa2 or BBB, thereby canceling the synthetic interest rate and returning the interest rate payments to the variable interest rates on the bonds. At termination, the University may also owe a termination payment if there is a realized loss based on the fair value of the swap.

As rates vary, variable-rate bond interest payments and net swap payments will vary. Although not a prediction by the University of the future interest cost of the variable rate bonds or the impact of the interest rate swaps, using rates as of June 30, 2007, combined debt service requirements of the variable-rate debt and net swap payments are as follows:

(in thousands of dollars)

	VARIABLE-RATE BONDS		INTEREST RATE SWAP, NET	TOTAL PAYMENTS
	PRINCIPAL	INTEREST		
Year Ending June 30				
2008	\$ 14,375	\$ 14,827	\$ (1,371)	\$ 27,831
2009	14,890	14,307	(1,319)	27,878
2010	15,405	13,774	(1,265)	27,914
2011	15,920	13,224	(1,211)	27,933
2012	16,500	12,654	(1,153)	28,001
2013–2017	91,425	54,007	(4,837)	140,595
2018–2022	108,510	36,480	(3,082)	141,908
2023–2027	128,730	15,681	(1,003)	143,408
2028–2032	26,625	2,824	19	29,468
Total	\$432,380	\$177,778	\$(15,222)	\$594,936

Certificates of Participation

Certificates of participation have been issued to finance buildings and equipment under lease agreements. The certificates are collateralized by buildings and equipment. A portion of the rental payments is provided to the University by a state of California financing appropriation of \$4.6 million for each of the years ended June 30, 2007 and 2006. All rental payments, including those from any lawfully available cash of The Regents, have been pledged and assigned to a trustee by the lessor.

Capital Leases

The University has entered into lease-purchase agreements with the state of California that are recorded as capital leases. The state sells lease revenue bonds to finance construction of certain state-owned buildings to be used by the University. During the construction phase, the University acts as agent for the state. Bond proceeds remain on deposit with the state, as trustee, until the University is reimbursed as the project is constructed.

Upon completion, the buildings and equipment are leased to the University under terms and amounts that are sufficient to satisfy the state's lease revenue bond requirements with the understanding that the state will provide financing appropriations to the University to satisfy the annual lease requirements. At the conclusion of the lease term, ownership transfers to the University.

The University entered into lease-purchase agreements with the state totaling \$79.9 million and \$156.2 million during the years ended June 30, 2007 and 2006, respectively, to finance the construction of various University projects.

In April 2007, the state of California issued \$336.9 million of lease revenue refunding bonds to refinance certain facilities leased to the University. Proceeds were used to refund \$357.3 million of outstanding lease revenue bonds. The state of California provided the University with the economic advantages of the refunding through amendments to the lease agreements. As a result, the University reduced its capital lease obligation and recorded a \$20.4 million gain as nonoperating revenue.

The state of California financing appropriation to the University under the terms of the lease-purchase agreements, recorded as nonoperating revenue, for the years ended June 30, 2007 and 2006 was \$152.3 million and \$142.3 million, respectively. The scheduled principal and interest, including accrued interest, reported in the University's financial statements for the years ended June 30, 2007 and 2006 contain amounts related to these lease-purchase agreements with the state of California as follows:

<i>(in thousands of dollars)</i>		
	2007	2006
Capital lease principal	\$ 70,387	\$ 65,607
Capital lease interest	91,353	92,889
Total	\$161,740	\$158,496

Capital leases entered into with other lessors totaled \$55.7 million and \$84.2 million for the years ended June 30, 2007 and 2006, respectively. These leases are typically for equipment, although they also included a \$47.0 million capitalized ground lease in 2006.

Other University Borrowings

Other University borrowings consist of contractual obligations resulting from the acquisition of land or buildings and the construction and renovation of certain facilities.

The University may use uncollateralized bank lines of credit with commercial banks to supplement commercial paper and to provide interim financing for buildings and equipment. Line of credit commitments, with various expiration dates through June 30, 2011, totaled \$1.06 billion at June 30, 2007. Outstanding borrowings under these bank lines totaled \$146.9 million and \$138.9 million at June 30, 2007 and 2006, respectively.

The state of California may provide interim loans to the University for certain facilities to be financed through their future issuance of lease revenue bonds. The interim loans are repaid from the bond proceeds. Outstanding interim loans from the state, classified in the current portion of long-term debt in the University's statement of net assets, totaled \$202.7 million and \$65.5 million at June 30, 2007 and 2006, respectively.

Student Housing LLC Revenue Bonds

The University has entered into a ground lease with a legally separate, non-profit corporation that has developed and owns a student housing project on a University campus through the use of a single-project limited liability corporation (LLC). The LLC manages the premises. The University's reversionary interest in the land is not subordinated. All costs associated with the ownership, operation and management of the improvements are the obligation of the Ground Lessee. Student rental rates are established in order to provide for operating expenses and maintain the required debt service coverage ratios. The University is not responsible for any payments related to the ownership, operation or financing of the student housing. However, under GASB requirements, the financial position and operating results of this legally separate organization are incorporated into the University's financial reporting entity.

The LLC, through its conduit issuer, initially issued Student Housing LLC Revenue Bonds to finance the construction of the student housing facility. The bonds generally have annual principal and semiannual interest payments, serial and term maturities, certain sinking fund requirements and optional redemption provisions. They are not collateralized by any encumbrance, mortgage or other pledge of property, except pledged revenues of the student housing project, and do not constitute general obligations of The Regents.

In April 2006, the LLC, through its conduit issuer, issued Student Housing Refunding Revenue Bonds totaling \$99.3 million to partially refinance the construction of the student housing facility. Proceeds include a bond premium of \$2.4 million and were used to refund \$95.0 million of the outstanding Student Housing LLC Revenue Bonds. The bonds mature at various dates through 2038 and have a weighted average interest rate of 4.9 percent. The refunding resulted in deferred financing costs of \$6.2 million that will be amortized over the remaining life of the refunded bonds. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds. Aggregate debt service payments were decreased by \$7.8 million over the term of the bonds and the LLC was able to obtain an economic gain of \$3.8 million.

Interest expense, net of interest income, totaling \$1.3 million and \$7.0 million related to the student housing revenue bonds, was capitalized during the construction phase of the project during the years ended June 30, 2007 and June 30, 2006, respectively.

Future Debt Service

Future debt service payments for each of the five fiscal years subsequent to June 30, 2007 and thereafter are as follows:

(in thousands of dollars)

	COMMERCIAL PAPER	UNIVERSITY REVENUE BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES		OTHER UNIVERSITY BORROWINGS	STUDENT HOUSING LLC REVENUE BONDS	TOTAL PAYMENTS	PRINCIPAL	INTEREST
				STATE	OTHER					
<i>Year Ending June 30</i>										
2008	\$ 552,599	\$ 442,463	\$ 4,310	\$ 166,488	\$ 54,871	\$ 346,577	\$ 6,332	\$ 1,573,640	\$ 1,175,354	\$ 398,286
2009		459,389	2,333	180,962	40,152	45,987	6,568	735,391	355,829	379,562
2010		492,010	2,337	160,873	25,832	14,567	6,769	702,388	337,589	364,799
2011		461,255		162,884	18,530	8,017	6,982	657,668	307,436	350,232
2012		463,863		162,848	13,266	6,400	7,210	653,587	317,341	336,246
2013–2017		2,251,368		751,671	66,792	920	37,654	3,108,405	1,663,913	1,444,492
2018–2022		1,940,405		623,438	6,082	95	37,784	2,607,804	1,549,967	1,057,837
2023–2027		1,651,030		367,176	4,027		37,785	2,060,018	1,360,204	699,814
2028–2032		1,310,107		204,610			37,789	1,552,506	1,147,465	405,041
2033–2037		909,253					37,781	947,034	773,245	173,789
2038–2042		227,406					7,560	234,966	191,435	43,531
2043–2047		125,826						125,826	110,473	15,353
Total future debt service	552,599	10,734,375	8,980	2,780,950	229,552	422,563	230,214	14,959,233	\$9,290,251	\$5,668,982
Less: Interest component of future payments	(2,599)	(4,537,115)	(515)	(969,140)	(31,864)	(11,205)	(116,544)	(5,668,982)		
Principal portion of future payments	550,000	6,197,260	8,465	1,811,810	197,688	411,358	113,670	9,290,251		
Adjusted by:										
Unamortized deferred financing costs		(85,747)					(5,889)	(91,636)		
Unamortized bond premium		162,649					2,466	165,115		
Total debt	\$550,000	\$ 6,274,162	\$8,465	\$1,811,810	\$197,688	\$411,358	\$110,247	\$ 9,363,730		

Long-term debt does not include \$1.76 billion and \$939.9 million of defeased liabilities at June 30, 2007 and 2006, respectively. Investments that have maturities and interest rates sufficient to fund retirement of these liabilities are being held in irrevocable trusts for the debt service payments. Neither the assets of the trusts nor the outstanding obligations are included in the University's statement of net assets.

12. OTHER POST EMPLOYMENT BENEFITS

Employees who meet specific requirements may continue their medical and dental benefits into retirement and receive University contributions for those benefits. There were approximately 37,800 retirees eligible to receive such benefits at June 30, 2007 and 41,000 retirees at June 30, 2006. The cost of retiree medical and dental coverage is recognized when paid. The cost of providing medical and dental benefits for retirees and their families and survivors was \$215.9 million and \$211.3 million for the years ended June 30, 2007 and 2006, respectively.

13. ENDOWMENTS AND GIFTS

Endowments and gifts are held and administered either by the University or by campus foundations.

University of California

The value of endowments and gifts held and administered by the University, exclusive of income distributed to be used for operating purposes, at June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA			
	RESTRICTED NONEXPENDABLE	RESTRICTED EXPENDABLE	UNRESTRICTED	TOTAL
<i>At June 30, 2007</i>				
Endowments	\$ 900,663	\$ 1,894,538	\$ 37,134	\$ 2,832,335
Funds functioning as endowments		2,288,512	1,292,095	3,580,607
Annuity and life income	19,666	6,828		26,494
Gifts		847,547	16,984	864,531
University endowments and gifts	\$ 920,329	\$5,037,425	\$1,346,213	\$7,303,967
<i>At June 30, 2006</i>				
Endowments	\$ 843,599	\$ 1,536,840	\$ 31,638	\$ 2,412,077
Funds functioning as endowments		1,945,623	1,147,096	3,092,719
Annuity and life income	29,108	8,027		37,135
Gifts		751,982	19,406	771,388
University endowments and gifts	\$ 872,707	\$4,242,472	\$1,198,140	\$6,313,319

The University's endowment income distribution policies are designed to preserve the value of the endowment in real terms (after inflation) and to generate a predictable stream of spendable income. Endowment investments are managed to achieve the maximum long-term total return. As a result of this emphasis on total return, the proportion of the annual income distribution provided by dividend and interest income and by capital gains may vary significantly from year to year. The University's policy is to retain the realized and unrealized appreciation with the endowment after the annual income distribution has been made. The net appreciation available to meet future spending needs, subject to the approval of The Regents, amounted to \$1.89 billion and \$1.54 billion at June 30, 2007 and 2006, respectively.

The portion of investment returns earned on endowments held by the University and distributed at the end of each year to support current operations for the following year is based upon a rate that is approved by The Regents. The annual income distribution transferred to the campuses from endowments held by the University was \$193.3 million and \$184.9 million for the years ended June 30, 2007 and 2006, respectively. The portion of this annual income distribution from accumulated capital gains, in addition to the dividend and interest income earned during the year, was \$69.9 million and \$77.9 million for the years ended June 30, 2007 and 2006, respectively. Accumulated endowment income available for spending in the future, including the annual income distribution, was \$480.8 million and \$481.5 million at June 30, 2007 and 2006, respectively.

Campus Foundations

The value of endowments and gifts held by the campus foundations and administered by each of their independent Board of Trustees at June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS			
	RESTRICTED NONEXPENDABLE	RESTRICTED EXPENDABLE	UNRESTRICTED	TOTAL
<i>At June 30, 2007</i>				
Endowments	\$ 1,614,466	\$ 1,019,954		\$ 2,634,420
Funds functioning as endowments		733,459		733,459
Annuity and life income	113,136	136,253		249,389
Gifts		738,596	\$ 15,631	754,227
Campus foundations' endowments and gifts	\$1,727,602	\$2,628,262	\$15,631	\$4,371,495
<i>At June 30, 2006</i>				
Endowments	\$ 1,429,854	\$ 696,569		\$ 2,126,423
Funds functioning as endowments		634,595		634,595
Annuity and life income	97,031	124,050		221,081
Gifts		676,392	\$ 16,378	692,770
Campus foundations' endowments and gifts	\$1,526,885	\$2,131,606	\$16,378	\$3,674,869

The campus foundations provided grants to the University's campuses totaling \$451.3 million and \$416.2 million, respectively, during the years ended June 30, 2007 and 2006.

14. THE UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM (UCRS)

Most University employees participate in the UCRS. The UCRS consists of the University of California Retirement Plan, a single employer, defined benefit plan funded with University and employee contributions; the University of California Retirement Savings Program that includes three defined contribution plans with options to participate in internally and externally managed investment portfolios generally funded with employee non-elective and elective contributions; and the California Public Employees Retirement System (PERS) Voluntary Early Retirement Incentive Program (PERS-VERIP), a defined benefit plan for University employees who were members of PERS who elected early retirement.

University of California Retirement Plan

The University of California Retirement Plan (UCRP) provides lifetime retirement income, disability protection, death benefits and pre-retirement survivor benefits to eligible employees of the University of California and its affiliates. Membership in the retirement plan is required for all employees appointed to work at least 50 percent time for a year or more. Generally, five years of service are required for entitlement to plan benefits. The amount of the pension benefit is determined by salary rate, age and years of service credit with certain cost of living adjustments. The maximum monthly benefit is 100 percent of the employee's highest average compensation over a consecutive 36-month period.

Members' contributions to UCRP are accounted for separately and accrue interest at 6.0 percent annually. Upon termination, members may elect a refund of their contributions plus accumulated interest; vested terminated members who are eligible to retire may also elect a lump sum equal to the present value of their accrued benefits.

At June 30, 2007, plan membership totaled 225,623, comprised of 118,885 active members; 26,776 inactive members who are terminated vested employees entitled to benefits, but not yet receiving them; 32,280 terminated nonvested members eligible for a refund of accumulations; and 47,682 retirees and beneficiaries currently receiving benefits. The active members include 67,966 current employees who are fully vested. The active members also include 50,919 nonvested current employees covered by the plan.

The Regents' funding policy provides for actuarially determined contributions at rates that provide for sufficient assets to be available when benefits are due. The contribution rate is determined using the entry age normal actuarial funding method. The significant actuarial assumptions used to compute the actuarially determined contribution are the same as those used to compute the actuarial accrued liability.

The rates for employer contributions as a percentage of covered payroll are determined annually pursuant to The Regents' funding policy and based on recommendations of the consulting actuary. In addition, the DOE may be required to make contributions related to LANL members. As a result of the funded status of the UCRP, during the years ended June 30, 2007 and 2006, the UCRP generally had no required employer contributions other than \$17.4 million required from the DOE related to LANL members for the year ended June 30, 2007.

Employee contributions may also be required to be made to the UCRP. The rate of employee contributions as a percentage of covered payroll is determined annually pursuant to The Regents' funding policy, based on recommendations of the consulting actuary and subject to collective bargaining, as applicable. During the years ended June 30, 2007 and 2006, the UCRP had no required employee contributions.

The annual required contribution for the current year was determined as part of the June 30, 2007 actuarial valuation, which is the latest available information, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation were:

- assumed return on investment of 7.5 percent per year;
- projected salary increases ranging from 4.35–7.0 percent per year (4.5–6.5 percent for the prior year);
- projected inflation at 3.5 percent (4.0 percent for the prior year);
- future life expectancy based upon recent group mortality experience; and
- assumed retirement ages, employee turnover and disability rates based on actual plan experience and future expectations.

Actuarial valuations represent a long-term perspective and involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The projection of benefits does not explicitly incorporate the potential effects of the results of collective bargaining discussions on the contribution rate. Actuarially determined amounts are subject to periodic revisions as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presents multi-year trend information about whether the actuarial value of assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the fair value of investments over a five-year period. The actuarial value of assets in excess of the actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period for the plan year ending June 30, 2007 was two years.

The supplemental schedule of funding progress for the University is as follows:

(in thousands of dollars)

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY	EXCESS	FUNDED RATIO	ANNUAL COVERED PAYROLL	EXCESS/COVERED PAYROLL
June 30, 2007	\$43,328,050	\$41,335,935	\$1,992,115	104.8 %	\$7,595,421	26.2 %
June 30, 2006	41,872,844	40,207,322	1,665,522	104.1	8,241,706	20.2
June 30, 2005	40,993,301	37,170,862	3,822,439	110.3	8,133,183	47.0

For the June 30, 2007 actuarial valuation, based upon an actuarial experience study, The Regents approved changes to economic assumptions that decreased the projected inflation to 3.5 percent and increased the range for salary increases to between 4.35 and 7.0 percent per year, certain demographic assumptions were modified and annual covered payroll was reduced to anticipate members who leave active status during the year. These changes in assumptions decreased the June 30, 2007 actuarial accrued liability and annual covered payroll by \$533 million and \$812 million, respectively.

All assets of the UCRP are available to pay any member's benefit. However, assets and liabilities for the campus and medical center segment of the UCRP are internally tracked separately from the DOE national laboratory segment of the UCRP.

Campus and Medical Center Segment of the UCRP

The supplemental schedule of funding progress for the campus and medical center segment of the UCRP is as follows:

(in thousands of dollars)

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY	EXCESS	FUNDED RATIO	ANNUAL COVERED PAYROLL	EXCESS/COVERED PAYROLL
June 30, 2007	\$33,581,431	\$31,917,954	\$1,663,477	105.2 %	\$6,270,789	24.8 %
June 30, 2006	31,380,900	29,728,524	1,652,376	105.6	6,731,201	24.5
June 30, 2005	30,662,348	27,300,357	3,361,991	112.3	6,346,933	53.0

The actuarial value of assets was determined on a basis consistent with the overall UCRP. The remaining amortization period for the plan year ending June 30, 2007 was one year. Changes in assumptions as described above decreased the June 30, 2007 actuarial accrued liability and annual covered payroll by \$481 million and \$726 million, respectively.

DOE National Laboratory Segment of the UCRP

The DOE national laboratories are required to make employer and employee contributions in conformity with The Regents' funding policy. In addition, under certain circumstances the DOE has agreed to make additional contributions related to LANL members who have retired or are inactive. For the year ended June 30, 2007, contributions to be made to the UCRP under this agreement were \$17.4 million.

The supplemental schedule of funding progress for the DOE national laboratory segment of the UCRP is as follows:

(in thousands of dollars)

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY	EXCESS	FUNDED RATIO	ANNUAL COVERED PAYROLL	EXCESS/COVERED PAYROLL
June 30, 2007	\$ 9,746,619	\$ 9,417,981	\$ 328,638	103.5 %	\$ 874,632	37.6 %
June 30, 2006	10,491,944	10,478,798	13,146	100.1	1,510,505	0.9
June 30, 2005	10,330,953	9,870,505	460,448	104.7	1,786,250	25.8

Changes in assumptions as described above decreased the June 30, 2007 actuarial accrued liability and annual covered payroll by \$52 million and \$86 million, respectively.

With the selection of LANS as the successor contractor to the University for the management of LANL effective June 1, 2006, assets and liabilities attributable to the UCRP benefits of the approximately 6,500 LANL employees who accepted employment with LANS and elected to participate in the defined benefit plan established by LANS were transferred to the LANS plan as of March 31, 2007. For reporting purposes, the supplemental schedule of funding progress includes both assets and liabilities associated with these transitioning employees through June 30, 2006. The market value of assets transferred as of March 31, 2007 to the LANS plan associated with the transitioning employees who are not retained in the UCRP was \$1.44 billion. The market value of the assets as of March 31, 2007 retained in the UCRP for LANL members who have retired or are inactive was \$3.46 billion.

With the selection of LLNS as the successor contractor to the University for the management of the Lawrence Livermore National Laboratory effective October 1, 2007, the assets and liabilities attributable to the UCRP benefits of the approximately 7,300 LLNL employees who may accept employment with LLNS and who elect to participate in the defined benefit plan established by LLNS are expected to be transferred to the LLNS plan at a future date provided all required and advisable regulatory rulings and approvals are obtained. For reporting purposes, these transitioning employees are included as active members in the UCRP membership information as of June 30, 2007. The actuarial

accrued liability associated with the transitioning employees who will not be retained in the UCRP is not currently known. The amount of the assets to be retained in the UCRP for LLNL members who have retired or are inactive, and the amount of the assets that may be transferred to the LLNS plan for the transitioning employees who elected to participate in the LLNS plan, is also not currently known. The amounts will depend on the assumptions used and future discussions with the DOE. As a result, the supplemental schedule of funding progress includes both assets and liabilities for members who have elected to transfer to the LLNS plan. In addition, as a result of future discussions, the DOE may make contributions related to LLNL members who have retired or are inactive if the actuarial value of assets at the beginning of the plan year is less than the actuarial liabilities.

University of California Retirement Savings Program

The University of California Retirement Savings Program includes three defined contribution plans providing savings incentives and additional retirement security that are generally available to all University employees. Participants' interests in the plans are fully and immediately vested and are distributable at retirement, termination of employment or death. Participants may also elect to defer distribution of the account until age 70 ½ or separation from service after age 70 ½, whichever is later, in accordance with Internal Revenue Code minimum distribution requirements. The plans also accept qualified rollover contributions.

Defined Contribution Plan

The Defined Contribution Plan (the DC Plan) accepts both after-tax and pretax contributions. Pretax contributions are fully vested and are mandatory for all employees who are members of the UCRP, as well as Safe Harbor participants—part-time, seasonal and temporary employees who are not covered by Social Security. For UCRP members, monthly employee contributions range from approximately 2.0 percent to 4.0 percent of covered wages depending upon whether wages are below or above the Social Security wage base. For Safe Harbor participants, monthly employee contributions are 7.5 percent of covered wages.

The University has a provision for matching employer and employee contributions to the DC Plan for certain summer session teaching or research compensation for eligible academic employees. The University may also make contributions in behalf of certain members of management. Employer contributions to the DC Plan were \$8.7 million and \$11.2 million for the years ended June 30, 2007 and 2006, respectively.

Tax Deferred 403(b) Plan

The University's Tax Deferred 403(b) Plan (the 403(b) Plan) accepts pretax contributions. The University may also make contributions in behalf of certain members of management. Employer contributions to the 403(b) Plan were \$3.8 million and \$6.7 million for the years ended June 30, 2007 and 2006, respectively.

457(b) Deferred Compensation Plan

The University has also established a 457(b) Deferred Compensation Plan (the 457(b) Plan) to accept pretax contributions. The University may also make contributions in behalf of certain members of management. Employer contributions to the 457(b) Plan were \$0.6 million and \$2.8 million for the years ended June 30, 2007 and 2006, respectively.

Participants in the DC Plan, the 403(b) Plan and the 457(b) Plan may direct their elective and nonelective contributions to investment funds managed by the Chief Investment Officer. They may also invest contributions in, and transfer plan accumulations to, certain external mutual funds on a custodial plan basis. The participants' interest in external mutual funds is shown separately in the statement of plans' fiduciary net assets.

University of California PERS–VERIP

The University of California PERS–VERIP is a defined benefit pension plan providing lifetime supplemental retirement income and survivor benefits to UC–PERS members who elected early retirement under provisions of the plan. The University contributed to the California Public Employee Retirement System in behalf of these UC–PERS members. At June 30, 2007 there are 758 retirees or beneficiaries receiving benefits under this voluntary early retirement program.

The University and DOE laboratories previously made contributions to the plan sufficient to maintain the promised benefits and the qualified status of the plan.

Additional information on the retirement plans can be obtained from the 2006-2007 annual reports of the University of California Retirement Plan, the University of California Retirement Savings Plans and the University of California PERS–VERIP.

15. SEGMENT INFORMATION

The University's significant identifiable activities for which revenue bonds may be outstanding and for which medical center revenue is pledged in support of revenue bonds are related to the University's medical centers. The medical centers' operating revenues and expenses consist primarily of revenues associated with patient care and the related costs of providing that care.

Condensed financial statement information related to each of the University's medical centers for the years ended June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA MEDICAL CENTERS				
	DAVIS	IRVINE	LOS ANGELES	SAN DIEGO	SAN FRANCISCO
<i>Year Ended June 30, 2007</i>					
Bonds outstanding	\$ 401,225	\$ 62,920	\$ 531,580	\$ 73,555	\$ 140,175
Related debt service payments	\$ 24,512	\$ 845	\$ 22,855	\$ 5,992	\$ 5,932
Bonds due serially through	2047	2047	2047	2047	2047

CONDENSED STATEMENT OF NET ASSETS

Current assets	\$ 343,355	\$ 191,859	\$ 380,505	\$ 277,034	\$ 484,194
Capital assets, net	818,576	381,163	1,427,158	319,189	601,542
Other assets	85,446	29,703	125,409	4,057	12,404
Total assets	1,247,377	602,725	1,933,072	600,280	1,098,140
Current liabilities	161,445	76,680	195,976	75,488	173,669
Long-term debt	405,632	84,123	644,385	95,274	219,935
Other noncurrent liabilities					29,395
Total liabilities	567,077	160,803	840,361	170,762	422,999
Invested in capital assets, net of debt	441,727	289,101	866,283	218,243	362,727
Restricted	1,819	28,677	114,464		7,124
Unrestricted	236,754	124,144	111,964	211,275	305,290
Total net assets	\$ 680,300	\$441,922	\$1,092,711	\$429,518	\$ 675,141

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Operating revenues	\$ 943,632	\$ 488,804	\$ 1,132,876	\$ 643,109	\$ 1,386,356
Operating expenses	(826,126)	(429,968)	(1,039,515)	(549,394)	(1,217,876)
Depreciation expense	(55,377)	(17,725)	(41,888)	(26,148)	(55,968)
Operating income	62,129	41,111	51,473	67,567	112,512
Nonoperating revenues (expenses)	(4,915)	4,085	(10,771)	(332)	(1,670)
Income before other changes in net assets	57,214	45,196	40,702	67,235	110,842
State and federal capital appropriations			30,939	387	20,373
Health systems support	(14,137)	(37,731)	(29,677)	(30,308)	(22,232)
Transfers (to) from University, net	16,073	79,494	(69,650)	159	
Other, including donated assets	9,595		21,842	33	1,886
Increase (decrease) in net assets	68,745	86,959	(5,844)	37,506	110,869
Net assets—June 30, 2006	611,555	354,963	1,098,555	392,012	564,272
Net assets—June 30, 2007	\$ 680,300	\$441,922	\$1,092,711	\$429,518	\$ 675,141

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:

Operating activities	\$ 113,184	\$ 57,474	\$ 77,049	\$ 80,224	\$ 129,964
Noncapital financing activities	(12,742)	(37,731)	(35,185)	(30,308)	(22,232)
Capital and related financing activities	(37,743)	(41,360)	(11,392)	(45,053)	(84,519)
Investing activities	(52,246)	5,062	(39,655)	3,798	8,071
Net increase (decrease) in cash and cash equivalents	(10,453)	(16,555)	(9,183)	8,661	31,284
Cash and cash equivalents—June 30, 2006	142,852	117,378	130,161	119,022	155,555
Cash and cash equivalents—June 30, 2007	\$ 153,305	\$100,823	\$ 120,978	\$127,683	\$ 186,839

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA MEDICAL CENTERS				
	DAVIS	IRVINE	LOS ANGELES	SAN DIEGO	SAN FRANCISCO
Year Ended June 30, 2006					
Bonds outstanding	\$ 347,295		\$ 286,585	\$ 58,153	\$ 94,895
Related debt service payments	\$ 18,084		\$ 15,120	\$ 6,541	\$ 6,559
Bonds due serially through	2026		2039	2019	2032
CONDENSED STATEMENT OF NET ASSETS					
Current assets	\$ 334,936	\$ 207,326	\$ 357,004	\$ 246,960	\$ 419,606
Capital assets, net	737,738	237,446	1,243,184	306,120	502,826
Other assets	17,528		75,427	2,856	11,235
Total assets	1,090,202	444,772	1,675,615	555,936	933,667
Current liabilities	134,219	75,205	174,462	86,205	146,778
Long-term debt	344,428	14,604	402,598	77,719	167,317
Other noncurrent liabilities					55,300
Total liabilities	478,647	89,809	577,060	163,924	369,395
Invested in capital assets, net of debt	375,358	215,626	926,769	203,746	323,018
Restricted	8,622		67,556		6,790
Unrestricted	227,575	139,337	104,230	188,266	234,464
Total net assets	\$ 611,555	\$354,963	\$1,098,555	\$392,012	\$ 564,272
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS					
Operating revenues	\$ 863,715	\$ 477,254	\$ 1,048,255	\$ 614,675	\$ 1,269,050
Operating expenses	(745,487)	(400,208)	(929,623)	(504,506)	(1,103,137)
Depreciation expense	(53,560)	(15,724)	(44,266)	(24,866)	(52,171)
Operating income	64,668	61,322	74,366	85,303	113,742
Nonoperating revenues (expenses)	(6,791)	3,092	(4,225)	(1,508)	(18,099)
Income before other changes in net assets	57,877	64,414	70,141	83,795	95,643
State and federal capital appropriations			20,180	3,403	
Health systems support	(16,173)	(32,994)	(24,600)	(22,824)	(24,753)
Transfers from University, net	2,407	51,518	83,552	215	
Other, including donated assets			14,289	1,819	2,854
Increase in net assets	44,111	82,938	163,562	66,408	73,744
Net assets—June 30, 2005	567,444	272,025	934,993	325,604	490,528
Net assets—June 30, 2006	\$ 611,555	\$354,963	\$1,098,555	\$392,012	\$ 564,272
CONDENSED STATEMENT OF CASH FLOWS					
Net cash provided (used) by:					
Operating activities	\$ 94,752	\$ 72,956	\$ 121,140	\$ 52,625	\$ 145,244
Noncapital financing activities	(14,190)	(32,837)	(24,600)	(22,824)	(40,479)
Capital and related financing activities	(96,900)	(27,642)	(78,734)	(41,803)	(99,301)
Investing activities	6,085	4,201	32,798	6,569	5,843
Net increase (decrease) in cash and cash equivalents	(10,253)	16,678	50,604	(5,433)	11,307
Cash and cash equivalents—June 30, 2005	153,105	100,700	79,557	124,455	144,248
Cash and cash equivalents—June 30, 2006	\$ 142,852	\$117,378	\$ 130,161	\$119,022	\$ 155,555

Summarized financial information for each medical center is from their separately audited financial statements. Certain revenue, such as financial support from the state for clinical teaching programs, is classified as state educational appropriations rather than medical center revenue in the University's statement of revenues, expenses and changes in net assets. However, in the medical center's separately audited financial statements and for segment reporting purposes, these revenues are classified as operating revenue.

Multiple purpose and housing system projects including student and faculty housing, parking facilities, student centers, recreation and events facilities, student health service facilities and certain academic and administrative facilities are also financed by revenue bonds; however, assets and liabilities are not required to be accounted for separately.

Additional information on the individual University of California Medical Centers can be obtained from their separate June 30, 2007 audited financial statements.

16. CAMPUS FOUNDATION INFORMATION

Under University policies approved by The Regents, each individual campus may establish a separate foundation to provide valuable assistance in fundraising, public outreach and other support for the missions of the campus and the University. Although independent boards govern these foundations, their assets are dedicated for the benefit of the University of California.

Condensed financial statement information related to the University's campus foundations, including their allocated share of the assets and liabilities associated with securities lending transactions in the University's investment pools, for the years ended June 30, 2007 and 2006 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS				
	BERKELEY	SAN FRANCISCO	LOS ANGELES	ALL OTHER	TOTAL
Year Ended June 30, 2007					
CONDENSED STATEMENT OF NET ASSETS					
Current assets	\$ 118,506	\$ 123,104	\$ 293,039	\$ 369,638	\$ 904,287
Noncurrent assets	1,088,876	625,584	1,263,307	1,163,990	4,141,757
Total assets	1,207,382	748,688	1,556,346	1,533,628	5,046,044
Current liabilities	63,686	10,934	209,274	199,060	482,954
Noncurrent liabilities	79,162	15,331	47,515	49,587	191,595
Total liabilities	142,848	26,265	256,789	248,647	674,549
Restricted	1,063,276	722,158	1,295,517	1,274,913	4,355,864
Unrestricted	1,258	265	4,040	10,068	15,631
Total net assets	\$1,064,534	\$722,423	\$1,299,557	\$1,284,981	\$4,371,495
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS					
Operating revenues	\$ 71,387	\$ 104,745	\$ 147,003	\$ 138,482	\$ 461,617
Operating expenses	(86,515)	(99,361)	(163,168)	(114,295)	(463,339)
Operating income (loss)	(15,128)	5,384	(16,165)	24,187	(1,722)
Nonoperating revenues	146,357	78,921	142,857	158,506	526,641
Income before other changes in net assets	131,229	84,305	126,692	182,693	524,919
Permanent endowments	34,605	32,494	39,647	64,961	171,707
Increase in net assets	165,834	116,799	166,339	247,654	696,626
Net assets—June 30, 2006	898,700	605,624	1,133,218	1,037,327	3,674,869
Net assets—June 30, 2007	\$1,064,534	\$722,423	\$1,299,557	\$1,284,981	\$4,371,495
CONDENSED STATEMENT OF CASH FLOWS					
Net cash provided (used) by:					
Operating activities	\$ (12,991)	\$ (2,534)	\$ 3,028	\$ (18,701)	\$ (31,198)
Noncapital financing activities	27,653	32,494	39,647	63,257	163,051
Investing activities	(14,554)	(22,481)	(43,404)	(15,895)	(96,334)
Net increase (decrease) in cash and cash equivalents	108	7,479	(729)	28,661	35,519
Cash and cash equivalents—June 30, 2006	1,138	93,803	1,460	29,623	126,024
Cash and cash equivalents—June 30, 2007	\$ 1,246	\$101,282	\$ 731	\$ 58,284	\$ 161,543

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS				
	BERKELEY	SAN FRANCISCO	LOS ANGELES	ALL OTHER	TOTAL
Year Ended June 30, 2006					
CONDENSED STATEMENT OF NET ASSETS					
Current assets	\$ 84,425	\$ 146,670	\$ 274,073	\$ 271,665	\$ 776,833
Noncurrent assets	930,409	479,766	1,088,196	956,130	3,454,501
Total assets	1,014,834	626,436	1,362,269	1,227,795	4,231,334
Current liabilities	40,262	7,194	184,442	149,882	381,780
Noncurrent liabilities	75,872	13,618	44,609	40,586	174,685
Total liabilities	116,134	20,812	229,051	190,468	556,465
Restricted	897,310	605,353	1,130,822	1,025,006	3,658,491
Unrestricted	1,390	271	2,396	12,321	16,378
Total net assets	\$ 898,700	\$605,624	\$1,133,218	\$1,037,327	\$3,674,869
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS					
Operating revenues	\$ 86,060	\$ 71,463	\$ 110,987	\$ 120,486	\$ 388,996
Operating expenses	(69,537)	(121,715)	(119,140)	(118,971)	(429,363)
Operating income (loss)	16,523	(50,252)	(8,153)	1,515	(40,367)
Nonoperating revenues	96,868	42,444	88,712	77,962	305,986
Income (loss) before other changes in net assets	113,391	(7,808)	80,559	79,477	265,619
Permanent endowments	23,070	18,197	36,325	81,716	159,308
Increase in net assets	136,461	10,389	116,884	161,193	424,927
Net assets—June 30, 2005	762,239	595,235	1,016,334	876,134	3,249,942
Net assets—June 30, 2006	\$ 898,700	\$605,624	\$1,133,218	\$1,037,327	\$3,674,869
CONDENSED STATEMENT OF CASH FLOWS					
Net cash provided (used) by:					
Operating activities	\$ 3,213	\$ (32,374)	\$ 5,490	\$ (24,000)	\$ (47,671)
Noncapital financing activities	18,813	18,197	36,325	68,126	141,461
Investing activities	(21,344)	53,213	(41,192)	(38,112)	(47,435)
Net increase in cash and cash equivalents	682	39,036	623	6,014	46,355
Cash and cash equivalents—June 30, 2005	456	54,767	837	23,609	79,669
Cash and cash equivalents—June 30, 2006	\$ 1,138	\$ 93,803	\$ 1,460	\$ 29,623	\$ 126,024

17. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

Amounts committed but unexpended for construction projects totaled \$2.42 billion and \$2.70 billion at June 30, 2007 and 2006, respectively.

The University and the UCRS have also made commitments to make investments in certain investment partnerships pursuant to provisions in the various partnership agreements. These commitments at June 30, 2007 totaled \$3.00 billion: \$493.2 million and \$2.51 billion for the University and the UCRS, respectively. The commitments at June 30, 2006 totaled \$2.22 billion: \$614.6 million and \$1.61 billion for the University and the UCRS, respectively.

The University leases land, buildings and equipment under agreements recorded as operating leases. Operating lease expenses for the years ended June 30, 2007 and 2006 were \$142.6 million and \$132.7 million, respectively. The terms of operating leases extend through December 2039.

Future minimum payments on operating leases with an initial or remaining non-cancelable term in excess of one year are as follows:

<i>(in thousands of dollars)</i>	
	MINIMUM ANNUAL LEASE PAYMENTS
<i>Year Ending June 30</i>	
2008	\$ 101,382
2009	83,919
2010	60,730
2011	42,788
2012	24,605
2013–2017	35,899
2018–2022	4,021
2023–2027	3,694
2028–2032	4,195
2033–2037	4,745
2038–2041	2,694
Total	\$368,672

Contingencies

Substantial amounts are received and expended by the University, including its medical centers, under federal and state programs and are subject to audit by cognizant governmental agencies. This funding relates to research, student aid, medical center operations and other programs. University management believes that any liabilities arising from such audits will not have a material effect on the University's financial position.

The University and the campus foundations are contingently liable in connection with certain other claims and contracts, including those currently in litigation, arising in the normal course of its activities. Although there are inherent uncertainties in any litigation, University management and general counsel are of the opinion that the outcome of such matters will not have a material effect on the University's financial position.

University of California
Summary Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2007

	<u>Direct Expenditures</u>	<u>Indirect Expenditures</u>	<u>Total</u>
Summary of Expenditures			
Major Programs			
Student Financial Aid	\$ 196,963,115	\$ -	\$ 196,963,115
FEMA Disaster Grants	27,503,741	-	27,503,741
Cooperative Extension Service	15,445,514	-	15,445,514
Research and Development			
Federal Agency Awards Expended	1,909,857,924	579,347,666	2,489,205,590
Pass-Through Agency Awards Expended	212,487,367	67,169,631	279,656,998
Partial Pass-Through Agency Awards Expended	24,926,805	3,503,859	28,430,664
	<u>2,147,272,096</u>	<u>650,021,156</u>	<u>2,797,293,252</u>
Total Research and Development	2,147,272,096	650,021,156	2,797,293,252
 Total Major Programs	 <u>2,387,184,466</u>	 <u>650,021,156</u>	 <u>3,037,205,622</u>
Non-Major Programs			
Federal Agency Awards Expended	136,470,410	11,317,233	147,787,643
Pass-Through Agency Awards Expended	25,416,127	3,200,690	28,616,817
Partial Pass-Through Agency Awards Expended	12,499,337	522,211	13,021,548
	<u>174,385,874</u>	<u>15,040,134</u>	<u>189,426,008</u>
Total Non-Major Programs	174,385,874	15,040,134	189,426,008
 Total Federal Awards	 <u>\$ 2,561,570,340</u>	 <u>\$ 665,061,290</u>	 <u>\$ 3,226,631,630</u>

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2007

	<u>Federal CFDA #</u>	<u>Direct Expenditures</u>	<u>Indirect Expenditures</u>	<u>Total Expenditures</u>
Student Financial Aid Cluster				
Department of Education				
Federal Supplemental Educational Opportunities Grant	84 007	\$ 9,315,858	\$ -	\$ 9,315,858
Federal Work-Study Program	84 033	14,277,134	-	14,277,134
Federal Pell Grants	84 063	148,518,822	-	148,518,822
Federal Perkins Loan Program	84 038	1,630,602	-	1,630,602
Academic Competitiveness Grants	84 375	9,140,905	-	9,140,905
National SMART Grants	84 376	11,576,999	-	11,576,999
Total Department of Education		194,460,320	-	194,460,320
Department of Health and Human Services				
Scholarships for Students from Disadvantaged Background	93 925	2,502,795	-	2,502,795
Total Student Financial Aid Cluster		196,963,115	-	196,963,115
FEMA Disaster Grants				
Department of Homeland Security	97 036	27,503,741	-	27,503,741
Cooperative Extension Service				
Department of Agriculture	10 500	15,445,514	-	15,445,514
Research and Development				
Federal Agency Awards Expended Direct				
Agency for International Development	98 RD	102,438	-	102,438
Department of Agriculture	10 RD	32,653,992	2,958,732	35,612,724
Department of Commerce	11 RD	21,465,101	3,255,660	24,720,761
Department of Defense				
Department of Air Force	12 RD	20,832,947	5,622,136	26,455,083
Department of Army	12 RD	38,916,890	12,095,340	51,012,230
Department of Navy	12 RD	44,569,182	10,555,620	55,124,802
Advanced Research Projects	12 RD	8,257,058	1,422,979	9,680,037
Separate Agencies	12 RD	17,699,255	2,639,068	20,338,323
Total Department of Defense		130,275,332	32,335,143	162,610,475
Department of Education	84 RD	15,418,047	1,984,181	17,402,228
Department of Energy	81 RD	71,229,169	19,571,397	90,800,566
Department of Homeland Security	97 RD	594,234	88,443	682,677
Department of Interior	15 RD	9,640,027	2,458,933	12,098,960
Department of Justice	16 RD	889,436	381,403	1,270,839
Department of Labor	17 RD	174,027	12,947	186,974
Department of State	19 RD	4,119,506	294,092	4,413,598
Department of Transport	20 RD	2,357,374	532,638	2,890,012
Environmental Protection Agency	66 RD	6,588,208	1,998,600	8,586,808
General Services Administration	39 RD	151,279	69,465	220,744

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development				
Federal Agency Awards Expended Direct (Continued)				
Department of Health and Human Services				
Office of Human Development Services	93 RD	\$ 841,397	\$ 143,116	\$ 984,513
PHS/Adamha	93 RD	7,036,671	848,585	7,885,256
PHS/Centers Disease Control	93 RD	23,419,804	4,524,056	27,943,860
PHS/Food & Drug Administration	93 RD	84,552	32,233	116,785
PHS/Health Care Policy & Research	93 RD	3,868,242	1,232,564	5,100,806
PHS/Health Resources & Services Admin	93 RD	13,718,590	1,330,029	15,048,619
PHS/National Institutes of Health	93 RD	1,148,638,701	396,033,231	1,544,671,932
PHS/Other	93 RD	1,009,979	119,168	1,129,147
Total Dept. of Health and Human Services		1,198,617,936	404,262,982	1,602,880,918
Housing & Urban Development	14 RD	290,064	61,123	351,187
Institute of Peace	91 RD	19,601	-	19,601
National Archives & Records	89 RD	269,845	(11,911)	257,934
National Aeronautics & Space Administration	43 RD	65,928,947	18,508,584	84,437,531
National Foundation Arts & Humanities	45 RD	2,134,099	390,531	2,524,630
National Science Foundation	47 RD	334,241,884	89,737,447	423,979,331
Nuclear Regulatory Commission	77 RD	46,917	21,910	68,827
Other Agencies	99 RD	258,478	47,597	306,075
Smithsonian Institute	85 RD	408,997	93,682	502,679
Veterans Affairs	64 RD	11,982,986	294,087	12,277,073
Total Federal Agency Awards Expended Direct		1,909,857,924	579,347,666	2,489,205,590
Pass Through Funds Expended				
3E Technologies International, Inc. (fmrly Aeptec Microsystems, Inc.)	12 RD	22,268	-	22,268
ALTAIR	81 RD	77,278	11,829	89,107
Abt Associates Inc.	99 RD	(9,593)	(2,494)	(12,087)
Academy for Educational Development (incl Pakistan Training Prog)	10 RD	28,039	7,877	35,916
Actelion (incl Hesperion Ltd.) (Switzerland)	99 RD	1,441	324	1,765
Active Pass Pharmaceuticals (Canada)	93 856	(75,448)	(32,487)	(107,935)
Aculight Corporation	12 300	30,027	4,804	34,831
Add-vision, Inc.	47 041	24,808	11,305	36,113
Adler Planetarium & Astronomy Museum	47 RD	22,517	3,828	26,345
Advanced Ceramics Research	12 300	101,062	38,529	139,591
Advanced Ceramics Research	12 RD	(28,422)	(15,206)	(43,628)
Advanced Power Solutions, Inc.	43 RD	43,264	28,736	72,000
Aerosol Dynamics, Inc.	81 RD	7,529	1,958	9,487
Aerospace Corporation	99 RD	72	39	111
Afya, Inc.	93 RD	106,996	27,129	134,125
Agennix, Incorporated (Houston, Texas)	93 865	24,090	12,406	36,496
Agile Materials and Technologies, Inc.	12 630	16,774	4,075	20,849
Agiltron, Inc.	97 002	14,356	6,178	20,534
Aguila Technologies, Inc.	12 630	(5,063)	(2,734)	(7,797)
Aguila Technologies, Inc.	93 286	3,236	1,764	5,000
Aguila Technologies, Inc.	93 RD	187,426	86,965	274,391
Aguila Technologies, Inc.	97 065	91,742	49,999	141,741

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
AIDS Support Organization, The (TASO) (Uganda)	93 RD	\$ 93,562	\$ 24,326	\$ 117,888
Airlaunch Llc	12 RD	6,603	3,358	9,961
Akeso Health Sciences Llc	93 213	12,812	6,726	19,538
Akron, University of	12 100	3,766	2,053	5,819
Akron, University of	12 800	12,627	6,882	19,509
Alameda Applied Sciences Corporation	12 RD	71,023	36,442	107,465
Alaska, State of	15 RD	35,720	4,231	39,951
Almen Laboratories, Inc.	93 395	16,851	9,184	26,035
Ambulatory Monitoring Inc.	93 242	27,839	7,238	35,077
American Academy of Pediatrics	93 918	(60)	(16)	(76)
American Assn for The Advancement of Science	15 RD	14,113	706	14,819
American Cncl on Education	99 RD	141,312	6,239	147,551
American Col of Gastroenterology	99 RD	2,836	-	2,836
American Col of Preventive Medicine	93 161	(2,540)	(660)	(3,200)
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	93 394	146,720	37,962	184,682
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	93 395	62,906	15,534	78,440
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	93 396	(27,137)	(3,418)	(30,555)
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	93 RD	419,109	104,551	523,660
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	99 RD	11,406	2,852	14,258
American Col of Surgeons	93 RD	96	51	147
American Educational Research Association	84 305	60,309	4,825	65,134
American Inst of Biological Sciences	47 074	120,314	65,548	185,862
American Life Science Pharmaceuticals, Inc.	93 866	133,935	72,995	206,930
American Museum of Natural History	47 RD	29,291	7,616	36,907
American Psychological Association (incl Amer Psychological Foundation	93 960	21,773	-	21,773
American Telephone and Telegraph Company (AT&T)	12 RD	(825)	-	(825)
Americaview, Inc. (Consortia of Univ on Satellite Remote Sensing Data)	15 808	4,843	726	5,569
Amyris Biotechnologies	93 RD	19,495	7,538	27,033
Analytical Technologies Application Corporation (ATAC)	43 RD	(1,709)	(861)	(2,570)
Andrew W. Mellon Foundation (the)	93 252	(32,090)	(17,168)	(49,258)
Applied Spectra	12 RD	56,486	12,227	68,713
Aprend Technology	93 395	1,810	932	2,742
Arctic Research Consortium of The United States (ARCUS)	47 078	20,044	9,421	29,465
ARD, Inc. (Association In Rural Development)	12 RD	15,212	3,955	19,167
Area 4 Agency on Aging (serv Ca, Nv,Placer,Sacto, Sierra, Sutter,etc.)	93 052	92,962	7,309	100,271
Arete Therapeutics, Inc.	93 837	9,411	4,846	14,257
Argonne National Laboratory (DOE GOCO Lab Operated by Univ of Chicago)	81 100	66,988	34,499	101,487
Argonne National Laboratory (DOE GOCO Lab Operated by Univ of Chicago)	81 RD	77,047	22,168	99,215
Argonne National Laboratory (DOE GOCO Lab Operated by Univ of Chicago)	99 RD	4,194	-	4,194
Arizona State University/Tempe	10 206	14,957	3,739	18,696
Arizona State University/Tempe	43 RD	24,721	12,361	37,082
Arizona State University/Tempe	47 041	(4,688)	(1,405)	(6,093)
Arizona State University/Tempe	47 076	7,554	1,843	9,397
Arizona State University/Tempe	93 846	(159)	(64)	(223)
Arizona State University/Tempe	93 853	16,134	21	16,155
Arizona State University/Tempe	93 856	58,405	30,078	88,483
Arizona State University/Tempe	93 865	82,468	44,944	127,412
Arizona State University/Tempe	93 866	11,498	6,266	17,764
Articular Engineering, Llc	47 041	187	96	283
Assn of American Colleges	99 RD	33	10	43
Assn of American Medical Colleges	93 283	288,723	37,611	326,334

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Assn of American Medical Colleges	93 RD	\$ (33)	\$ (16)	\$ (49)
Assn of California Nurse Leaders	93 226	42,725	22,003	64,728
Assn of Maternal and Child Health Programs (AMCHP)	93 RD	30,253	9,984	40,237
Assn of Occupational and Environmental Clinics	93 064	55,683	3,898	59,581
Assn of Occupational and Environmental Clinics	93 161	3,314	232	3,546
Assn of Occupational and Environmental Clinics	93 RD	28,760	2,013	30,773
Assn of Schools of Public Health	47 RD	22,797	11,042	33,839
Assn of Schools of Public Health	91 RD	538	43	581
Assn of Schools of Public Health	93 263	159	-	159
Assn of Schools of Public Health	93 283	(461)	(37)	(498)
Assn of Schools of Public Health	93 RD	(24,678)	(6,616)	(31,294)
Assn of Schools of Public Health	99 RD	27,581	3,280	30,861
Assn of Teachers of Preventive Medicine	93 283	73,921	38,069	111,990
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	43 001	558,647	192,826	751,473
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	43 999	1,794	897	2,691
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	43 RD	1,009,294	428,502	1,437,796
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	47 RD	194,222	61,448	255,670
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	74 300	77,730	13,214	90,944
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	99 RD	245,758	56,601	302,359
Associated Universities, inc. (incl National Radio Astronomy Observatory)	47 RD	16,420	6,688	23,108
Astrazeneca Plc (incl Future Forum) (Great Britain)	99 RD	81,884	28,264	110,148
Atlas Scientific	43 RD	19,760	6,359	26,119
Australian Natl University, The (Australia)	93 855	285,963	148,935	434,898
Avaak, Inc.	12 300	73,484	24,496	97,980
Avaak, Inc.	12 431	(5,256)	(2,733)	(7,989)
Bae Systems	12 630	24,932	13,164	38,096
Bae Systems	12 RD	(54)	(14)	(68)
Bahr Management, Inc.	93 213	26,392	5,986	32,378
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	81 049	1,033	527	1,560
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	81 RD	49,652	12,090	61,742
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	93 226	237,262	79,070	316,332
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	99 RD	264	87	351
Battelle Pacific Northwest Laboratories	81 049	186,139	48,396	234,535
Battelle Pacific Northwest Laboratories	81 RD	76,853	37,055	113,908
Bay Area Hypersciences	43 222	596	155	751
Bay Area Research Corporation	47 RD	7,411	2,816	10,227
Baylor College of Medicine (Houston, TX)	10 206	22,138	5,535	27,673
Baylor College of Medicine (Houston, TX)	47 049	47,464	23,080	70,544
Baylor College of Medicine (Houston, TX)	93 361	60,631	14,745	75,376
Baylor College of Medicine (Houston, TX)	93 389	26	14	40
Baylor College of Medicine (Houston, TX)	93 393	29	15	44
Baylor College of Medicine (Houston, TX)	93 394	(268)	(138)	(406)
Baylor College of Medicine (Houston, TX)	93 396	38,631	19,895	58,526
Baylor College of Medicine (Houston, TX)	93 399	46,168	23,905	70,073
Baylor College of Medicine (Houston, TX)	93 846	(144)	(75)	(219)
Baylor College of Medicine (Houston, TX)	93 847	75,791	40,928	116,719
Baylor College of Medicine (Houston, TX)	93 867	96,554	49,654	146,208
Bechtel Corporation (incl Bechtel Nevada Corp.)	81 RD	10,786	5,069	15,855
Benaroya Research Institute at Virginia Mason	93 847	1,094	564	1,658
Benthos, Inc.	12 300	(325)	(169)	(494)

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Berger/Abam Engineers Inc.	12 300	\$ 250,078	\$ 74,574	\$ 324,652
Beth Israel Deaconess Medical Center	93 393	43,450	22,811	66,261
Beth Israel Deaconess Medical Center	93 853	43,343	23,189	66,532
Beth Israel Deaconess Medical Center	93 856	128,214	68,914	197,128
Beth Israel Deaconess Medical Center	93 RD	18,246	9,857	28,103
Biosearch Technologies, Inc.	93 RD	384	200	584
Biotrue Inc.	93 371	20,858	11,368	32,226
Blood Systems, Inc. (inclu Res Inst & Blood Centers of The Pacific)	93 839	20,116	5,003	25,119
Blood Systems, Inc. (inclu Res Inst & Blood Centers of The Pacific)	93 RD	136,989	70,549	207,538
Boeing Company, The	12 630	28,417	15,487	43,904
Boeing Company, The	12 RD	60,869	30,853	91,722
Boise State University	47 050	8,000	3,920	11,920
Boise State University	93 389	6,557	3,443	10,000
Bone Biologics, Inc.	93 121	6,236	3,398	9,634
Booz Allen Hamilton Inc.	20 205	(146)	(79)	(225)
Booz Allen Hamilton Inc.	93 395	159,058	54,080	213,138
Booz Allen Hamilton Inc.	93 RD	91,994	48,605	140,599
Booz Allen Hamilton Inc.	99 RD	11,418	1,071	12,489
Boston College	43 RD	21,356	9,686	31,042
Boston University	43 RD	283,713	80,858	364,571
Boston University	81 502	(322)	(388)	(710)
Boston University	81 RD	152,210	36,975	189,185
Boston University	93 242	57,429	10,911	68,340
Boston University	93 394	39,365	20,470	59,835
Boston University	93 398	16,643	1,332	17,975
Boston University	93 846	24,778	5,590	30,368
Boston University	93 853	(417)	-	(417)
Boston University	93 866	441,483	151,464	592,947
BP Group (BP America, BP Exploration, British Petroleum) (Gr Britain)	81 049	114,642	25,588	140,230
Brandeis University	93 RD	52,919	27,253	80,172
Brechtel Manufacturing, Inc.	47 041	5,602	2,885	8,487
Brentwood Biomedical Research Institute (VA Foundation)	93 393	39,426	10,251	49,677
Brentwood Biomedical Research Institute (VA Foundation)	93 848	63,742	16,573	80,315
Brentwood Biomedical Research Institute (VA Foundation)	93 853	74,315	19,322	93,637
Brentwood Biomedical Research Institute (VA Foundation)	93 855	38,729	10,070	48,799
Brentwood Biomedical Research Institute (VA Foundation)	93 RD	39,352	10,232	49,584
Brigham Young University	10 206	17,394	4,348	21,742
Brigham Young University	84 116	17,770	1,422	19,192
Brigham and Women's Hospital	93 113	179	93	272
Brigham and Women's Hospital	93 286	473,619	238,537	712,156
Brigham and Women's Hospital	93 393	(5)	(3)	(8)
Brigham and Women's Hospital	93 395	118,326	64,488	182,814
Brigham and Women's Hospital	93 838	(31,000)	(16,275)	(47,275)
Brigham and Women's Hospital	93 846	269,173	167,996	437,169
Brigham and Women's Hospital	93 855	212,142	104,924	317,066
Brigham and Women's Hospital	93 RD	10,765	5,759	16,524
Brigham and Women's Hospital	96 846	100,356	51,683	152,039
Brookhaven Science Associates, Llc (Brookhaven National Laboratory)	81 RD	433,423	89,082	522,505
Brookhaven Science Associates, Llc (Brookhaven National Laboratory)	93 RD	14,712	3,825	18,537
Brookhaven Science Associates, Llc (Brookhaven National Laboratory)	99 RD	127,462	32,473	159,935

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Brown University	12 300	\$ (7,885)	\$ (4,100)	\$ (11,985)
Brown University	12 431	68,768	24,797	93,565
Brown University	47 RD	20,377	8,210	28,587
Brown University	93 233	20,357	721	21,078
Brown University	93 938	44,815	23,304	68,119
Buck Institute for Age Research	93 856	27,757	14,295	42,052
Buck Institute for Age Research	93 866	136,153	70,119	206,272
Bumham Institute, The	93 395	209,786	114,161	323,947
Bumham Institute, The	93 396	(70)	(37)	(107)
Bumham Institute, The	93 837	824,301	314,380	1,138,681
Bumham Institute, The	93 849	45,966	24,904	70,870
Bumham Institute, The	93 853	50,316	27,422	77,738
Bumham Institute, The	93 856	52,474	24,560	77,034
Bumham Institute, The	93 862	63,174	26,060	89,234
Bumham Institute, The	93 RD	84,116	43,320	127,436
Butler University	93 RD	64,974	12,943	77,917
CNA Corporation, The (CNAC) (incl Ctr Naval Analyses, Inst Public Res)	93 RD	(12,087)	(6,225)	(18,312)
CV Therapeutics	93 273	15,834	8,154	23,988
Cachuma Conservation Release Board	99 RD	15,469	2,985	18,454
Caci Intl Inc. (incl Caci Dynamic Systems, Inc., Caci-iss, Inc.)	39 RD	525,927	243,993	769,920
Cal BTH Managed Health Care, Department of	93 006	110,992	16,649	127,641
Cal BTH Motor Vehicles, Department of	84 367	103,772	8,302	112,074
Cal BTH Office of Traffic Safety	20 600	404,172	53,946	458,118
Cal BTH Trans, Commission (Cal Transportation Commission)	20 RD	1,905,410	187,786	2,093,196
Cal BTH Trans, New Technology and Research, Division of	20 RD	1,221,094	122,150	1,343,244
Cal BTH Trans, New Technology and Research, Division of	99 RD	84,050	11,490	95,540
Cal BTH Trans, Operations, Division of	20 515	40,439	5,956	46,395
Cal BTH Trans./miscellaneous	20 205	25,363	2,776	28,139
Cal BTH Trans./miscellaneous	20 RD	2,955,080	276,763	3,231,843
Cal BTH Trans./miscellaneous	99 RD	71,823	5,471	77,294
Cal DE Curriculum Instruction & Assessment Division	84 367	121,025	7,923	128,948
Cal DE/miscellaneous Divisions or Bureaus	93 940	126,946	13,865	140,811
Cal DE/miscellaneous Divisions or Bureaus	99 RD	31,830	3,183	35,013
Cal DFA Food and Agriculture, Dept. of	10 156	1,305,891	229	1,306,120
Cal DFA Food and Agriculture, Dept. of	10 RD	125,862	13,435	139,297
Cal EPA Air Resources Board	99 RD	326,113	23,566	349,679
Cal EPA Water Control Board	66 RD	122,894	18,665	141,559
Cal Governor's Emergency Services, Office of	16 575	170,257	-	170,257
Cal Governor's Emergency Services, Office of	16 588	409,696	2,087	411,783
Cal Governor's Emergency Services, Office of	99 RD	43,126	-	43,126
Cal H&W Aging, Department of	93 778	53,759	1,096	54,855
Cal H&W Aging, Department of	99 RD	1,400	-	1,400
Cal H&W Alcohol & Drug Programs	99 RD	835	209	1,044
Cal H&W Health Care Services, Department of (DHCS)	93 116	6,775	1,118	7,893
Cal H&W Health Care Services, Department of (DHCS)	93 184	29,460	7,365	36,825
Cal H&W Health Care Services, Department of (DHCS)	93 940	1,591,577	3,710	1,595,287
Cal H&W Health Care Services, Department of (DHCS)	93 994	215,308	16,803	232,111
Cal H&W Health Care Services, Department of (DHCS)	93 RD	3,164,082	267,659	3,431,741
Cal H&W Health Care Services, Department of (DHCS)	99 RD	2,566,059	379,335	2,945,394
Cal H&W Mental Health, Department of	93 003	76,517	8,182	84,699
Cal H&W Rehabilitation, Department of	84 169	(5,112)	(460)	(5,572)

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Cal H&W Social Services, Department of	10 561	\$ 1,228,804	\$ 268,321	\$ 1,497,125
Cal H&W Social Services, Department of	10 RD	16,464	2,799	19,263
Cal H&W Social Services, Department of	99 RD	70,072	18,920	88,992
Cal H&W Statewide Health Planning & Development, Office of	99 RD	81,639	18,361	100,000
Cal H&W/miscellaneous Agencies	84 RD	26,287	6,835	33,122
Cal H&W/miscellaneous Agencies	93 RD	36,592	8,593	45,185
Cal Postsecondary Education Commission	84 367	539,432	35,546	574,978
Cal RA Fish and Game, Department of	11 438	54,895	13,724	68,619
Cal RA Fish and Game, Department of	15 615	291	29	320
Cal RA Fish and Game, Department of	15 RD	376,709	36,264	412,973
Cal RA State Match for Sea Grant Program	99 RD	985	-	985
Cal Scs Consumer Affairs, Department of	99 RD	136,605	13,661	150,266
Cal Secretary of State	90 400	33,141	8,285	41,426
Cal State Library	45 310	852	86	938
Cal State Universities Campuses	47 074	10,324	2,519	12,843
Cal State Universities Campuses	93 307	4,069	2,096	6,165
Cal State Universities Campuses	93 375	39,883	17,009	56,892
Calabazas Creek Research, Inc.	43 RD	93,510	44,881	138,391
Calabazas Creek Research, Inc.	81 RD	831	432	1,263
Calif Assn for Research in Astronomy (dba W.M. Keck Observatory)(CARA)	47 049	54,098	-	54,098
Calif Assn for Research in Astronomy (dba W.M. Keck Observatory)(CARA)	47 RD	207,291	-	207,291
Calif Assn for Research in Astronomy (dba W.M. Keck Observatory)(CARA)	99 RD	383,369	-	383,369
Calif Assn of Winegrape Growers	10 RD	(1,240)	-	(1,240)
Calif Hydro Systems, Inc.	43 RD	17,056	9,296	26,352
Calif Institute of Technology (incl Celt Development Corporation)	12 300	445,276	205,417	650,693
Calif Institute of Technology (incl Celt Development Corporation)	12 630	98,067	48,494	146,561
Calif Institute of Technology (incl Celt Development Corporation)	12 910	243,987	107,182	351,169
Calif Institute of Technology (incl Celt Development Corporation)	12 RD	108,298	52,556	160,854
Calif Institute of Technology (incl Celt Development Corporation)	43 001	122,393	63,303	185,696
Calif Institute of Technology (incl Celt Development Corporation)	43 RD	78,029	23,129	101,158
Calif Institute of Technology (incl Celt Development Corporation)	47 019	5,931	74	6,005
Calif Institute of Technology (incl Celt Development Corporation)	47 049	26,498	11,104	37,602
Calif Institute of Technology (incl Celt Development Corporation)	47 074	82,754	43,032	125,786
Calif Institute of Technology (incl Celt Development Corporation)	47 078	35,266	8,574	43,840
Calif Institute of Technology (incl Celt Development Corporation)	66 RD	694	358	1,052
Calif Institute of Technology (incl Celt Development Corporation)	81 RD	36,202	15,139	51,341
Calif Institute of Technology (incl Celt Development Corporation)	92 286	310,680	145,485	456,165
Calif Institute of Technology (incl Celt Development Corporation)	93 339	622,188	332,175	954,363
Calif Institute of Technology (incl Celt Development Corporation)	93 862	11,923	6,498	18,421
Calif Institute of Technology (incl Celt Development Corporation)	93 865	121,076	62,959	184,035
Calif Institute of Technology (incl Celt Development Corporation)	93 RD	713,144	379,490	1,092,634
Calif Institute of Technology (incl Celt Development Corporation)	99 RD	33,423	-	33,423
Calif Pacific Med Ctr (incl SF Children's Hosp & Pac Presby Med Ctr)	93 RD	5,208	1,692	6,900
Calif Pacific Med Ctr Research Inst (formerly Med Res Inst of SF)	93 233	31,159	7,613	38,772
Calif Pacific Med Ctr Research Inst (formerly Med Res Inst of SF)	93 395	9,046	4,840	13,886
Calif Pacific Med Ctr Research Inst (formerly Med Res Inst of SF)	93 866	1,151,954	537,746	1,689,700
Calif Pacific Med Ctr Research Inst (formerly Med Res Inst of SF)	93 RD	225,743	62,864	288,607
Calif Space Grant Foundation (CSGF)	43 RD	22,135	5,285	27,420
Calif Space Grant Foundation (CSGF)	99 RD	62,322	24,803	87,125
Calif State Univ, Bakersfield Foundation	47 050	800	420	1,220

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Calif State Univ, Cal Poly Corporation (Cal Poly Fdn, San Luis Obispo)	47 041	\$ 1,481	\$ 650	\$ 2,131
Calif State Univ, Cal Poly Corporation (Cal Poly Fdn, San Luis Obispo)	99 RD	(29)	(3)	(32)
Calif State Univ, Long Beach Foundation	93 375	15,620	8,044	23,664
Calif State Univ, Monterey Bay Foundation	11 473	51,373	27,999	79,372
Calif State Univ, Sacramento Foundation	93 RD	116,453	9,316	125,769
Cambridge Systematics, Inc.	20 RD	95,701	39,806	135,507
Canadian Embassy, Canadian Studies (Canada)	99 RD	2,331	-	2,331
Cancer and Leukemia Group B Foundation	93 395	(2,862)	(833)	(3,695)
Cancer and Leukemia Group B Foundation	93 399	238,119	113,107	351,226
Carbon Solutions, Inc.	12 RD	(7,144)	(2,418)	(9,562)
Carbon Solutions, Inc.	99 RD	66,829	25,961	92,790
Care International (Intl)	99 RD	301,726	77,777	379,503
Caritas Christi Health Care (incl Caritas St.Elizabeth's Medctr-Boston)	43 RD	153,196	77,356	230,552
Carnegie Institution	43 RD	7,828	3,679	11,507
Carnegie Institution	47 074	66,738	35,592	102,330
Carnegie Institution	84 RD	47,772	20,230	68,002
Carnegie Institution	99 RD	17,858	8,750	26,608
Carnegie Mellon University	12 910	151,991	19,385	171,376
Carnegie Mellon University	12 RD	(1,934)	(15)	(1,949)
Carnegie Mellon University	47 041	661	311	972
Carnegie Mellon University	47 076	146,107	76,277	222,384
Carnegie Mellon University	47 RD	80,390	24,819	105,209
Carnegie Mellon University	81 RD	65,853	34,244	100,097
Carnegie Mellon University	93 RD	246,575	127,394	373,969
Carollo Engineers	99 RD	9,351	2,431	11,782
Case Western Reserve University	47 041	35,509	17,903	53,412
Case Western Reserve University	47 070	20,966	(8,235)	12,731
Case Western Reserve University	81 RD	97,386	40,832	138,218
Case Western Reserve University	93 393	77,102	39,708	116,810
Case Western Reserve University	93 395	(683)	(359)	(1,042)
Case Western Reserve University	93 777	9,590	2,791	12,381
Case Western Reserve University	93 853	140,459	61,700	202,159
Case Western Reserve University	93 856	210,802	54,116	264,918
Case Western Reserve University	93 879	64,000	23,075	87,075
Case Western Reserve University	93 RD	270,106	106,613	376,719
CDC Foundation (incl Natl Fdn for The CDC & Prevention Inc.)	93 136	15,171	7,813	22,984
Cedars-Sinai Medical Center	93 837	64,162	33,673	97,835
Cedars-Sinai Medical Center	93 846	23,758	8,624	32,382
Cedars-Sinai Medical Center	93 848	125,303	68,290	193,593
Cedars-Sinai Medical Center	93 853	63,519	33,983	97,502
Cedars-Sinai Medical Center	93 865	65,014	35,267	100,281
Cellular Materials International, Inc.	47 041	20,474	10,749	31,223
Centre Hospitalier Universitaire De Quebec (CHUQ) (Canada)	93 856	128,011	55,201	183,212
Centro De Investigacion Cientifica De Ensenada (cicese)(Mexico)	47 RD	(1,692)	-	(1,692)
Centro Internacional De Agricultura Tropical (CIAT) (Intl)	10 RD	29,102	2,910	32,012
Centro Internacional De Agricultura Tropical (CIAT) (Intl)	99 RD	36,462	3,646	40,108
Cerus Corporation	93 RD	108,414	56,375	164,789
Cfd Research Corporation	12 RD	56,863	29,853	86,716
Cfd Research Corporation	99 RD	20,187	9,516	29,703
Ch2m Hill	19 RD	634,961	27,522	662,483

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Charles R. Drew University of Medicine and Science	12 420	\$ 44,232	\$ 24,106	\$ 68,338
Charles R. Drew University of Medicine and Science	93 242	9,893	3,365	13,258
Charles R. Drew University of Medicine and Science	93 389	178,858	96,409	275,267
Charles R. Drew University of Medicine and Science	93 865	40,676	22,168	62,844
Charles R. Drew University of Medicine and Science	93 867	31,693	17,276	48,969
Charles R. Drew University of Medicine and Science	93 890	110,896	26,867	137,763
Chemonics International Consulting Division	98 001	71,871	18,687	90,558
Chesapeake Research Consortium, Inc.	47 041	54,431	29,665	84,096
ChevronTexaco Corp.(incl Chem Co., Oil Fields Res., Chevron & Texaco)	89 089	68,136	33,088	101,224
Chicago Public Schools	84 RD	110,389	8,831	119,220
Chicago Public Schools	99 RD	226,527	18,122	244,649
Children's Hospital Corp. (the), Boston, Mass.	93 855	91,361	70,198	161,559
Children's Hospital Corp. (the), Boston, Mass.	93 867	9,336	4,224	13,560
Children's Hospital Medical Center of Cincinnati	93 853	140,341	48,124	188,465
Children's Hospital Medical Center of Cincinnati	93 865	4,455	1,979	6,434
Children's Hospital National Medical Center	93 389	86,204	45,257	131,461
Children's Hospital and Medical Center (Seattle, Wa)	93 399	8,574	2,229	10,803
Children's Hospital and Medical Center (Seattle, Wa)	93 846	(2,212)	(730)	(2,942)
Children's Hospital and Medical Center (Seattle, Wa)	93 849	75	41	116
Children's Hospital and Medical Center (Seattle, Wa)	99 RD	14,309	1,431	15,740
Children's Hospital and Research Center at Oakland (incl Chori)	93 837	(37,997)	(9,101)	(47,098)
Children's Hospital and Research Center at Oakland (incl Chori)	93 839	55,170	27,092	82,262
Children's Hospital and Research Center at Oakland (incl Chori)	93 865	36,315	18,702	55,017
Children's Hospital and Research Center at Oakland (incl Chori)	93 867	108,684	57,059	165,743
Children's Hospital and Research Center at Oakland (incl Chori)	93 893	244,382	125,857	370,239
Children's Hospital of Columbus Ohio (incl Children's Research Inst)	93 173	18,837	6,470	25,307
Children's Hospital of Columbus Ohio (incl Children's Research Inst)	93 242	132,537	71,390	203,927
Children's Hospital of Columbus Ohio (incl Children's Research Inst)	93 865	69,345	15,975	85,320
Children's Hospital of Columbus Ohio (incl Children's Research Inst)	93 RD	24,758	12,874	37,632
Children's Hospital of Denver	93 848	6,939	4,454	11,393
Children's Hospital of Los Angeles	93 110	40,096	3,208	43,304
Children's Hospital of Los Angeles	93 395	142,407	70,997	213,404
Children's Hospital of Los Angeles	93 838	127,426	60,474	187,900
Children's Hospital of Los Angeles	93 855	5,426	2,631	8,057
Children's Hospital of Los Angeles	93 856	121,022	23,357	144,379
Children's Hospital of Los Angeles	93 865	18,717	10,201	28,918
Children's Hospital of Los Angeles	93 918	10,199	816	11,015
Children's Hospital of Los Angeles	99 RD	(33,092)	(15,719)	(48,811)
Children's Hospital of Orange County	93 110	69,259	5,541	74,800
Children's Hospital of Orange County	93 283	60,766	4,861	65,627
Children's Hospital of Philadelphia	93 394	473	244	717
Children's Hospital of Philadelphia	93 849	7,270	1,702	8,972
Children's Hospital of Philadelphia	93 853	39	21	60
Children's Hospital of Philadelphia	93 865	174,355	91,537	265,892
Children's Hospital of Pittsburgh	93 848	6,397	3,278	9,675
Children's Hospital of Pittsburgh	93 865	211,189	115,098	326,287
Children's Hospital of San Diego Research Center	93 242	1,947	-	1,947
Children's Hospital of San Diego Research Center	93 853	400,396	101,814	502,210
Children's Memorial Hospital (IL)	93 865	304	133	437
Children's Mercy Hospital (the) (Kansas City, MO)	93 849	7,275	2,182	9,457
Children's Mercy Hospital (the) (Kansas City, MO)	93 RD	8,429	1,956	10,385

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Childrens Planning Council Foundation, Inc.	93 856	\$ 10,562	\$ 3,074	\$ 13,636
Chimerix, Inc.	99 RD	13,538	7,311	20,849
Chinese Academy of Sciences (incl Inst Electronics,Parasite Dis-China)	93 RD	27,870	14,492	42,362
Chinese University Hong Kong,the(incl Prince of Wales Hosp)(Hong Kong)	93 846	59,791	14,932	74,723
City University of New York (CUNY)	47 041	121,715	29,669	151,384
City University of New York (CUNY)	93 RD	(1,734)	(902)	(2,636)
City of Hope	93 395	42,859	30,168	73,027
City of Hope	93 849	2,728	1,487	4,215
City of Hope	93 RD	164,061	84,492	248,553
Civil Engineering Research Foundation (CERF)	19 200	1,736	-	1,736
Clare Foundation, Inc.	93 243	43,957	10,649	54,606
Clarkson University	66 509	70,035	32,690	102,725
Clear Science Corporation	12 RD	65,386	34,160	99,546
Clearwater Instrumentation, Inc.	12 300	5,837	3,181	9,018
Clemson University (incl Clemson University Genomics Institute,CUGI)	11 RD	585,415	260,365	845,780
Clemson University (incl Clemson University Genomics Institute,CUGI)	47 041	9,185	5,006	14,191
Cleveland Clinic Foundation	93 389	97,573	52,706	150,279
Cleveland Clinic Foundation	99 RD	625	341	966
Clinical Trials & Surveys Corp.	93 RD	96,834	22,406	119,240
Coalescent Technologies Corporation	93 RD	31,997	2,163	34,160
Coda Genomics Inc.	93 856	7,052	3,703	10,755
Coley Pharmaceutical Group	93 001	370,750	229,510	600,260
Coley Pharmaceutical Group	93 856	23,590	12,149	35,739
College of William and Mary	47 050	36,458	14,356	50,814
College of William and Mary	47 078	78,067	19,863	97,930
College of William and Mary	47 RD	231,536	60,199	291,735
Colorado School of Mines	43 RD	7,981	4,110	12,091
Colorado School of Mines	81 RD	32,587	16,942	49,529
Colorado State University	10 001	1,000	-	1,000
Colorado State University	10 RD	6,515	504	7,019
Colorado State University	12 910	25,623	11,786	37,409
Colorado State University	43 RD	86,677	32,544	119,221
Colorado State University	47 041	20,970	753	21,723
Colorado State University	47 050	90,777	46,443	137,220
Colorado State University	47 074	24,314	12,521	36,835
Colorado State University	47 RD	620,927	286,766	907,693
Colorado State University	81 049	24,199	13,188	37,387
Colorado State University	81 115	58,012	(4,068)	53,944
Colorado State University	81 RD	26,467	11,144	37,611
Colorado State University	93 856	74,893	39,672	114,565
Columbia University (incl Columbia-Presbyterian Medical Center)	47 049	688,287	134,054	822,341
Columbia University (incl Columbia-Presbyterian Medical Center)	47 050	(71)	(9)	(80)
Columbia University (incl Columbia-Presbyterian Medical Center)	47 070	11,047	(8,499)	2,548
Columbia University (incl Columbia-Presbyterian Medical Center)	47 RD	8,303	2,159	10,462
Columbia University (incl Columbia-Presbyterian Medical Center)	93 115	43,746	22,529	66,275
Columbia University (incl Columbia-Presbyterian Medical Center)	93 242	118,396	37,938	156,334
Columbia University (incl Columbia-Presbyterian Medical Center)	93 837	203,366	42,807	246,173
Columbia University (incl Columbia-Presbyterian Medical Center)	93 838	34,392	7,749	42,141
Columbia University (incl Columbia-Presbyterian Medical Center)	93 846	30,931	16,084	47,015

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	<u>Federal CFDA #</u>	<u>Direct Expenditures</u>	<u>Indirect Expenditures</u>	<u>Total Expenditures</u>
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Columbia University (incl Columbia-Presbyterian Medical Center)	93 847	\$ 26,367	\$ 13,579	\$ 39,946
Columbia University (incl Columbia-Presbyterian Medical Center)	93 853	58,078	30,678	88,756
Columbia University (incl Columbia-Presbyterian Medical Center)	93 855	6,788	1,765	8,553
Columbia University (incl Columbia-Presbyterian Medical Center)	93 RD	148,444	73,788	222,232
Commonwealth Technology	12 300	16,198	8,828	25,026
Communications and Power Industries Inc.	99 RD	27,470	14,147	41,617
Computer Sciences Corporation	12 RD	9,366	4,683	14,049
Consortium for Oceanographic Research and Education	12 800	13,840	7,474	21,314
Consortium of Univ for The Advancement of Hydrologic Science, Inc.	47 041	6,983	3,491	10,474
Cornell University	10 200	31,755	-	31,755
Cornell University	10 206	14,960	3,740	18,700
Cornell University	10 303	6,120	1,445	7,565
Cornell University	10 RD	117,394	28,843	146,237
Cornell University	12 300	78,076	33,766	111,842
Cornell University	12 431	25,793	11,865	37,658
Cornell University	12 630	142,487	53,872	196,359
Cornell University	47 041	679,126	219,562	898,688
Cornell University	47 049	19,251	1,798	21,049
Cornell University	47 070	3,399	1,767	5,166
Cornell University	47 074	42,948	12,121	55,069
Cornell University	47 076	13,165	6,846	20,011
Cornell University	81 112	6,106	1,588	7,694
Cornell University	93 279	162,591	86,177	248,768
Cornell University	93 399	48,321	16,679	65,000
Cornell University	93 837	37,568	19,535	57,103
Cornell University	93 853	98,261	52,570	150,831
Cornell University	93 856	121,119	31,491	152,610
Corporation for Natl Research Initiatives	12 300	(205)	(106)	(311)
Corporation for Natl Research Initiatives	12 RD	34,278	18,513	52,791
Council for International Exchange/scholars	19 400	1,987	-	1,987
Creighton University	93 848	114,323	29,724	144,047
Crohn's & Colitis Fdn of Amer, Inc. (was Natl Fdn Ileitis/colitis)	99 RD	(6,829)	(1,024)	(7,853)
Crystal Is, Inc. (Crystal Innovative Semiconductors)	11 612	15,111	6,786	21,897
CSR, Incorporated (Consulting Service & Research)	16 RD	37,057	8,797	45,854
Dana-Farber Cancer Institute	93 396	365,113	195,336	560,449
Dana-Farber Cancer Institute	93 397	14,582	7,947	22,529
Dana-Farber Cancer Institute	93 853	44,102	23,595	67,697
Dartmouth College	10 206	43,352	10,838	54,190
Dartmouth College	10 RD	17,438	8,980	26,418
Dartmouth College	12 800	20,829	10,727	31,556
Dartmouth College	43 001	5,481	2,686	8,167
Dartmouth College	47 047	22,208	9,436	31,644
Dartmouth College	47 070	31,313	13,449	44,762
Dartmouth College	47 707	59,356	30,865	90,221
Dartmouth College	93 242	58,101	9,123	67,224
Dartmouth College	93 393	5,040	2,596	7,636
Dartmouth College	93 396	32,256	11,969	44,225
Dartmouth College	93 846	(7,427)	(3,825)	(11,252)
Dartmouth College	93 859	349,688	153,666	503,354
Dartmouth College	99 RD	63,135	34,409	97,544

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Department of Energy	93 RD	\$ 14,702	\$ 4,095	\$ 18,797
Distributed Infinity	12 800	41,544	17,585	59,129
Doradus Technologies Inc.	43 RD	13,673	6,700	20,373
Dr Technologies, inc. (incl Vanguard Composites Group, Inc. (VCG) & (VSC))	12 630	48,424	26,391	74,815
Drexel University (incl College of Medicine, Mch Hahnemann)	47 050	12,187	4,410	16,597
Duke University (incl Duke Clinical Research Institute)	47 049	3,246	415	3,661
Duke University (incl Duke Clinical Research Institute)	47 070	4,923	-	4,923
Duke University (incl Duke Clinical Research Institute)	93 110	206,882	99,478	306,360
Duke University (incl Duke Clinical Research Institute)	93 279	19,568	3,608	23,176
Duke University (incl Duke Clinical Research Institute)	93 387	2,032	1,375	3,407
Duke University (incl Duke Clinical Research Institute)	93 839	3,059	795	3,854
Duke University (incl Duke Clinical Research Institute)	93 856	14,226	5,156	19,382
Duke University (incl Duke Clinical Research Institute)	93 859	1,143	589	1,732
Duke University (incl Duke Clinical Research Institute)	93 866	156,778	69,719	226,497
Duke University (incl Duke Clinical Research Institute)	93 RD	301,550	141,489	443,039
Dynavax Technologies Corporation	93 855	1,705	329	2,034
Dyncorp System & Solutions (incl Meridian Corporation)	12 300	20,418	9,699	30,117
E.R.C., Inc. (Educational Resource Centers, Inc. C/o Univ of Alabama)	12 630	7,767	4,155	11,922
Earth and Space Research (ESR)	43 RD	44,681	24,351	69,032
East Carolina University	93 173	88,200	48,069	136,269
Eastern Research Group, Inc.	93 RD	1,525	831	2,356
Eastern Virginia Medical School	19 RD	18,625	2,794	21,419
Eastern Virginia Medical School	93 RD	530	53	583
Edison Materials Technology Center (EMTEC)	81 RD	19,280	10,122	29,402
Edison Welding Institute, Inc. (EWI)	81 RD	58,947	32,003	90,950
Education Development Center, Inc.	47 RD	59,366	25,077	84,443
Eidactics Visual Biosimulation	93 RD	3,036	1,579	4,615
Elekta Ab (Sweden) (incl E. Instrument, E.Neuromag, Impac Med Sys Usa)	99 RD	63,777	-	63,777
Elizabeth Glaser Pediatric Aids Fdn (Glaser Pediatric Res Network)	93 941	753,596	225,892	979,488
Elizabeth Glaser Pediatric Aids Fdn (Glaser Pediatric Res Network)	99 RD	3,761	752	4,513
Emma Pendleton Bradley Hospital	93 279	(90)	(23)	(113)
Emmes Corporation, The	93 848	43,624	13,960	57,584
Emmes Corporation, The	93 RD	75,121	40,941	116,062
Emory University	12 420	16,934	8,213	25,147
Emory University	93 848	394	203	597
Emory University	93 853	6,880	3,780	10,660
Emory University	93 856	(10,278)	(5,293)	(15,571)
Emory University	93 865	(85)	(44)	(129)
Emory University	93 RD	66,569	34,283	100,852
Ensco, Inc.	12 800	(15,019)	(7,435)	(22,454)
Entertainment Science, Inc. (joint Venture With Virtual Heroes Inc.)	99 RD	36,459	19,870	56,329
Evanston Northwestern Healthcare Research Institute	93 846	90,697	21,203	111,900
Exploratorium	47 076	531,643	120,351	651,994
Exploratorium	47 RD	293	88	381
Family Health International, North Carolina	93 855	23,595	4,838	28,433
Family Health International, North Carolina	93 856	8,771	2,158	10,929
Family Health International, North Carolina	93 RD	671,715	13,895	685,610
Family Health International, North Carolina	99 RD	4,491	1,039	5,530
Feather River Tribal Health, Inc.	93 RD	13,447	4,572	18,019
First Point Scientific, Inc.	99 RD	19,865	9,933	29,798
Flora Family Foundation	99 RD	29,635	-	29,635

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Florida Atlantic University	12 300	\$ 1,129	\$ 587	\$ 1,716
Florida International University	47 080	8,412	4,585	12,997
Florida International University	99 RD	29,640	2,371	32,011
Florida State University	47 049	176,387	55,048	231,435
Florida State University	93 821	7,517	4,070	11,587
Foundation for Research	99 RD	417,914	62,687	480,601
Fox Chase Cancer Center	93 395	49,483	26,474	75,957
Fox Chase Cancer Center	93 399	202,196	74,273	276,469
Fox Chase Cancer Center	93 RD	60,831	17,100	77,931
Fred Hutchinson Cancer Research Center	93 172	55,441	28,830	84,271
Fred Hutchinson Cancer Research Center	93 846	(1,378)	(717)	(2,095)
Fred Hutchinson Cancer Research Center	93 855	14,134	7,740	21,874
Fred Hutchinson Cancer Research Center	93 856	92,115	23,950	116,065
Fred Hutchinson Cancer Research Center	93 999	(476)	(124)	(600)
Friends of The Congressional Glaucoma Caucus Foundation, The	93 988	8,756	-	8,756
Fuel Cell Energy Inc.	81 RD	1,886	990	2,876
Functional Genetics, Inc.	99 RD	107,042	57,268	164,310
Gallaudet University	47 075	14,273	5,953	20,226
Gallaudet University	47 RD	12,784	6,584	19,368
General Atomic Technology (deactive code)	81 049	20,430	5,312	25,742
General Atomics (frmly General Atomic Company)	12 300	19,358	10,550	29,908
General Atomics (frmly General Atomic Company)	81 049	75,579	22,124	97,703
General Atomics (frmly General Atomic Company)	81 100	96,391	28,106	124,497
General Atomics (frmly General Atomic Company)	81 RD	1,007,556	290,126	1,297,682
General Dynamics Information Technology,inc.(frmly Anteon Corporation)	12 RD	74,161	39,676	113,837
General Technical Services Llc	12 431	12,239	5,752	17,991
General Technical Services Llc	12 RD	91,511	43,010	134,521
Genomatica, Inc.	93 RD	42,414	22,055	64,469
Geo-centers, Inc.	12 300	55,515	14,907	70,422
George Washington University	16 RD	50,642	23,802	74,444
George Washington University	84 336	30,665	2,453	33,118
George Washington University	93 847	4,476,734	1,205,762	5,682,496
George Washington University	93 865	350,558	79,557	430,115
George Washington University	93 928	16,767	4,012	20,779
George Washington University	93 RD	14,109	3,603	17,712
Georgetown University	93 865	104,415	24,126	128,541
Georgetown University	93 866	107,558	20,479	128,037
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	12 300	112,078	53,544	165,622
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	12 630	48,353	13,644	61,997
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	12 910	33,501	15,744	49,245
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	12 RD	123,020	52,064	175,084
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	47 041	58,881	15,139	74,020
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	47 049	108,118	44,416	152,534
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	47 050	73,295	31,518	104,813
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	93 173	19,864	10,329	30,193
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	93 859	131,089	42,288	173,377
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	93 989	135,855	61,974	197,829
Geospatial Technologies, Inc.	15 RD	67,654	23,615	91,269
Gladys Kriebel Delmas Foundation	93 856	(10,001)	(4,700)	(14,701)
Glysens Incorporated	93 RD	41	22	63

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Gp Technologies, Inc. (incl Ghiocel Predictive Technologies)	12 RD	\$ 6,109	\$ 3,184	\$ 9,293
Grass Valley Group	81 049	3,568	928	4,496
Guam, Government of (incl Guam Public Schools)	84 RD	37,258	2,981	40,239
Gynecologic Oncology Group	93 395	246,093	30,896	276,989
Gynecologic Oncology Group	93 RD	134,841	20,226	155,067
H. Lee Moffitt Cancer Center & Research Institute, The	12 420	6,815	2,940	9,755
HFTA (Oakland, Ca)	13 RD	(7)	(4)	(11)
Harvard University (the President and Fellows of Harvard College)	12 300	199,265	80,860	280,125
Harvard University (the President and Fellows of Harvard College)	20 RD	12,416	6,456	18,872
Harvard University (the President and Fellows of Harvard College)	43 RD	(12)	(6)	(18)
Harvard University (the President and Fellows of Harvard College)	47 041	88,163	44,118	132,281
Harvard University (the President and Fellows of Harvard College)	47 049	192,916	90,992	283,908
Harvard University (the President and Fellows of Harvard College)	47 050	3,056	670	3,726
Harvard University (the President and Fellows of Harvard College)	47 074	9,563	4,782	14,345
Harvard University (the President and Fellows of Harvard College)	47 RD	2,696	1,375	4,071
Harvard University (the President and Fellows of Harvard College)	81 RD	9,221	4,841	14,062
Harvard University (the President and Fellows of Harvard College)	93 115	28,254	14,551	42,805
Harvard University (the President and Fellows of Harvard College)	93 172	621,659	239,106	860,765
Harvard University (the President and Fellows of Harvard College)	93 242	9,713	5,236	14,949
Harvard University (the President and Fellows of Harvard College)	93 394	44,803	8,369	53,172
Harvard University (the President and Fellows of Harvard College)	93 856	55,463	29,979	85,442
Harvard University (the President and Fellows of Harvard College)	93 RD	18,218	3,023	21,241
Hauptman-woodward Medical Research Inst (frmly Med Fdn of Buffalo)	93 859	105,692	55,488	161,180
Health Care Council of Orange County, Area Health Education Center	93 107	19,905	1,592	21,497
Health Effects Institute	66 500	57,967	17,202	75,169
Health Effects Institute	66 RD	44,479	17,386	61,865
Health Research, Inc.	93 395	63,056	32,223	95,279
Health Research, Inc.	93 866	12,439	4,026	16,465
Health Research, Inc.	93 977	29,097	15,275	44,372
Health Research, Inc.	93 RD	31,521	16,384	47,905
Health Strategies International	99 RD	(2,747)	(714)	(3,461)
Hektoen Institute for Medical Research, L.L.C.	93 RD	45,077	11,388	56,465
Henry Ford Health System	93 395	108,196	39,361	147,557
Henry Ford Health System	93 846	6,822	13,091	19,913
Henry M. Jackson Fdn for The Advancement of Military Medicine	12 999	(167)	(44)	(211)
Henry M. Jackson Fdn for The Advancement of Military Medicine	12 RD	25,323	13,042	38,365
Hermes Biosciences, Inc.	93 RD	601	310	911
Hewlett-Packard	12 RD	833,120	175,086	1,008,206
Hi-z Technology, Inc.	81 RD	5,562	-	5,562
Higher Education for Development (frmly Assn Liaison of Univ Coop)	98 001	132,707	28,498	161,205
Hispanic Assn of Colleges and Universities (HACU)	47 075	35,842	-	35,842
Hispanic Assn of Colleges and Universities (HACU)	47 RD	23,472	-	23,472
Hispanic-serving Health Professions Schools, Inc.	93 283	1,127	90	1,217
Honeywell, Inc. (includes Sperry Flight & Tetratech Data Systems, Inc)	43 RD	3	2	5
Howard University	47 RD	49,175	20,957	70,132
Hrl Laboratories, Llc	12 300	110	58	168
Hrl Laboratories, Llc	12 630	15,765	5,235	21,000
Hrl Laboratories, Llc	12 RD	30,160	16,403	46,563
Hudson Public Schools (Hudson, Ma)	47 RD	49,246	25,608	74,854
Icelandic Heart Association (Iceland)	93 RD	(6,380)	(1,659)	(8,039)

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	<u>Federal CFDA #</u>	<u>Direct Expenditures</u>	<u>Indirect Expenditures</u>	<u>Total Expenditures</u>
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Idacorp (incl Idatech Llc)	81 RD	\$ 1	\$ -	\$ 1
Idaho Natl Engineerig & Environmntl Lab (DOE GOCO run by Bechtel Bwxt)	81 RD	19,122	6,999	26,121
Illinois Institute of Technology	47 049	14,663	1,466	16,129
Imarx Therapeutics, Inc.	93 395	50,417	24,583	75,000
Imation Corp. (incl Imation Enterprises)	11 612	19	10	29
Import Therapeutics, Inc.	93 855	40,121	21,064	61,185
Import Therapeutics, Inc.	93 856	30,377	9,203	39,580
Import Therapeutics, Inc.	93 RD	53,893	22,244	76,137
Incell	93 RD	(1,051)	(536)	(1,587)
Incorporated Research Institutions for Seismology (IRIS Consortium)	47 050	2,744,966	1,373,649	4,118,615
Incorporated Research Institutions for Seismology (IRIS Consortium)	47 RD	22,025	11,453	33,478
Indiana University	47 050	2,555	664	3,219
Indiana University	47 074	276,501	145,979	422,480
Indiana University	93 242	119,604	61,991	181,595
Indiana University	93 395	4,572	2,226	6,798
Indiana University	93 835	(28,391)	(7,382)	(35,773)
Indiana University	93 853	50,553	13,144	63,697
Indiana University	93 865	23,971	6,154	30,125
Indiana University	98 001	23,061	5,996	29,057
Informedix, Inc.	93 242	71,005	18,461	89,466
Infralase, Inc.	93 173	40,375	21,197	61,572
Inlustra Technologies, Llc	12 RD	8,555	3,044	11,599
Inlustra Technologies, Llc	47 041	18,113	8,513	26,626
Innovative Concepts, Inc.	12 RD	(8,831)	(4,636)	(13,467)
Innovative Concepts, Inc.	43 RD	52,846	14,635	67,481
Inst for Cancer Prevention (frmly American Health Foundation)	93 399	18	5	23
Inst for Genomic Research (tigr), The	47 074	78,491	30,546	109,037
Inst for Genomic Research (tigr), The	93 121	55,443	28,553	83,996
Inst of Human Origins, Berkeley Geochronology Center	99 RD	17,167	8,927	26,094
Integral Molecular, Inc.	93 RD	4,966	2,796	7,762
Integrated Ocean Drilling Program (IODP)	47 050	300,964	164,025	464,989
Intelligent Fiber Optic Systems	12 RD	470	242	712
Intelligent Medical Objects	99 RD	254	121	375
Intelligent Optical Systems, Inc.	47 041	12,691	6,917	19,608
Intelligent Optical Systems, Inc.	93 371	17,900	8,258	26,158
Internatix, Inc.	93 306	1,849	611	2,460
Intl Business Machines Corporation	12 RD	345,546	161,942	507,488
Intl Computer Science Institute (ICSI) (Berkeley, Ca)	47 070	6,670	3,631	10,301
Intl Crops Research Inst for The Semi-arid Tropics (ICRISAT) (Intl)	98 RD	8,308	-	8,308
Intl Fdn for Science, Health and Environment, The	15 RD	275,796	51,558	327,354
Intl Foundation of Hope (UC Based Non-govt Org Support Afghanistan)	98 RD	27,392	9,313	36,705
Intl Maize & Wheat Center (ctr Intl Demejora Maiz Y Trigo)	10 RD	25,057	6,515	31,572
Intl Maize & Wheat Center (ctr Intl Demejora Maiz Y Trigo)	99 RD	220,239	-	220,239
Intl Rice Research Institute (IRRI) (Intl)	99 RD	32,992	6,393	39,385
Intuitive Surgical, Inc.	93 286	23,643	6,147	29,790
Invitrogen Corporation (incl Bioreliance Corp) (San Diego, Ca)	93 RD	10,012	(2,739)	7,273
Invitrogen Corporation (incl Bioreliance Corp) (San Diego, Ca)	99 RD	1,977	1,023	3,000
Iowa State University (incl Iowa Energy Center)	10 200	60,000	-	60,000
Iowa State University (incl Iowa Energy Center)	10 352	234,201	62,668	296,869
Iowa State University (incl Iowa Energy Center)	47 050	16,241	8,558	24,799

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Iowa State University (incl Iowa Energy Center)	47 074	\$ 62,454	\$ 33,436	\$ 95,890
Iowa State University (incl Iowa Energy Center)	47 RD	5,424	1,627	7,051
Iowa State University (incl Iowa Energy Center)	93 242	47,829	9,385	57,214
Iowa State University (incl Iowa Energy Center)	93 821	66,765	35,052	101,817
Iowa State University (incl Iowa Energy Center)	93 846	126,315	25,743	152,058
Iowa State University (incl Iowa Energy Center)	93 865	121,744	24,756	146,500
Ipitek Integrated Photonic Technology (Carlsbad, Ca)	12 RD	42,490	22,442	64,932
Iris Ao, Inc.	12 RD	48,573	16,515	65,088
J. David Gladstone Institutes	93 393	(22,870)	(11,778)	(34,648)
J. David Gladstone Institutes	93 586	259,292	98,399	357,691
J. David Gladstone Institutes	93 838	21,881	11,378	33,259
J. David Gladstone Institutes	93 847	(343)	(163)	(506)
J. David Gladstone Institutes	93 856	967,433	475,907	1,443,340
J. David Gladstone Institutes	93 864	(55,425)	(26,135)	(81,560)
J. David Gladstone Institutes	93 866	290,861	142,963	433,824
J. David Gladstone Institutes	93 RD	(577)	(150)	(727)
J. David Gladstone Institutes	96 RD	40,083	20,843	60,926
J. David Gladstone Institutes	99 RD	(6,673)	(1,761)	(8,434)
Jackson State University	47 049	30,714	4,256	34,970
Jackson State University	47 RD	55,100	23,753	78,853
Jacksonville State University	93 206	2,405	1,263	3,668
Jaeb Center for Health Research, Inc.	93 867	7,341	8,557	15,898
Jaeb Center for Health Research, Inc.	93 RD	4,636	2,129	6,765
Jambayang Research	93 RD	50,230	12,968	63,198
Jet Propulsion Laboratory	43 001	23,914	12,196	36,110
Jet Propulsion Laboratory	43 002	4,300	-	4,300
Jet Propulsion Laboratory	43 RD	3,453,674	1,385,532	4,839,206
Jet Propulsion Laboratory	47 RD	12,159	4,044	16,203
Jet Propulsion Laboratory	99 RD	217,189	57,206	274,395
Jewish Community Federation (SF, Peninsula, Marin & Sonoma Counties)	93 866	6,728	3,465	10,193
John Wayne Institute for Cancer Treatment and Research	93 395	59,517	32,437	91,954
John Wayne Institute for Cancer Treatment and Research	93 398	278,083	159,750	437,833
Johns Hopkins University	12 800	28,039	15,281	43,320
Johns Hopkins University	12 RD	237,663	111,684	349,347
Johns Hopkins University	43 RD	307,181	145,047	452,228
Johns Hopkins University	47 049	3,885	2,020	5,905
Johns Hopkins University	47 070	14,319	7,446	21,765
Johns Hopkins University	47 075	22,652	5,889	28,541
Johns Hopkins University	93 121	15,055	8,205	23,260
Johns Hopkins University	93 213	21,125	11,091	32,216
Johns Hopkins University	93 242	223,033	105,776	328,809
Johns Hopkins University	93 279	20,297	10,033	30,330
Johns Hopkins University	93 283	44,562	11,586	56,148
Johns Hopkins University	93 397	129,322	73,380	202,702
Johns Hopkins University	93 399	138,031	65,960	203,991
Johns Hopkins University	93 837	79,207	4,865	84,072
Johns Hopkins University	93 839	31,062	16,929	47,991
Johns Hopkins University	93 848	95,731	24,045	119,776
Johns Hopkins University	93 853	40,854	22,265	63,119
Johns Hopkins University	93 855	63,513	16,514	80,027

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Johns Hopkins University	93 856	\$ 652,759	\$ 175,535	\$ 828,294
Johns Hopkins University	93 859	22,419	5,606	28,025
Johns Hopkins University	93 867	675,589	220,042	895,631
Johns Hopkins University	93 943	16,760	8,715	25,475
Johns Hopkins University	93 RD	234,733	51,160	285,893
Johns Hopkins University	99 RD	25,448	6,089	31,537
Joint Oceanographic Institutions, Inc.	47 050	223,115	82,779	305,894
Joint Oceanographic Institutions, Inc.	47 RD	7,645	2,000	9,645
Juvaris Biotherapeutics, Inc.	10 RD	121,760	62,097	183,857
Kab Laboratories Inc.	12 300	22,059	11,991	34,050
Kadmus Pharmaceuticals, Inc.	93 847	3,194	1,677	4,871
Kaiser Fdn Res Inst (deactive code)	93 RD	12,361	6,428	18,789
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	91 RD	76,731	35,555	112,286
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 226	11,541	5,944	17,485
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 271	2,164	508	2,672
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 283	294	-	294
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 379	111,235	52,078	163,313
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 393	47,128	8,466	55,594
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 399	952	519	1,471
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 849	20,602	10,610	31,212
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 859	10,599	2,735	13,334
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 864	17,282	8,900	26,182
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 RD	116,271	30,230	146,501
Kansas State University	10 206	64,110	16,028	80,138
Kansas State University	93 866	82,000	42,230	124,230
Kansas State University	99 RD	258	49	307
Karagozian & Case Structural Engineers	12 RD	(15,146)	(8,254)	(23,400)
Keck Graduate Institute of Applied Life Sciences	47 070	(18,867)	(4,848)	(23,715)
Keck Graduate Institute of Applied Life Sciences	47 074	55,100	30,030	85,130
Kent Sea Tech Corporation (frmly Kent Seafarms Corporation)	11 612	(20,649)	(11,149)	(31,798)
Kent State University	12 800	50,916	27,749	78,665
Kent State University	93 866	20,467	10,745	31,212
Kinemed, Inc.	93 RD	108,285	28,696	136,981
Kinemed, Inc.	99 RD	42,231	22,618	64,849
Kovogen (Fremont, Ca)	99 RD	12,600	6,741	19,341
Krell Institute	84 RD	1,000	-	1,000
Kunitz and Associates, Inc. (KAI)	93 RD	52,192	13,545	65,737
L-3 Communications (incl Sycoleman Corporation)	12 910	20,903	8,995	29,898
L-3 Communications (incl Sycoleman Corporation)	99 RD	13,673	7,452	21,125
La Jolla Institute for Allergy and Immunology	93 855	1,877	1,023	2,900
La Jolla Institute for Allergy and Immunology	93 856	271,291	133,378	404,669
La Jolla Institute for Allergy and Immunology	93 RD	17,561	9,220	26,781
Larkin Street Services	93 153	20,067	6,020	26,087
Lehigh University (Pennsylvania)	93 853	(4,675)	(2,548)	(7,223)
Lewis & Clark College	12 630	80,593	8,059	88,652
Life Sciences Research Foundation	81 RD	45,943	-	45,943
Lipomics Technologies Inc.	93 847	497	256	753
Lipomics Technologies Inc.	93 848	7,322	2,144	9,466
Living Planet, Inc. (incl Waterford Life Sciences)	93 279	1,956	949	2,905

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Lockheed Martin Corporation (incl Orincon)	11 428	\$ (16)	\$ (9)	\$ (25)
Lockheed Martin Corporation (incl Orincon)	12 300	105,917	21,030	126,947
Lockheed Martin Corporation (incl Orincon)	12 630	143,997	62,584	206,581
Lockheed Martin Corporation (incl Orincon)	43 RD	4,396	1,671	6,067
Lockheed Martin Corporation (incl Orincon)	99 RD	5	2	7
Loma Linda University (incl Natl Medical Technology Testbed, Inc.)	43 RD	70,176	36,140	106,316
Loma Linda University (incl Natl Medical Technology Testbed, Inc.)	93 RD	20	10	30
Los Alamos National Security, Llc	81 100	9,901	5,099	15,000
Los Alamos National Security, Llc	81 RD	2,162,531	598,254	2,760,785
Los Alamos National Security, Llc	93 RD	57,798	30,344	88,142
Los Alamos National Security, Llc	99 RD	310,912	112,131	423,043
Los Amigos Research & Ed Institute,inc.(Rancho Los Amigos Med Ctr)	84 133	21,442	12,480	33,922
Los Angeles Biomedical Research Institute at Harbor-Ucla Medical Ctr	93 273	9,986	5,442	15,428
Los Angeles Biomedical Research Institute at Harbor-Ucla Medical Ctr	93 283	7,415	3,819	11,234
Los Angeles Biomedical Research Institute at Harbor-Ucla Medical Ctr	93 837	17,492	8,768	26,260
Los Angeles Biomedical Research Institute at Harbor-Ucla Medical Ctr	93 849	41,724	20,674	62,398
Los Angeles Biomedical Research Institute at Harbor-Ucla Medical Ctr	93 853	144,457	53,535	197,992
Los Angeles Community College District	43 RD	6,183	1,997	8,180
Los Angeles Health Dept, County of	93 939	(2,560)	(384)	(2,944)
Los Angeles Health Dept, County of	93 959	260,906	63,354	324,260
Los Angeles Unified School District	93 243	97,457	53,114	150,571
Los Gatos Research, Inc.	81 049	13,383	3,480	16,863
Louisiana State University	93 838	(2,961)	(770)	(3,731)
Lowy Medical Research Institute Limited (Australia)	99 RD	10,442	2,088	12,530
Loyola University of Chicago	93 396	307,759	158,466	466,225
Loyola University of Chicago	93 837	379,358	202,332	581,690
Loyola University of Chicago	93 879	22,032	4,997	27,029
LSST Corporation (Large Synoptic Survey Telescope)	47 RD	65,080	24,730	89,810
Lucent Technologies Inc.	99 RD	65,480	28,892	94,372
Ludwig Institute for Cancer Research (Switzerland)	93 172	135,049	72,763	207,812
Luna Innovations Incorporated	12 431	(1,193)	(620)	(1,813)
Mack Truck, Inc.	99 RD	33,314	16,251	49,565
Magee-womens Health Corporation	93 865	436,740	227,830	664,570
Magee-womens Hospital, Research Institute and Foundation	93 855	268,762	65,036	333,798
Malcolm Pimie	12 RD	31,108	8,008	39,116
Mandalmed, Inc.	99 RD	(369)	(175)	(544)
Mandex, Inc.	12 300	153,288	24,526	177,814
Manila Consulting Group, Inc	93 RD	6,568	1,708	8,276
Manpower Demonstration Research Corporation	93 865	30,013	14,169	44,182
Marin, County of	93 945	40,617	10,134	50,751
Marine Biological Laboratory (Woods Hole, Massachusetts)	12 999	47,535	22,341	69,876
Marine Mammal Center, The	11 460	24,369	9,721	34,090
Marshfield Clinic (incl Natl Farm Medicine Center)	66 509	37,692	7,965	45,657
Massachusetts Eye and Ear Infirmary	93 173	72,040	35,590	107,630
Massachusetts General Hospital (Dana-Farber Partner Cancer)	93 389	(4,563)	(7,080)	(11,643)
Massachusetts Institute of Technology	12 300	11,034	5,738	16,772
Massachusetts Institute of Technology	12 431	21,852	10,707	32,559
Massachusetts Institute of Technology	12 800	19,270	3,813	23,083
Massachusetts Institute of Technology	12 910	250,725	79,462	330,187
Massachusetts Institute of Technology	12 RD	1,333,639	182,724	1,516,363
Massachusetts Institute of Technology	43 RD	18,536	4,142	22,678

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Massachusetts Institute of Technology	47 041	\$ 53,436	\$ 23,523	\$ 76,959
Massachusetts Institute of Technology	47 050	5,811	2,669	8,480
Massachusetts Institute of Technology	47 070	408,273	160,034	568,307
Massachusetts Institute of Technology	81 049	283,737	108,159	391,896
Massachusetts Institute of Technology	93 394	134,041	44,436	178,477
Massachusetts Institute of Technology	93 395	121,238	57,453	178,691
Massachusetts Institute of Technology	93 396	240	114	354
Massachusetts Institute of Technology	93 837	220,712	113,772	334,484
Massachusetts Institute of Technology	93 855	77,875	35,884	113,759
Massachusetts Institute of Technology	93 RD	73,011	37,966	110,977
Massachusetts Institute of Technology	99 RD	25,486	8,480	33,966
Mathematica, Inc.(incl Math Pcly Res & Cntr for Studying Hlt Sys Chng)	99 RD	525,872	145,141	671,013
Maxentric Technologies Llc	12 300	24,691	7,501	32,192
Maxwell Sensors	93 856	43,892	23,044	66,936
Mayachitra, Inc.	93 859	14,690	6,904	21,594
Mayflower Communications Company, Inc.	12 RD	5,777	2,551	8,328
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	12 RD	(48,928)	(25,198)	(74,126)
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93 226	28,043	15,284	43,327
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93 393	24,413	13,305	37,718
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93 394	732	348	1,080
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93 848	(15,017)	(7,752)	(22,769)
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93 853	449	(265)	184
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93 856	181,525	70,175	251,700
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93 866	75,912	22,872	98,784
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93 RD	145,659	70,515	216,174
Mckesson Corporation (incl Erc Bioservices Corp.)	12 RD	(237)	(125)	(362)
Mclaughlin Research Institute for Biomedical Sciences	93 853	90,867	43,162	134,029
Mclean Hospital	47 RD	19,123	9,944	29,067
Medical College of Georgia (incl Research Institute)	93 837	58,041	29,779	87,820
Medical College of Wisconsin	93 837	(135)	(70)	(205)
Medical University of Ohio at Toledo (frmly Medical College of Ohio)	93 RD	155,760	81,774	237,534
Men Against Breast Cancer (MABC)	93 185	32,606	-	32,606
Mendocino County Resource Conservation District	99 RD	8,045	2,011	10,056
Menssana Research, Inc.	93 RD	18,488	4,807	23,295
Mental Health Systems, Inc. (MHS)	93 279	83,091	20,582	103,673
Metropolitan Water Dist of So Calif	66 606	1,491	708	2,199
Metropolitan Water Dist of So Calif	66 RD	27,378	14,063	41,441
Miami University (Ohio)	99 RD	17,983	3,417	21,400
Michigan State University	10 RD	6,376	3,283	9,659
Michigan State University	43 RD	24,152	12,172	36,324
Michigan State University	47 041	128,369	58,248	186,617
Michigan State University	47 049	27,340	11,873	39,213
Michigan State University	47 070	369	192	561
Michigan State University	47 074	123,102	58,474	181,576
Michigan State University	47 076	98,359	18,720	117,079
Michigan State University	47 RD	8,388	1,426	9,814
Michigan State University	66 509	104,575	49,116	153,691
Michigan State University	99 RD	60,999	30,194	91,193
Mickey Leland National Urban Air Toxics Research Center, The	66 RD	68,491	13,698	82,189
Microassembly Technologies, Inc.	12 RD	14,362	6,822	21,184

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Microchip Biotechnologies, Inc.	43 RD	\$ 288,598	\$ 68,052	\$ 356,650
Microelectronics Advanced Research Corporation (MARCO)(SRC Subsidiary)	12 910	437,176	99,000	536,176
Microelectronics Advanced Research Corporation (MARCO)(SRC Subsidiary)	12 RD	6,777,539	470,200	7,247,739
Microelectronics Advanced Research Corporation (MARCO)(SRC Subsidiary)	99 RD	4,263	2,185	6,448
Microsiet, Inc.	93 RD	103,583	77,617	181,200
Microsurgeon, Inc.	93 RD	12,249	-	12,249
Midwest Research Inst(natl Renewable Energy Lab)(was Solar Enrgy Inst)	80 RD	3,329	2,044	5,373
Midwest Research Inst(natl Renewable Energy Lab)(was Solar Enrgy Inst)	81 RD	55,719	25,164	80,883
Midwest Research Inst(natl Renewable Energy Lab)(was Solar Enrgy Inst)	99 RD	11,522	-	11,522
Minnesota Historical Society	89 003	30,297	-	30,297
Miriam Hospital, The	93 242	(6)	(4)	(10)
Mitre Corporation, The (Bedford, Ma & Mclean, Va)	12 910	12,926	5,827	18,753
Molecular Express, Inc.	12 RD	113,447	59,560	173,007
Molecular Express, Inc.	93 394	3,695	1,940	5,635
Molecular Imaging Corporation	93 859	22,025	11,563	33,588
Molecular Insight Pharmaceuticals, Inc.	93 RD	(992)	(516)	(1,508)
Molecular Sciences Institute, Inc., The	47 RD	17,519	4,555	22,074
Montana State University	10 RD	9,900	2,307	12,207
Montana State University	15 224	24,998	2,500	27,498
Montana State University	15 RD	34,649	5,890	40,539
Montana State University	47 RD	98,822	21,686	120,508
Montana State University	99 RD	2,797	280	3,077
Montefiore Medical Center (Hosp for Albert Einstein College of Med)	93 RD	(17,923)	(4,660)	(22,583)
Monterey Bay Aquarium Research Institute	11 473	68,551	31,993	100,544
Monterey Bay Aquarium Research Institute	47 078	6,524	3,555	10,079
Monterey Bay Sanctuary Foundation	11 429	20,476	3,071	23,547
Morehouse College (incl Morehouse School of Medicine)	93 389	23,178	11,937	35,115
Motorola, Inc. (incl Thoughtbeam, Freescale Semiconductor)	12 RD	28,877	8,821	37,698
Mount Sinai School of Medicine (New York)	93 395	(5,599)	(3,051)	(8,650)
Mount Sinai School of Medicine (New York)	93 866	539,912	270,562	810,474
Multiplex, Inc.	12 910	2,266	1,224	3,490
Multiplex, Inc.	12 RD	29,002	15,048	44,050
Museum of Sci & Indus-Tampa, Florida	47 076	70,828	34,706	105,534
NSABP Foundation, Inc. (Natl Surgical Adjuvant Breast & Bowel Project)	93 395	7,733	1,740	9,473
NSABP Foundation, Inc. (Natl Surgical Adjuvant Breast & Bowel Project)	93 399	54,833	12,337	67,170
Nanex (Patrick Freudenthal, Dba Nanex)	12 800	(49)	(23)	(72)
Nanogen, Inc.	93 856	26,426	10,114	36,540
Nanohmics, Inc.	93 RD	31,198	16,067	47,265
Nanosys, Inc.	12 RD	125,887	63,716	189,603
Nanotron	12 800	12,887	4,025	16,912
Natl Academy of Sciences(incl Inst of Med,Natl Res Cncl,Natl Acd Engr)	47 074	18,832	9,699	28,531
Natl Academy of Sciences(incl Inst of Med,Natl Res Cncl,Natl Acd Engr)	98 RD	67,853	33,103	100,956
Natl Bureau of Economic Research, Inc.	43 RD	29,380	9,298	38,678
Natl Bureau of Economic Research, Inc.	47 RD	38,615	18,816	57,431
Natl Bureau of Economic Research, Inc.	93 RD	72,360	33,242	105,602
Natl Childhood Cancer Fdn (incl Children's Oncology Group, Curesearch)	93 395	299,246	92,475	391,721
Natl Childhood Cancer Fdn (incl Children's Oncology Group, Curesearch)	93 RD	6,500	3,413	9,913
Natl Childhood Cancer Fdn (incl Children's Oncology Group, Curesearch)	99 RD	6,094	3,139	9,233
Natl Council for Eurasian and East European Research (the)	19 300	9,350	935	10,285
Natl Development and Research Institutes, Inc.	93 279	136,246	32,170	168,416

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Natl Film Preservation Foundation	99 RD	\$ 4,110	\$ -	\$ 4,110
Natl Fish and Wildlife Foundation	11 463	29,446	-	29,446
Natl Fish and Wildlife Foundation	11 481	58,325	-	58,325
Natl Fish and Wildlife Foundation	15 602	691	-	691
Natl Fish and Wildlife Foundation	15 RD	40,463	(10,150)	30,313
Natl Jewish Medical & Research Cntr (cntr for Immunology & Resp Med)	93 855	217,295	57,563	274,858
Natl Marrow Donor Program	12 RD	8,129	2,460	10,589
Natl Marrow Donor Program	93 839	2,354	-	2,354
Natl Research Council	20 205	180,961	13,620	194,581
Natl Research Council	47 RD	3,560	-	3,560
Natl Science Teachers Association	47 076	631,057	43,611	674,668
Natl Security Technologies, Llc (NSTEC) (GOCO for Nevada Test Site)	99 RD	34,672	325	34,997
Natl Space Biomedical Research Institute	43 001	86,039	24,056	110,095
Natl Space Biomedical Research Institute	43 RD	889,592	356,309	1,245,901
Natl Writing Project Corporation	84 928	26,338	-	26,338
Nature Conservancy	84 RD	27,992	6,894	34,886
Network for Earthquake Engineering Simulation Consortium Inc. (NEES)	47 041	3,837,996	1,472,125	5,310,121
Network for Earthquake Engineering Simulation Consortium Inc. (NEES)	47 RD	1,585,414	399,117	1,984,531
Neurex Corporation (owned by Elan Corporation, Code 7273) (Ireland)	93 RD	671	319	990
Neurocomp Systems, Inc.	93 RD	34	-	34
Neuropace, Inc.	11 609	41,915	22,006	63,921
Nevada, State of (incl Nevada State Health Division)	99 RD	430	34	464
New England Medical Center, Inc.	93 242	12,816	6,985	19,801
New Jersey Institute of Technology	47 041	22,286	8,316	30,602
New Jersey Institute of Technology	47 RD	46,817	17,791	64,608
New Mexico State University	99 RD	22,432	-	22,432
New York University	47 049	118,385	49,917	168,302
New York University	47 070	(26,908)	(10,747)	(37,655)
New York University	47 074	119,479	64,508	183,987
Nimblegen Systems, Inc.	93 172	146,043	43,654	189,697
Normandeau Associates, Inc.	12 RD	326,804	78,496	405,300
Nortel (incl Pec Solutions, Ac Tech, Bay Networks, North Telecom-Canada)	12 RD	87,085	25,304	112,389
North Carolina Agricultural and Technical State University	98 001	7,904	2,055	9,959
North Carolina State University	10 206	76,398	15,807	92,205
North Carolina State University	10 500	22,183	-	22,183
North Carolina State University	10 RD	23,227	5,807	29,034
North Carolina State University	12 420	8,828	4,590	13,418
North Carolina State University	12 800	144,883	60,259	205,142
North Carolina State University	12 RD	74,290	33,047	107,337
North Carolina State University	47 RD	(4)	(2)	(6)
North Dakota University System	47 041	23,842	6,056	29,898
North Pacific Research Board (NPRB) (incl Alaska Sealife Center)	11 439	11,191	2,731	13,922
North Pacific Research Board (NPRB) (incl Alaska Sealife Center)	11 460	21,539	3,357	24,896
North Pacific Research Board (NPRB) (incl Alaska Sealife Center)	11 472	84,810	11,264	96,074
North Pacific Research Board (NPRB) (incl Alaska Sealife Center)	15 608	27,323	5,872	33,195
North Shore-Long Island Jewish Health System	93 242	(1,829)	-	(1,829)
North Shore-Long Island Jewish Health System	93 846	2,914	1,413	4,327
North Shore-Long Island Jewish Health System	93 RD	104,526	53,831	158,357
Northeastern University	93 279	4,838	2,540	7,378
Northeastern University	93 867	9,048	4,931	13,979

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Northern Arizona University (incl Natl Inst for Climatic Change Res)	81 049	\$ 168,135	\$ 62,372	\$ 230,507
Northern Calif Cancer Center (formerly Program)	93 399	53,956	12,137	66,093
Northern Calif Cancer Center (formerly Program)	93 RD	56,910	14,480	71,390
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 387	5,941	6,339	12,280
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 395	(175)	(88)	(263)
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 837	34,048	15,020	49,068
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 839	15,739	4,092	19,831
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 853	39,689	10,319	50,008
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 856	67,720	17,607	85,327
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 859	73,258	19,047	92,305
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 866	874,447	467,523	1,341,970
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 929	17,021	4,425	21,446
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 RD	8,920,554	645,150	9,565,704
Northern Illinois University	47 078	25,948	7,925	33,873
Northrop Grumman Corporation (incl Logicon Inc, Xetron Corporation)	12 RD	12,504	5,662	18,166
Northwest Regional Educational Laboratory (NWREL)	84 RD	25,556	2,044	27,600
Northwestern University	12 901	153,466	79,802	233,268
Northwestern University	47 041	7,599	1,492	9,091
Northwestern University	93 173	112,448	61,284	173,732
Northwestern University	93 242	146,324	70,897	217,221
Northwestern University	93 279	227	108	335
Northwestern University	93 286	3,448	1,810	5,258
Northwestern University	93 837	13,634	7,090	20,724
Northwestern University	93 846	52,350	12,679	65,029
Northwestern University	93 853	2,963	1,392	4,355
Northwestern University	93 865	9,858	4,454	14,312
Northwestern University	93 RD	105,665	48,073	153,738
Nova Engineering, Inc.	12 300	61,256	33,182	94,438
Nova Research Company (Bethesda, Maryland)	93 279	7,962	2,070	10,032
Novo Nordisk Co.(incl Entotech,Novozymes, Biotech, Hagedorn)(Denmark)	93 847	149,112	64,422	213,534
Oakridge Natl Lab (DOE GOCO Operated by Ut-Battelle, Llc)	81 049	40,551	22,779	63,330
Oakridge Natl Lab (DOE GOCO Operated by Ut-Battelle, Llc)	81 RD	502,444	206,445	708,889
Oakridge Natl Lab (DOE GOCO Operated by Ut-Battelle, Llc)	99 RD	15,037	8,195	23,232
Oceanic Institute of Waimanlo, Hawaii, The	11 612	27,664	14,385	42,049
Oceanit Laboratories, Inc.	12 910	17,273	9,414	26,687
Ohio State University (includes Research Foundation)	10 206	30,793	7,235	38,028
Ohio State University (includes Research Foundation)	10 217	4,046	934	4,980
Ohio State University (includes Research Foundation)	10 303	52,025	12,281	64,306
Ohio State University (includes Research Foundation)	12 630	196,461	105,493	301,954
Ohio State University (includes Research Foundation)	12 RD	203,068	106,610	309,678
Ohio State University (includes Research Foundation)	43 RD	25,588	7,881	33,469
Ohio State University (includes Research Foundation)	47 041	52,902	28,303	81,205
Ohio State University (includes Research Foundation)	47 049	36,636	18,868	55,504
Ohio State University (includes Research Foundation)	47 050	42,010	22,896	64,906
Ohio State University (includes Research Foundation)	47 RD	59,489	28,629	88,118
Ohio State University (includes Research Foundation)	81 049	41,644	22,419	64,063
Ohio State University (includes Research Foundation)	84 305	95,850	47,745	143,595
Ohio State University (includes Research Foundation)	99 RD	7,818	2,160	9,978
Omega-p, Inc.	81 RD	22,694	11,848	34,542

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Open Biosystems, Inc.	93 242	\$ 5,925	\$ 3,051	\$ 8,976
Optimal Synthesis Inc.	12 RD	56,195	27,810	84,005
Oregon Health Sciences University	93 306	41,901	22,836	64,737
Oregon Health Sciences University	93 837	56,334	29,012	85,346
Oregon Health Sciences University	93 846	27,869	6,944	34,813
Oregon Health Sciences University	93 866	(68)	(17)	(85)
Oregon Health Sciences University	93 867	143,670	73,990	217,660
Oregon State University	10 206	61,342	15,235	76,577
Oregon State University	11 440	58,102	25,277	83,379
Oregon State University	43 002	3,519	1,918	5,437
Oregon State University	47 078	40,625	12,728	53,353
Oregon State University	81 114	400,361	70,135	470,496
Oregon State University	81 502	6,227	1,933	8,160
Oregon State University	93 946	5,698	3,048	8,746
Osiris Therapeutics, Inc.	12 630	109,395	53,196	162,591
Pacific Shellfish Institute	93 855	54,159	14,081	68,240
Pacific States Marine Fisheries Commission	11 437	8,685	2,258	10,943
Packet Digital Llc	12 630	31,515	10,579	42,094
Paratek Pharmaceuticals, Inc.	93 RD	2,120	1,092	3,212
Parkinson's Institute (formerly Calif Parkinson's Foundation)	12 420	15,371	3,996	19,367
Parkinson's Institute (formerly Calif Parkinson's Foundation)	93 894	23,351	10,422	33,773
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 226	6,357	2,921	9,278
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 242	182,192	75,109	257,301
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 389	734,904	290,038	1,024,942
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 396	187,912	97,714	285,626
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 853	30,099	13,926	44,025
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 859	117,019	63,775	180,794
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 RD	463,350	236,175	699,525
Pathfinder International	99 RD	22,876	-	22,876
Payne Environmental Consultants, Inc. (PECI)	11 419	52,228	8,356	60,584
Pennsylvania College of Optometry (PCO)	93 867	75,419	41,103	116,522
Pennsylvania State University (incl Penn State Research Foundation)	10 206	96,116	24,029	120,145
Pennsylvania State University (incl Penn State Research Foundation)	12 300	827,540	133,330	960,870
Pennsylvania State University (incl Penn State Research Foundation)	12 431	918	(821)	97
Pennsylvania State University (incl Penn State Research Foundation)	43 RD	12,008	6,629	18,637
Pennsylvania State University (incl Penn State Research Foundation)	47 049	(1,204)	(2,145)	(3,349)
Pennsylvania State University (incl Penn State Research Foundation)	47 050	24,067	9,001	33,068
Pennsylvania State University (incl Penn State Research Foundation)	47 074	(643)	(328)	(971)
Pennsylvania State University (incl Penn State Research Foundation)	81 049	31,835	16,047	47,882
Pennsylvania State University (incl Penn State Research Foundation)	84 116	815	65	880
Pennsylvania State University (incl Penn State Research Foundation)	93 865	153,868	31,995	185,863
Pennsylvania State University (incl Penn State Research Foundation)	93 866	1,003	261	1,264
Pennsylvania State University (incl Penn State Research Foundation)	93 RD	85,968	38,509	124,477
Pharad, Llc	99 RD	19,048	10,381	29,429
Photonic Systems, Inc.	12 300	25	13	38
Physical Optics Corporation	93 048	89,926	49,009	138,935
Physical Sciences Inc.	12 630	22,965	10,163	33,128
Pittsburgh Materials Technology, Inc.	12 RD	13,803	7,197	21,000
Planetary Science Institute	43 RD	7,403	3,850	11,253
Plasma Processes Inc.	81 RD	26,193	12,396	38,589
Polytechnic University (Brooklyn)	47 RD	63,807	30,874	94,681

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Population Council - New York	99 RD	\$ 13,142	\$ 3,417	\$ 16,559
Portland State University	11 RD	10,634	2,642	13,276
Portland State University	93 866	43,683	21,242	64,925
Portland State University	99 RD	54,052	14,199	68,251
Praevium Research, Inc.	93 394	20,179	10,594	30,773
Praevium Research, Inc.	93 395	23,529	12,073	35,602
Prevention Institute (Bay Area, California)	99 RD	49,109	11,152	60,261
Primex General Imaging Corporation	12 421	(23,803)	(6,189)	(29,992)
Prince William Sound Science Center (incl Oil Spill Recovery Inst)	15 RD	57,550	24,076	81,626
Princeton Plasma Physics Laboratory (DOE GOCO Lab Oper. by Princeton)	81 RD	4,156	1,579	5,735
Princeton University	12 300	154,992	79,851	234,843
Princeton University	12 910	163,164	79,900	243,064
Princeton University	12 RD	4,869	-	4,869
Princeton University	43 RD	291,427	105,775	397,202
Princeton University	47 049	136,717	54,882	191,599
Princeton University	81 RD	108,244	55,386	163,630
Procter & Gamble Company	99 RD	534	269	803
Provid Pharmaceuticals Inc.	93 RD	(36)	(19)	(55)
Public Health Foundation Enterprises, Inc.	93 279	22,493	5,524	28,017
Public Health Foundation Enterprises, Inc.	93 283	22,145	11,555	33,700
Public Health Foundation Enterprises, Inc.	93 943	48,251	11,408	59,659
Public Health Foundation Enterprises, Inc.	99 RD	43,136	14,666	57,802
Public Health Institute (formerly Calif Public Health Foundation)	10 RD	77,623	19,359	96,982
Public Health Institute (formerly Calif Public Health Foundation)	93 262	(48)	(12)	(60)
Public Health Institute (formerly Calif Public Health Foundation)	93 891	-	132	132
Public Health Institute (formerly Calif Public Health Foundation)	93 999	5	2	7
Public Health Institute (formerly Calif Public Health Foundation)	93 RD	533,946	128,770	662,716
Purdue Research Foundation	93 309	33,429	12,155	45,584
Purdue University	10 217	17,757	4,439	22,196
Purdue University	12 431	16,499	7,811	24,310
Purdue University	43 RD	70,177	27,780	97,957
Purdue University	47 041	55,728	23,779	79,507
Purdue University	47 076	21,196	5,299	26,495
Purdue University	81 049	(13,439)	(6,988)	(20,427)
Purdue University	93 393	123,345	58,409	181,754
Purdue University	93 856	98,080	53,637	151,717
Purdue University	93 867	23,362	11,626	34,988
Purdue University	99 RD	1,921	(1,044)	877
Q-chem, Inc.	93 RD	59,438	30,906	90,344
Quantum Applied Science and Research, Inc. (Quasar)	12 800	46,254	14,793	61,047
Quantum Magnetics	93 RD	21,572	5,609	27,181
Quartus Engineering Incorporated	12 431	14,554	3,784	18,338
Radiation Monitoring Devices, Inc. (RMD)	81 RD	14,801	1,653	16,454
Radiation Monitoring Devices, Inc. (RMD)	93 001	66,003	33,991	99,994
Radiation Monitoring Devices, Inc. (RMD)	93 395	54,067	27,005	81,072
Radiation Monitoring Devices, Inc. (RMD)	93 RD	51,422	15,333	66,755
Radiation Monitoring Devices, Inc. (RMD)	99 RD	64,333	16,727	81,060
Rainbow Communications	12 RD	40,961	17,246	58,207
Rancho Santiago Community College District	84 334	156,667	-	156,667

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Rand Corp	93 121	\$ 1,500	\$ 618	\$ 2,118
Rand Corp	93 226	19,697	4,363	24,060
Rand Corp	93 242	94,640	51,553	146,193
Rand Corp	93 279	110,817	32,295	143,112
Rand Corp	93 283	(131)	(34)	(165)
Rand Corp	93 393	12,919	6,384	19,303
Rand Corp	93 399	358,502	73,153	431,655
Rand Corp	93 837	10,011	(3,283)	6,728
Rand Corp	93 866	14,717	7,211	21,928
Rand Corp	93 894	57,300	16,414	73,714
Raytheon	12 630	27	14	41
Raytheon	12 910	82,881	45,170	128,051
Raytheon	12 RD	202,269	95,059	297,328
Raytheon	99 RD	(4,725)	(2,827)	(7,552)
Redondo Optics, Inc.	12 RD	634	298	932
Redxdefense	97 002	10,814	4,676	15,490
Rehabilitation Institute of Chicago	84 133	9,475	4,974	14,449
Rehabilitation Institute of Chicago	93 865	9,062	4,757	13,819
Rensselaer Polytechnic Institute	47 041	24,388	8,498	32,886
Rensselaer Polytechnic Institute	93 RD	144,597	32,216	176,813
Research Fdn CUNY, City University of New York	93 173	(181)	(94)	(275)
Research Fdn of State University of New York (the)	47 041	28,216	6,785	35,001
Research Fdn of State University of New York (the)	47 070	27,376	10,638	38,014
Research Fdn of State University of New York (the)	47 079	13,309	6,521	19,830
Research Fdn of State University of New York (the)	47 RD	269,646	86,588	356,234
Research Fdn of State University of New York (the)	93 837	9,817	5,006	14,823
Research Fdn of State University of New York (the)	93 RD	1,445	716	2,161
Research Triangle Institute	93 279	11,924	2,921	14,845
Research Triangle Institute	93 RD	130,323	66,163	196,486
Research Triangle Institute	99 RD	33,599	8,736	42,335
Rf Nano Corporation	12 RD	19,737	4,308	24,045
Rhode Island Hospital	93 399	46,589	12,113	58,702
Rhode Island Hospital	93 849	89,566	27,384	116,950
Rhode Island Hospital	93 854	(2,235)	(650)	(2,885)
Rice University, Texas (William Marsh Rice)	47 070	60,392	22,068	82,460
Rice University, Texas (William Marsh Rice)	47 RD	61,452	23,994	85,446
Rincon Research Corporation	12 300	193,191	102,508	295,699
Riverside Community College District	10 223	30,130	7,533	37,663
Riverside Community College District	84 031	27,093	-	27,093
Riverside Technology, Inc.	66 RD	5,781	1,503	7,284
Riverside, County of	84 184	11,005	1,101	12,106
Robert Wood Johnson Foundation (the)	99 RD	17,140	1,543	18,683
Rochester Institute of Technology	12 300	89,381	35,901	125,282
Rochester Institute of Technology	15 RD	13,716	2,057	15,773
Rochester Institute of Technology	47 041	13,760	5,480	19,240
Rockefeller University	93 389	280,108	118,822	398,930
Rockefeller University	93 396	(61)	(31)	(92)
Rockefeller University	93 397	(86,123)	(22,392)	(108,515)
Rockefeller University	93 855	248,119	64,114	312,233
Rockwell Automation, Inc. (incl Rockwell Scientific Company)	12 910	450,123	118,943	569,066
Rockwell Automation, Inc. (incl Rockwell Scientific Company)	12 RD	115,554	61,253	176,807

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Rockwell Collins, Inc.	12 910	\$ 263,627	\$ 37,075	\$ 300,702
Rodale Institute, The	10 RD	4,955	-	4,955
Round Valley Indian Health Center	93 RD	6,882	2,340	9,222
Row Sciences, Inc.	93 999	4,259	-	4,259
Rsoft Design Group, Inc.	12 RD	3,358	1,578	4,936
Rush University (incl Rush-Presbyterian-St. Luke's Medical Center)	93 856	119,754	61,673	181,427
Rush University (incl Rush-Presbyterian-St. Luke's Medical Center)	93 866	15,808	32,544	48,352
Rutgers University	10 200	170,136	-	170,136
Rutgers University	10 303	2,802	657	3,459
Rutgers University	47 074	1,354,209	691,533	2,045,742
Rutgers University	81 003	63,937	32,928	96,865
Rutgers University	93 866	68	18	86
SC Solutions, Inc.	12 300	(208)	(112)	(320)
Sabre Systems, Inc.	11 RD	85	44	129
Sabre Systems, Inc.	78 RD	116,047	49,079	165,126
Salk Institute for Biological Studies	93 866	307,523	161,101	468,624
Salk Institute for Biological Studies	93 RD	102	53	155
Samsung Group(incl Samsung Heavy Industries, Electron Co. Ltd.)(Korea)	12 RD	20	10	30
Samueli Institute for Information Biology	12 RD	(4,930)	1,581	(3,349)
San Diego Center for Health Interventions, Llc	93 395	39,234	20,402	59,636
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	11 552	(2,088)	-	(2,088)
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	12 420	20,864	10,954	31,818
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	12 910	234,003	75,104	309,107
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	12 RD	745	391	1,136
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	20 600	15,161	2,263	17,424
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	84 217	17,653	1,412	19,065
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	84 RD	228,978	6,367	235,345
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	92 273	28,911	15,962	44,873
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 135	24,141	12,553	36,694
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 173	7,666	4,192	11,858
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 242	24,957	6,489	31,446
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 273	16,485	8,572	25,057
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 375	22,180	1,774	23,954
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 837	23,349	12,725	36,074
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 RD	264,345	138,562	402,907
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	99 RD	13,448	2,794	16,242
San Diego, County of	93 914	139,151	35,352	174,503
San Diego, County of	99 RD	48,436	4,844	53,280
San Francisco Community Clinic Consortium	99 RD	99,373	29,812	129,185
San Francisco State University Foundation, Inc.	47 049	46,267	23,596	69,863
San Francisco State University Foundation, Inc.	94 005	62	-	62
San Francisco State University Foundation, Inc.	99 RD	58,820	-	58,820
San Francisco, City and County	93 116	519	62	581
San Francisco, City and County	93 279	(10,130)	(1,274)	(11,404)
San Francisco, City and County	93 914	(259)	(23)	(282)
San Francisco, City and County	93 940	146,402	17,568	163,970
San Francisco, City and County	93 941	975	117	1,092
San Francisco, City and County	93 RD	152,830	19,626	172,456
San Francisco, City and County	99 RD	236,035	27,686	263,721
San Jose Unified School Dist	84 RD	6,935	555	7,490

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
San Ysidro Health Center	93 918	\$ 3,508	\$ 912	\$ 4,420
Sandia National Laboratories	43 RD	38,765	-	38,765
Sandia National Laboratories	81 049	1,280	691	1,971
Sandia National Laboratories	81 RD	490,007	207,307	697,314
Sandia National Laboratories	93 RD	8,189	4,217	12,406
Sandia National Laboratories	99 RD	49,695	22,830	72,525
Santa Ana Unified School District	84 215	73,189	16,689	89,878
Santa Barbara, County of	93 243	129,763	27,486	157,249
Santa Barbara, County of	93 RD	47,022	7,053	54,075
Santa Cruz, County of	93 RD	66,989	15,033	82,022
Santa Fe Institute	93 866	26,083	6,782	32,865
Science Applications Intl Corp (SAIC)(incl Geo-Cntr, Eai Corp)	10 RD	8,598	4,428	13,026
Science Applications Intl Corp (SAIC)(incl Geo-Cntr, Eai Corp)	12 RD	11,885	42,158	54,043
Science Applications Intl Corp (SAIC)(incl Geo-Cntr, Eai Corp)	43 RD	59,727	15,529	75,256
Science Applications Intl Corp (SAIC)(incl Geo-Cntr, Eai Corp)	93 395	190,754	97,215	287,969
Science Applications Intl Corp (SAIC)(incl Geo-Cntr, Eai Corp)	93 RD	55,520	28,824	84,344
Science Applications Intl Corp (SAIC)(incl Geo-Cntr, Eai Corp)	99 RD	762,246	315,127	1,077,373
Science and Technology International, Inc.	12 420	92,552	25,212	117,764
Scientific Applications & Research Associates,(SARA) Inc.	12 630	20,238	8,031	28,269
Scientific Systems, Inc.	12 RD	18,494	(4,661)	13,833
Scientific Systems, Inc.	43 RD	123	64	187
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 242	273,682	144,287	417,969
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 371	(303)	(6)	(309)
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 395	81,392	65,896	147,288
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 839	99,054	51,508	150,562
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 855	158,385	86,320	244,705
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 859	54,211	14,901	69,112
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 862	78,706	39,076	117,782
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 866	307,404	159,837	467,241
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 867	190,676	100,647	291,323
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 RD	1,823,889	840,950	2,664,839
Sea Run Holdings, Inc.	93 853	28,183	14,796	42,979
Seashell Technology Llc	12 630	84,388	45,392	129,780
Seashell Technology Llc	93 RD	18,481	9,980	28,461
Seattle Institute for Biomedical and Clin Res (SIBCR) (VA Foundation)	93 866	25,448	6,465	31,913
Second Sight, Llc.	93 867	566	308	874
Sendero Group Llc	84 133	83,810	38,488	122,298
Sepulveda Research Corporation (VA Foundation)	93 226	583	139	722
Sepulveda Research Corporation (VA Foundation)	93 866	30,621	7,961	38,582
Sepulveda Research Corporation (VA Foundation)	99 RD	39,182	3,918	43,100
Sgx Pharmaceuticals, Inc. (frmly Structural Genomix)	93 821	265,444	87,214	352,658
Shape Change Technologies, Llc	12 RD	(46)	924	878
Shape Change Technologies, Llc	93 865	11,914	6,493	18,407
Shifa Biomedical Corporation	93 395	31,033	16,603	47,636
Sidney Kimmel Foundation for Cancer Research	93 395	129,903	70,670	200,573
Siemens (incl U.S. Subsidiaries) (Germany)	12 800	58,078	27,297	85,375
Siemens (incl U.S. Subsidiaries) (Germany)	12 RD	24,282	12,619	36,901
Silvus Communication Systems, Inc.	12 RD	1,260	687	1,947
Smith-Kettlewell Eye Research Institute	93 867	4,281	2,183	6,464
Smithsonian Institute	43 000	186,727	81,783	268,510

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Smithsonian Institute	47 049	\$ 53,363	\$ -	\$ 53,363
Social & Scientific Systems, Inc.	93 855	230,103	22,638	252,741
Social & Scientific Systems, Inc.	93 856	1,238,901	469,764	1,708,665
Social & Scientific Systems, Inc.	93 999	329,015	108,575	437,590
Social & Scientific Systems, Inc.	93 RD	284,198	78,696	362,894
Social & Scientific Systems, Inc.	99 RD	98,785	53,838	152,623
Solana Scientific Inc.	47 RD	13,137	4,992	18,129
Solidus Biosciences, Inc.	93 RD	160,934	48,684	209,618
South Lake Tahoe, City of	10 RD	73	19	92
Southeastern Center for Electrical Engineering Education (SCEEE)	12 RD	(10,602)	-	(10,602)
Southern Calif Coastal Water Research Proj Auth, A Public Agency	66 475	10,503	2,731	13,234
Southern Methodist University	12 431	5,449	2,943	8,392
Southwest Clean Air Agency	66 606	(223)	(156)	(379)
Southwest Fdn for Biomedical Research	93 242	123,793	66,013	189,806
Southwest Oncology Group (admin by Ctrc Foundation)	93 395	120,497	60,253	180,750
Southwest Oncology Group (admin by Ctrc Foundation)	93 399	10,054	2,629	12,683
Southwest Oncology Group (admin by Ctrc Foundation)	93 RD	325	106	431
Southwest Oncology Group (admin by Ctrc Foundation)	99 RD	(6,792)	(1,494)	(8,286)
Southwest Research Institute	43 RD	310,997	82,275	393,272
Southwest Research Institute	99 RD	46,398	20,730	67,128
Southwest Sciences, Inc.	12 RD	149,908	30,757	180,665
Southwest Sciences, Inc.	43 RD	2,198	(3,806)	(1,608)
Space Micro Inc.	99 RD	6,472	3,528	10,000
Spatial Digital Systems	99 RD	6,043	3,293	9,336
Special Metals Corporation	12 630	367	191	558
Special Services for Groups	93 243	35,640	8,489	44,129
Square One Systems Design	93 859	2,541	1,334	3,875
Sri International (incl Sarnoff Corporation)	12 300	65,106	31,665	96,771
Sri International (incl Sarnoff Corporation)	12 431	57,457	26,025	83,482
Sri International (incl Sarnoff Corporation)	12 910	36,084	17,840	53,924
Sri International (incl Sarnoff Corporation)	12 RD	21,659	11,005	32,664
Sri International (incl Sarnoff Corporation)	15 RD	81,464	20,536	102,000
Sri International (incl Sarnoff Corporation)	47 076	101,069	30,342	131,411
Sri International (incl Sarnoff Corporation)	81 RD	255,901	95,492	351,393
Sri International (incl Sarnoff Corporation)	99 RD	3,186	(3,367)	(181)
Srs Technologies	12 RD	11,892	3,108	15,000
St. Jude Children's Research Hospital	93 395	115,567	42,249	157,816
St. Jude Children's Research Hospital	93 847	26,880	14,381	41,261
St. Louis University	93 859	83,999	4,329	88,328
St. Olaf College	47 074	551	287	838
Stanford University	12 300	73,590	9,660	83,250
Stanford University	12 420	(500)	-	(500)
Stanford University	12 910	146,949	38,446	185,395
Stanford University	12 RD	148,546	75,643	224,189
Stanford University	43 RD	211,965	69,861	281,826
Stanford University	47 049	10,067	3,066	13,133
Stanford University	47 050	87,317	41,149	128,466
Stanford University	47 070	194,054	70,835	264,889
Stanford University	47 RD	282,746	135,305	418,051
Stanford University	81 RD	211,619	58,586	270,205

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Stanford University	91 RD	\$ (897)	\$ (72)	\$ (969)
Stanford University	93 172	215,952	111,216	327,168
Stanford University	93 242	28,939	15,223	44,162
Stanford University	93 279	82,591	42,534	125,125
Stanford University	93 390	20,246	10,527	30,773
Stanford University	93 394	182,684	95,605	278,289
Stanford University	93 395	(1,810)	(860)	(2,670)
Stanford University	93 399	90,238	48,812	139,050
Stanford University	93 837	40,377	21,619	61,996
Stanford University	93 839	(121)	(64)	(185)
Stanford University	93 846	9,420	4,851	14,271
Stanford University	93 853	114,897	61,226	176,123
Stanford University	93 855	153,962	65,884	219,846
Stanford University	93 864	(49)	(25)	(74)
Stanford University	93 865	182,314	94,685	276,999
Stanford University	93 866	50,536	25,671	76,207
Stanford University	93 RD	64,792	33,004	97,796
Stanford University	99 RD	293,751	65,791	359,542
State University System of Florida	12 431	28,397	14,766	43,163
State University System of Florida	93 286	8,154	3,832	11,986
State University System of Florida	93 856	34,516	18,811	53,327
State University of New York (SUNY)	12 630	1,807	850	2,657
State University of New York (SUNY)	12 RD	37,349	17,494	54,843
State University of New York (SUNY)	47 041	8,465	3,979	12,444
State University of New York (SUNY)	47 049	10,326	4,905	15,231
State University of New York (SUNY)	47 050	14,948	7,698	22,646
State University of New York (SUNY)	81 112	6,839	3,727	10,566
State University of New York (SUNY)	89 003	27,511	-	27,511
State University of New York (SUNY)	93 242	23,555	6,124	29,679
State University of New York (SUNY)	93 867	14,908	7,678	22,586
Stevens Institute of Technology	12 431	5,903	2,714	8,617
Stirling Dynamics	43 RD	569	267	836
Surface Optics Corporation	12 800	10,733	5,850	16,583
Surface Optics Corporation	12 RD	13,927	7,312	21,239
Susan G. Komen Breast Cancer Foundation	99 RD	534	134	668
Sustainable Conservation	10 RD	26,058	-	26,058
Svt Associates, Inc.	99 RD	30,371	16,552	46,923
Syracuse University	84 133	17,880	9,208	27,088
Syracuse University	93 865	12,573	6,538	19,111
Systems Technology, Inc.	93 242	12,841	3,079	15,920
Techfinity, Inc.	12 RD	23,575	12,848	36,423
Teledyne Technologies Inc (incl Rd Instruments,microwave,wireless,etc)	12 300	9,215	5,401	14,616
Teledyne Technologies Inc (incl Rd Instruments,microwave,wireless,etc)	12 910	143,000	57,467	200,467
Teledyne Technologies Inc (incl Rd Instruments,microwave,wireless,etc)	12 RD	138,065	37,728	175,793
Teledyne Technologies Inc (incl Rd Instruments,microwave,wireless,etc)	93 RD	14,608	7,961	22,569
Teledyne Technologies Inc (incl Rd Instruments,microwave,wireless,etc)	99 RD	6,286	3,426	9,712
Temple University	12 910	65,555	26,732	92,287
Temple University	93 389	29,374	5,669	35,043
Tetra Tech, Inc.	12 RD	72,657	18,891	91,548

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Texas A&M Research Foundation	47 050	\$ 7,793	\$ 3,757	\$ 11,550
Texas A&M Research Foundation	93 RD	418,211	208,312	626,523
Texas A&M University	10 206	9,720	2,430	12,150
Texas A&M University	12 300	1,284,014	638,363	1,922,377
Texas A&M University	12 431	24,271	8,731	33,002
Texas A&M University	47 074	(79)	(38)	(117)
Texas A&M University	81 089	36,528	18,544	55,072
Texas A&M University	93 855	277,264	125,562	402,826
Texas A&M University	93 856	58,205	29,976	88,181
Texas A&M University	99 RD	26,936	14,411	41,347
Timken Company	12 RD	192,597	87,389	279,986
Tourette Syndrome Association, Inc.	93 252	137,881	75,181	213,062
Tourette Syndrome Association, Inc.	93 853	18,981	10,439	29,420
Toyon Research Corporation	12 300	23,969	6,479	30,448
Toyon Research Corporation	12 800	190,893	72,207	263,100
Translational Genomics Research Institute (TGEN)	93 837	39,293	11,631	50,924
Triton Systems, Inc.	12 RD	23,606	6,137	29,743
Trudeau Institute, Inc.	93 RD	77	39	116
Tufts University	12 800	43,600	22,454	66,054
Tufts University	93 837	13,410	-	13,410
Tufts University	93 853	218,182	53,034	271,216
Tulane University (incl Medical Center)	12 431	729,497	339,125	1,068,622
Tulane University (incl Medical Center)	93 865	30,797	15,861	46,658
Tulane University (incl Medical Center)	99 RD	28,058	1,403	29,461
Tulare District Healthcare System (incl Tulare District Hospital)	93 226	6,038	1,811	7,849
Turner Consulting Group, Inc.	93 RD	30,617	16,686	47,303
U.S. Civilian Research and Development Foundation (CRDF)	47 075	14,564	-	14,564
U.S. Civilian Research and Development Foundation (CRDF)	99 RD	6,000	-	6,000
US Immunodeficiency Network	93 RD	3,737	1,999	5,736
Ues, Inc.	47 041	34,036	17,185	51,221
Ultra Communications, Inc.	12 300	91,173	36,047	127,220
Unavco, Inc.	47 050	131,193	71,500	202,693
Unavco, Inc.	47 RD	99,593	51,788	151,381
United Technologies Corp(int'l Fuel Cells&united Tech Res Ctr,Sikorsky)	12 800	164,587	57,741	222,328
Universal Oil Products (UOP) Llc	81 RD	68,489	37,326	105,815
Universal Technology Corporation	12 RD	60,787	28,385	89,172
Universities Research Association (operates Fermilab)	47 049	3,965	967	4,932
Universities Research Association (operates Fermilab)	81 022	109,913	(923)	108,990
Universities Research Association (operates Fermilab)	81 RD	288,884	60,104	348,988
Universities Space Research Association	43 RD	225,729	70,381	296,110
Universities Space Research Association	93 395	1,724	502	2,226
University Corp for Atmospheric Research	11 RD	20,945	7,301	28,246
University Corp for Atmospheric Research	47 050	33,838	17,596	51,434
University Corp for Atmospheric Research	47 074	31,702	17,278	48,980
University and Community College System of Nevada (incl Univ,Reno,dri)	10 RD	22,860	-	22,860
University and Community College System of Nevada (incl Univ,Reno,dri)	15 608	248	37	285
University and Community College System of Nevada (incl Univ,Reno,dri)	47 041	101,786	40,594	142,380
University and Community College System of Nevada (incl Univ,Reno,dri)	66 436	24,120	-	24,120
University and Community College System of Nevada (incl Univ,Reno,dri)	81 049	93,551	43,071	136,622
University and Community College System of Nevada (incl Univ,Reno,dri)	81 065	2	1	3

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
University and Community College System of Nevada (incl Univ, Reno, dri)	81 087	\$ 1,819	\$ 444	\$ 2,263
University and Community College System of Nevada (incl Univ, Reno, dri)	81 RD	86,407	28,528	114,935
University and Community College System of Nevada (incl Univ, Reno, dri)	99 RD	7,736	1,888	9,624
University of Alabama (includes Birmingham and Huntsville)	43 RD	35,972	9,353	45,325
University of Alabama (includes Birmingham and Huntsville)	47 041	7,475	4,036	11,511
University of Alabama (includes Birmingham and Huntsville)	93 113	20,477	(6,116)	14,361
University of Alabama (includes Birmingham and Huntsville)	93 242	60,141	32,495	92,636
University of Alabama (includes Birmingham and Huntsville)	93 395	97,034	43,983	141,017
University of Alabama (includes Birmingham and Huntsville)	93 853	250	773	1,023
University of Alabama (includes Birmingham and Huntsville)	93 855	46,445	9,753	56,198
University of Alabama (includes Birmingham and Huntsville)	93 856	856	(615)	241
University of Alabama (includes Birmingham and Huntsville)	93 865	52,623	17,383	70,006
University of Alabama (includes Birmingham and Huntsville)	93 866	40,980	10,592	51,572
University of Alabama (includes Birmingham and Huntsville)	93 RD	154,152	64,099	218,251
University of Alabama (includes Birmingham and Huntsville)	99 RD	403,539	174,794	578,333
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	11 430	66,824	15,320	82,144
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	11 439	(215)	(53)	(268)
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	11 RD	25,573	6,649	32,222
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	15 RD	7,389	4,027	11,416
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	43 RD	867	472	1,339
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	47 078	77,160	18,710	95,870
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	81 RD	2,098	546	2,644
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	84 363	24,200	1,936	26,136
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	93 242	87,460	12,751	100,211
University of Arizona	10 303	10,963	2,579	13,542
University of Arizona	10 RD	42,414	9,595	52,009
University of Arizona	11 478	148,272	71,717	219,989
University of Arizona	12 630	268,759	107,493	376,252
University of Arizona	43 RD	3,072	1,548	4,620
University of Arizona	47 041	38,367	13,090	51,457
University of Arizona	47 049	46,280	21,843	68,123
University of Arizona	47 050	139,424	43,377	182,801
University of Arizona	47 073	(592)	(317)	(909)
University of Arizona	47 075	21,158	9,944	31,102
University of Arizona	47 076	290,009	76,427	366,436
University of Arizona	47 RD	(1,987)	(1,422)	(3,409)
University of Arizona	93 279	(2,468)	(1,285)	(3,753)
University of Arizona	93 394	19,544	10,065	29,609
University of Arizona	93 396	1,313	689	2,002
University of Arizona	93 866	269,195	66,829	336,024
University of Arkansas	10 206	68,843	17,211	86,054
University of Arkansas	10 RD	36,047	8,651	44,698
University of Arkansas	93 856	73,422	7,342	80,764
University of Arkansas	93 865	658	171	829
University of Arkansas	93 RD	41,926	4,193	46,119
University of Chicago	12 431	162,178	62,048	224,226
University of Chicago	47 070	780,941	407,170	1,188,111
University of Chicago	47 078	395,645	88,503	484,148
University of Chicago	84 229	20,500	-	20,500
University of Chicago	93 173	32,766	12,084	44,850

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
University of Chicago	93 226	\$ 4,243	\$ 2,016	\$ 6,259
University of Chicago	93 393	308,706	198,285	506,991
University of Chicago	93 848	(2,315)	(1,192)	(3,507)
University of Chicago	93 851	112,717	61,431	174,148
University of Chicago	93 865	19,888	9,657	29,545
University of Chicago	93 RD	788	374	1,162
University of Cincinnati (incl College of Medicine, Emcreg Intl)	47 041	21,499	6,835	28,334
University of Cincinnati (incl College of Medicine, Emcreg Intl)	93 837	7,372	3,833	11,205
University of Cincinnati (incl College of Medicine, Emcreg Intl)	93 853	111,868	50,483	162,351
University of Cincinnati (incl College of Medicine, Emcreg Intl)	93 855	48,500	24,977	73,477
University of Cincinnati (incl College of Medicine, Emcreg Intl)	93 RD	625	163	788
University of Colorado System	12 300	60,126	30,247	90,373
University of Colorado System	12 431	349,020	131,494	480,514
University of Colorado System	12 RD	63,073	24,287	87,360
University of Colorado System	43 002	5,950	3,243	9,193
University of Colorado System	43 RD	225,169	57,266	282,435
University of Colorado System	47 041	7,200	-	7,200
University of Colorado System	47 070	50,829	16,458	67,287
University of Colorado System	47 074	11,075	2,880	13,955
University of Colorado System	47 RD	77,381	40,534	117,915
University of Colorado System	66 433	7,408	1,926	9,334
University of Colorado System	93 279	1,498	779	2,277
University of Colorado System	93 399	18,309	9,978	28,287
University of Colorado System	93 631	11,813	3,071	14,884
University of Colorado System	93 838	76,832	39,501	116,333
University of Colorado System	93 853	165,381	55,923	221,304
University of Colorado System	93 855	103,297	54,797	158,094
University of Colorado System	93 867	40,408	21,214	61,622
University of Colorado System	93 RD	9,631	1,036	10,667
University of Colorado System	97 RD	31,409	13,106	44,515
University of Colorado System	99 RD	11,049	6,022	17,071
University of Connecticut	93 279	54,940	14,132	69,072
University of Delaware	12 RD	286,845	110,855	397,700
University of Delaware	43 RD	44,292	22,146	66,438
University of Delaware	98 859	51,041	17,345	68,386
University of Durham (Great Britain)	99 RD	2,247	1,168	3,415
University of Florida	10 001	7,500	-	7,500
University of Florida	10 304	41,751	964	42,715
University of Florida	47 049	11,413	2,967	14,380
University of Florida	47 070	1,900	958	2,858
University of Florida	81 049	32,107	16,696	48,803
University of Florida	93 226	510	132	642
University of Florida	93 839	31,544	14,080	45,624
University of Florida	93 855	50,053	26,778	76,831
University of Florida	93 856	85,398	41,538	126,936
University of Florida	93 859	51,155	25,345	76,500
University of Florida	93 865	126,965	65,387	192,352
University of Georgia (incl Skidaway Institute of Oceanography)	11 417	9,010	2,478	11,488
University of Georgia (incl Skidaway Institute of Oceanography)	46 201	19,700	8,966	28,666
University of Georgia (incl Skidaway Institute of Oceanography)	47 074	85,607	34,683	120,290
University of Georgia (incl Skidaway Institute of Oceanography)	47 RD	106,531	55,929	162,460

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
University of Georgia (incl Skidaway Institute of Oceanography)	81 049	\$ 97,668	\$ 11,917	\$ 109,585
University of Georgia (incl Skidaway Institute of Oceanography)	81 RD	11,378	5,917	17,295
University of Georgia (incl Skidaway Institute of Oceanography)	93 279	81,953	43,026	124,979
University of Georgia (incl Skidaway Institute of Oceanography)	93 RD	(40)	(20)	(60)
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	10 303	3,788	947	4,735
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	12 300	78,161	14,504	92,665
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	47 050	92,115	29,427	121,542
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	47 074	88,420	29,014	117,434
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	93 393	57,956	29,847	87,803
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	99 RD	56,972	9,291	66,263
University of Houston	10 025	7,529	753	8,282
University of Houston	47 041	18,790	11,085	29,875
University of Houston	81 RD	101,148	51,591	152,739
University of Houston	93 279	(4,401)	(2,288)	(6,689)
University of Idaho	10 303	13,856	3,250	17,106
University of Illinois	10 200	19,588	-	19,588
University of Illinois	12 300	145,745	43,159	188,904
University of Illinois	12 630	100,178	47,206	147,384
University of Illinois	12 800	85,006	42,161	127,167
University of Illinois	47 041	44,380	5,930	50,310
University of Illinois	47 049	63,763	18,718	82,481
University of Illinois	47 070	42,569	23,040	65,609
University of Illinois	47 RD	73,661	35,929	109,590
University of Illinois	81 409	548	282	830
University of Illinois	84 RD	36,541	14,219	50,760
University of Illinois	93 242	122,182	67,628	189,810
University of Illinois	93 394	25,161	10,963	36,124
University of Illinois	93 856	232	-	232
University of Illinois	93 859	287,431	144,543	431,974
University of Illinois	93 867	88,935	34,556	123,491
University of Illinois	93 879	24,733	9,338	34,071
University of Illinois	93 RD	(65)	(31)	(96)
University of Illinois	96 007	204	105	309
University of Iowa	12 300	44,928	10,364	55,292
University of Iowa	47 050	11,358	5,977	17,335
University of Iowa	93 853	46,802	23,924	70,726
University of Iowa	93 855	64,501	34,508	99,009
University of Iowa	93 867	613,950	294,587	908,537
University of Kansas (incl Ku Medical Center)	47 074	149,845	77,919	227,764
University of Kansas (incl Ku Medical Center)	81 049	13,628	7,427	21,055
University of Kansas (incl Ku Medical Center)	93 RD	115	34	149
University of Kansas (incl Ku Medical Center)	99 RD	950	285	1,235
University of Kentucky Research Foundation	47 041	756	412	1,168
University of Kentucky Research Foundation	93 239	6,227	625	6,852
University of Kentucky Research Foundation	93 286	466	245	711
University of Lowell Research Foundation, Massachusetts	47 050	12,980	6,101	19,081
University of Maine System	10 652	2,108	-	2,108
University of Maine System	43 001	1,242	677	1,919
University of Maryland	10 206	343,936	92,934	436,870
University of Maryland	10 652	7,055	-	7,055

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
University of Maryland	11 440	\$ 14,940	\$ 6,627	\$ 21,567
University of Maryland	12 300	9,970	5,434	15,404
University of Maryland	43 RD	61,815	16,885	78,700
University of Maryland	47 041	71,723	32,810	104,533
University of Maryland	47 049	121,294	27,202	148,496
University of Maryland	47 070	32,250	13,668	45,918
University of Maryland	47 RD	1,061	386	1,447
University of Maryland	93 103	20	11	31
University of Maryland	93 286	43,749	22,295	66,044
University of Maryland	93 864	35,495	18,635	54,130
University of Maryland	93 865	61,813	13,653	75,466
University of Maryland	99 RD	181,229	85,077	266,306
University of Massachusetts	43 001	20,518	11,182	31,700
University of Massachusetts	47 049	47,953	12,545	60,498
University of Massachusetts	47 076	83	-	83
University of Massachusetts	81 049	90,819	49,497	140,316
University of Massachusetts	93 856	42,762	20,382	63,144
University of Medicine and Dentistry of New Jersey	93 395	197,423	101,258	298,681
University of Medicine and Dentistry of New Jersey	93 837	75,284	39,524	114,808
University of Medicine and Dentistry of New Jersey	93 854	(4)	-	(4)
University of Medicine and Dentistry of New Jersey	93 866	123,413	63,564	186,977
University of Medicine and Dentistry of New Jersey	93 RD	232,733	60,511	293,244
University of Melbourne (the) (Australia)	93 RD	89,379	46,477	135,856
University of Memphis	47 075	12,923	6,785	19,708
University of Miami	47 050	85,646	10,716	96,362
University of Miami	93 286	141,198	74,128	215,326
University of Miami	93 853	8,871	2,306	11,177
University of Michigan (incl William Davidson Institute)	12 420	(2,354)	(1,224)	(3,578)
University of Michigan (incl William Davidson Institute)	12 431	112,587	58,512	171,099
University of Michigan (incl William Davidson Institute)	12 630	4,892	2,544	7,436
University of Michigan (incl William Davidson Institute)	12 800	28,415	9,017	37,432
University of Michigan (incl William Davidson Institute)	12 901	14,939	7,758	22,697
University of Michigan (incl William Davidson Institute)	43 RD	13,949	5,301	19,250
University of Michigan (incl William Davidson Institute)	45 312	11,148	5,852	17,000
University of Michigan (incl William Davidson Institute)	47 041	8,640	4,450	13,090
University of Michigan (incl William Davidson Institute)	47 049	55,123	27,081	82,204
University of Michigan (incl William Davidson Institute)	47 075	10,591	5,772	16,363
University of Michigan (incl William Davidson Institute)	47 076	74,810	15,190	90,000
University of Michigan (incl William Davidson Institute)	81 117	93,792	44,935	138,727
University of Michigan (incl William Davidson Institute)	84 305	44,547	10,948	55,495
University of Michigan (incl William Davidson Institute)	93 103	63,267	12,372	75,639
University of Michigan (incl William Davidson Institute)	93 389	81,671	36,694	118,365
University of Michigan (incl William Davidson Institute)	93 395	162,019	78,268	240,287
University of Michigan (incl William Davidson Institute)	93 399	17,742	9,137	26,879
University of Michigan (incl William Davidson Institute)	93 837	141,618	65,825	207,443
University of Michigan (incl William Davidson Institute)	93 846	12,504	6,441	18,945
University of Michigan (incl William Davidson Institute)	93 848	8,254	3,954	12,208
University of Michigan (incl William Davidson Institute)	93 859	(380)	(181)	(561)
University of Michigan (incl William Davidson Institute)	93 865	36,790	7,174	43,964
University of Michigan (incl William Davidson Institute)	93 866	685,496	185,509	871,005
University of Michigan (incl William Davidson Institute)	93 RD	15,505	3,101	18,606

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
University of Minnesota	10 200	\$ 4,770	\$ -	\$ 4,770
University of Minnesota	10 206	232,161	59,896	292,057
University of Minnesota	12 300	7,790	3,613	11,403
University of Minnesota	43 RD	468,380	65,713	534,093
University of Minnesota	47 049	(139)	(72)	(211)
University of Minnesota	47 050	240,085	119,177	359,262
University of Minnesota	47 074	215,379	80,827	296,206
University of Minnesota	47 080	235,943	82,863	318,806
University of Minnesota	84 324	118,666	64,673	183,339
University of Minnesota	84 902	3,106	4,055	7,161
University of Minnesota	93 361	51,471	27,271	78,742
University of Minnesota	93 821	17,765	9,682	27,447
University of Minnesota	93 846	1,648	849	2,497
University of Minnesota	93 847	79,038	40,514	119,552
University of Minnesota	93 855	278,295	94,993	373,288
University of Minnesota	93 856	106,329	16,156	122,485
University of Minnesota	93 RD	52,790	19,109	71,899
University of Minnesota	99 RD	119,709	52,092	171,801
University of Mississippi	12 431	208,421	94,048	302,469
University of Mississippi	81 RD	3,177	508	3,685
University of Mississippi	93 185	46,347	24,796	71,143
University of Mississippi	93 283	(32,335)	(16,653)	(48,988)
University of Mississippi	93 395	36,503	18,981	55,484
University of Missouri System-Rolla & Lincoln	47 050	248	63	311
University of Missouri System-Rolla & Lincoln	47 RD	41,817	18,910	60,727
University of Missouri System-Rolla & Lincoln	99 RD	(5,152)	(2,571)	(7,723)
University of Montana	47 050	45,724	6,111	51,835
University of Montana	93 837	(34,481)	(17,758)	(52,239)
University of Montana	93 853	9,163	4,811	13,974
University of Montana	93 856	43,287	12,737	56,024
University of Nebraska	10 200	446	-	446
University of Nebraska	43 RD	35,463	19,150	54,613
University of Nebraska	47 074	93,490	47,213	140,703
University of New Hampshire	11 419	4,260	2,096	6,356
University of New Hampshire	43 RD	63,546	33,044	96,590
University of New Hampshire	47 074	149,669	66,478	216,147
University of New Mexico	12 420	17,061	8,360	25,421
University of New Mexico	12 431	37,668	16,699	54,367
University of New Mexico	47 041	9,403	4,936	14,339
University of New Mexico	47 050	9,971	5,399	15,370
University of New Mexico	81 RD	7,656	4,173	11,829
University of New Mexico	93 393	15,701	3,600	19,301
University of New Mexico	93 399	(376)	(194)	(570)
University of New Mexico	93 848	44,570	11,588	56,158
University of New South Wales (Australia)	93 RD	5,268	1,370	6,638
University of North Carolina	11 430	9,504	950	10,454
University of North Carolina	12 420	46,202	24,256	70,458
University of North Carolina	47 074	25,006	6,258	31,264
University of North Carolina	47 RD	40,980	15,724	56,704
University of North Carolina	93 172	17,753	5,753	23,506

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
University of North Carolina	93 242	\$ 78,021	\$ 22,925	\$ 100,946
University of North Carolina	93 393	19,770	4,390	24,160
University of North Carolina	93 399	66,060	34,567	100,627
University of North Carolina	93 647	104,150	56,762	160,912
University of North Carolina	93 837	64,318	34,410	98,728
University of North Carolina	93 853	58,487	28,223	86,710
University of North Carolina	93 859	175,240	90,248	265,488
University of North Carolina	93 989	32,314	2,585	34,899
University of North Carolina	93 RD	184,726	96,896	281,622
University of Notre Dame (incl Gem)	12 300	166,202	76,367	242,569
University of Notre Dame (incl Gem)	47 049	19,413	-	19,413
University of Notre Dame (incl Gem)	93 856	62,650	31,325	93,975
University of Notre Dame (incl Gem)	93 859	1,388	-	1,388
University of Oklahoma	12 630	938,740	173,125	1,111,865
University of Oregon	12 RD	2,426	1,262	3,688
University of Oregon	20 108	76,844	39,575	116,419
University of Oregon	47 075	13,991	7,625	21,616
University of Oregon	81 049	51,791	22,902	74,693
University of Pennsylvania	12 420	133,790	69,653	203,443
University of Pennsylvania	12 431	224,880	88,896	313,776
University of Pennsylvania	12 RD	109,458	54,605	164,063
University of Pennsylvania	43 RD	(13,151)	(5,745)	(18,896)
University of Pennsylvania	47 041	25,096	10,951	36,047
University of Pennsylvania	47 070	65,326	33,643	98,969
University of Pennsylvania	93 233	11,808	6,081	17,889
University of Pennsylvania	93 242	898	462	1,360
University of Pennsylvania	93 286	22,216	12,108	34,324
University of Pennsylvania	93 393	(3,405)	(1,679)	(5,084)
University of Pennsylvania	93 396	41,600	21,151	62,751
University of Pennsylvania	93 855	18,144	9,707	27,851
University of Pennsylvania	93 856	7,567	4,160	11,727
University of Pennsylvania	93 859	28,372	14,045	42,417
University of Pennsylvania	93 865	70,097	34,936	105,033
University of Pennsylvania	93 866	51,690	13,871	65,561
University of Pennsylvania	93 989	1,233	99	1,332
University of Pennsylvania	93 RD	8,588	4,681	13,269
University of Pittsburgh	47 RD	6,094	3,169	9,263
University of Pittsburgh	93 213	707,713	161,997	869,710
University of Pittsburgh	93 242	187,504	44,247	231,751
University of Pittsburgh	93 273	19,916	10,854	30,770
University of Pittsburgh	93 278	92,016	50,445	142,461
University of Pittsburgh	93 393	37,580	19,542	57,122
University of Pittsburgh	93 397	3,976	2,167	6,143
University of Pittsburgh	93 837	96	-	96
University of Pittsburgh	93 846	58,461	14,080	72,541
University of Pittsburgh	93 855	44,438	24,219	68,657
University of Pittsburgh	93 856	38,788	9,887	48,675
University of Pittsburgh	93 866	122,675	30,094	152,769
University of Puerto Rico (Puerto Rico)	47 074	9,631	2,037	11,668
University of Puerto Rico (Puerto Rico)	93 838	65,948	17,147	83,095

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
University of Redlands	12 RD	\$ 148,820	\$ 53,905	\$ 202,725
University of Rhode Island	47 050	23,870	8,673	32,543
University of Rochester	12 300	130,851	40,926	171,777
University of Rochester	47 041	4,694	2,300	6,994
University of Rochester	47 074	50,362	24,677	75,039
University of Rochester	66 500	10,303	1,988	12,291
University of Rochester	66 RD	6,767	3,519	10,286
University of Rochester	81 121	194,127	101,306	295,433
University of Rochester	81 RD	69,188	16,818	86,006
University of Rochester	93 172	(6,668)	(2,799)	(9,467)
University of Rochester	93 226	8,899	939	9,838
University of Rochester	93 389	112,657	60,498	173,155
University of Rochester	93 835	35	9	44
University of Rochester	93 837	(56,262)	(28,975)	(85,237)
University of Rochester	93 853	574,986	271,624	846,610
University of Rochester	93 866	(11)	-	(11)
University of Rochester	93 867	331,272	152,973	484,245
University of Rochester	93 RD	35,536	20,190	55,726
University of Rochester	99 RD	41,623	20,811	62,434
University of South Carolina	47 RD	73,240	34,187	107,427
University of South Carolina	93 371	7	4	11
University of South Florida	84 116	299,663	24,031	323,694
University of South Florida	84 133	(35)	(5)	(40)
University of South Florida	93 242	45,003	19,164	64,167
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	10 303	774	263	1,037
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	11 417	13,976	2,029	16,005
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	12 420	17,574	9,578	27,152
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	12 630	15,583	5,798	21,381
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	12 910	27,158	12,876	40,034
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	12 RD	77,490	40,133	117,623
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	15 807	6,696	3,515	10,211
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	20 600	9,835	5,163	14,998
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47 041	467,870	134,881	602,751
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47 049	10,988	2,857	13,845
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47 050	679,352	270,781	950,133
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47 070	251,353	117,812	369,165
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47 076	109,108	59,464	168,572
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47 RD	22,820	-	22,820
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	66 508	15,989	7,835	23,824
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	66 509	45,433	15,361	60,794
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 113	79,199	11,532	90,731
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 242	204,851	73,780	278,631
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 279	2,852	-	2,852
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 393	423,605	222,393	645,998
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 394	14,497	7,466	21,963
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 395	(37,374)	(19,756)	(57,130)
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 837	104,658	56,348	161,006
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 853	74,557	42,172	116,729
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 859	8,018	4,169	12,187

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 865	\$ 35,226	\$ 18,019	\$ 53,245
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 866	1,337,915	398,638	1,736,553
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 891	98,498	25,609	124,107
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	99 RD	74,744	16,767	91,511
University of Tennessee	10 001	19,993	-	19,993
University of Tennessee	12 RD	21,469	11,164	32,633
University of Tennessee	47 070	119,973	47,014	166,987
University of Tennessee	47 RD	97,375	35,670	133,045
University of Tennessee	81 RD	12,162	6,264	18,426
University of Tennessee	93 838	60,333	31,675	92,008
University of Tennessee	93 856	(22,252)	(11,571)	(33,823)
University of Tennessee	93 RD	92,931	48,924	141,855
University of Texas System	93 389	95,081	49,951	145,032
University of Texas System	93 856	212,357	95,259	307,616
University of Texas System	93 RD	1,000	-	1,000
University of Texas-Austin	47 041	38	21	59
University of Texas-Austin	47 049	4,991	2,595	7,586
University of Texas-Austin	47 RD	25,013	9,776	34,789
University of Texas-Austin	81 089	50,872	5,596	56,468
University of Texas-Austin	81 RD	4,289	2,230	6,519
University of Texas-Austin	84 116	338	27	365
University of Texas-Dallas	93 242	73,672	19,149	92,821
University of Texas-Dallas	93 306	62,830	34,242	97,072
University of Texas-Dallas	93 838	143	37	180
University of Texas-Dallas	93 848	2,288	-	2,288
University of Texas-Dallas	93 859	(1,862)	(884)	(2,746)
University of Texas-El Paso	81 049	1	218	219
University of Texas-El Paso	93 855	7,184	3,915	11,099
University of Texas-Houston	12 420	285,181	147,860	433,041
University of Texas-Houston	93 393	13,020	6,897	19,917
University of Texas-Houston	93 395	110,038	57,617	167,655
University of Texas-Houston	93 397	96,457	46,380	142,837
University of Texas-Houston	93 399	38,886	21,193	60,079
University of Texas-Houston	93 846	66,366	35,506	101,872
University of Texas-Houston	93 865	125,798	32,707	158,505
University of Texas-Houston	93 RD	76,836	12,310	89,146
University of Texas-San Antonio	93 110	19,033	-	19,033
University of Texas-San Antonio	93 853	132,434	34,433	166,867
University of Texas-Southwestern Medical Center at Dallas	93 397	74,202	38,905	113,107
University of Texas-Southwestern Medical Center at Dallas	93 838	17,552	9,390	26,942
University of Texas-Southwestern Medical Center at Dallas	93 848	62,451	27,195	89,646
University of Texas-Southwestern Medical Center at Dallas	93 859	323,599	154,754	478,353
University of Texas-Southwestern Medical Center at Dallas	93 866	225	117	342
University of Texas-Southwestern Medical Center at Dallas	93 939	22,909	12,486	35,395
University of Texas-Southwestern Medical Center at Dallas	93 RD	94,151	25,264	119,415
University of Utah	12 RD	125,323	50,472	175,795
University of Utah	93 849	118,451	64,556	183,007
University of Utah	93 859	15,920	7,417	23,337
University of Utah	93 865	291,087	40,541	331,628

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
University of Utah	93 866	\$ 52,578	\$ 27,174	\$ 79,752
University of Utah	93 RD	(39,765)	(10,320)	(50,085)
University of Utah	99 RD	80	18	98
University of Vermont	93 839	55,216	30,093	85,309
University of Virginia	12 300	109,289	49,751	159,040
University of Virginia	43 RD	11,803	3,069	14,872
University of Virginia	47 041	8,178	2,379	10,557
University of Virginia	47 049	35,060	8,047	43,107
University of Virginia	47 050	36,989	16,795	53,784
University of Virginia	84 305	34,870	19,004	53,874
University of Virginia	93 375	70,548	36,326	106,874
University of Virginia	93 485	14,180	7,445	21,625
University of Virginia	93 853	54,499	12,622	67,121
University of Virginia	93 859	70,734	37,135	107,869
University of Virginia	93 862	186,876	101,847	288,723
University of Virginia	93 RD	29,129	15,147	44,276
University of Virginia	99 RD	86,814	27,122	113,936
University of Washington	10 200	36,073	-	36,073
University of Washington	10 206	49,812	11,688	61,500
University of Washington	12 300	221,691	83,936	305,627
University of Washington	12 630	1,487	281	1,768
University of Washington	12 800	66,764	33,388	100,152
University of Washington	12 910	(31,675)	(14,683)	(46,358)
University of Washington	43 RD	190,770	46,412	237,182
University of Washington	47 041	22,430	6,598	29,028
University of Washington	47 049	50,039	19,805	69,844
University of Washington	47 050	33,736	15,920	49,656
University of Washington	47 070	1,207	628	1,835
University of Washington	47 074	45,916	18,507	64,423
University of Washington	47 076	153,885	33,992	187,877
University of Washington	47 RD	(21,999)	4,682	(17,317)
University of Washington	66 509	428,726	81,086	509,812
University of Washington	81 049	7,384	3,840	11,224
University of Washington	93 113	40,387	20,194	60,581
University of Washington	93 145	(3,850)	(308)	(4,158)
University of Washington	93 172	89,890	35,576	125,466
University of Washington	93 242	150,519	56,538	207,057
University of Washington	93 387	15,134	3,935	19,069
University of Washington	93 837	239,418	68,632	308,050
University of Washington	93 839	51,115	13,290	64,405
University of Washington	93 853	17,679	4,597	22,276
University of Washington	93 856	602,283	8,095	610,378
University of Washington	93 862	(27,319)	(14,206)	(41,525)
University of Washington	93 864	33,812	8,251	42,063
University of Washington	93 865	266,267	135,607	401,874
University of Washington	93 866	297,979	131,868	429,847
University of Washington	93 929	33,076	16,912	49,988
University of Washington	93 RD	115,917	46,436	162,353
University of Washington	99 RD	28,461	8,974	37,435
University of Wisconsin	12 432	110,013	43,668	153,681

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	<u>Federal</u>	<u>Direct</u>	<u>Indirect</u>	<u>Total</u>
	<u>CFDA #</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
University of Wisconsin	12 RD	\$ 170,365	\$ 68,208	\$ 238,573
University of Wisconsin	43 RD	60	16	76
University of Wisconsin	47 041	26,987	7,885	34,872
University of Wisconsin	47 049	581	302	883
University of Wisconsin	47 070	174,732	54,615	229,347
University of Wisconsin	47 074	173,311	83,312	256,623
University of Wisconsin	47 RD	1,925,382	444,741	2,370,123
University of Wisconsin	81 049	148,330	76,191	224,521
University of Wisconsin	93 173	34,330	18,023	52,353
University of Wisconsin	93 393	384,341	95,100	479,441
University of Wisconsin	93 837	(9,092)	(2,364)	(11,456)
University of Wisconsin	93 856	(257)	(132)	(389)
University of Wisconsin	93 864	673	130	803
University of Wisconsin	93 865	80,039	23,713	103,752
University of Wisconsin	93 866	482,507	116,561	599,068
University of Wisconsin	93 RD	33,029	3,155	36,184
University of Wisconsin	98 RD	14,266	3,709	17,975
University of Wisconsin	99 RD	371,666	33,593	405,259
University of Wyoming	81 049	1,651	842	2,493
UNLV Research Foundation (University of Nevada, Las Vegas)	81 087	69,962	23,949	93,911
Urban Institute	93 RD	32,813	17,063	49,876
Utah State University (incl Western Sare)	10 001	2,590	-	2,590
Utah State University (incl Western Sare)	10 200	13,231	45	13,276
Utah State University (incl Western Sare)	10 500	20,582	-	20,582
Utah State University (incl Western Sare)	10 RD	15,974	1,438	17,412
Utah State University (incl Western Sare)	47 070	69,819	29,538	99,357
Utah State University (incl Western Sare)	66 436	7,849	2,041	9,890
Utah State University (incl Western Sare)	99 RD	28,828	14,811	43,639
Valador, Inc.	99 RD	99,129	24,901	124,030
Valdez and Associates	99 RD	18,526	4,817	23,343
Vanderbilt University (Tennessee)	12 RD	110,309	47,311	157,620
Vanderbilt University (Tennessee)	47 076	77,404	18,183	95,587
Vanderbilt University (Tennessee)	47 RD	69,467	16,909	86,376
Vanderbilt University (Tennessee)	93 847	42,889	22,517	65,406
Vanderbilt University (Tennessee)	93 866	5,802	1,509	7,311
Vanderbilt University (Tennessee)	99 RD	36,015	9,364	45,379
Vehicle Control Technologies, Inc. (VCT)	12 300	21,892	3,503	25,395
Veterans Medical Research Foundation of San Diego (VA Foundation)	12 420	(2,904)	(465)	(3,369)
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 213	40,444	6,471	46,915
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 226	(13,359)	(2,137)	(15,496)
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 242	85,104	13,615	98,719
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 273	185,751	29,720	215,471
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 279	29,670	4,747	34,417
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 389	103,076	16,492	119,568
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 394	46,876	7,500	54,376
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 395	20,526	3,284	23,810
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 837	318,371	50,939	369,310
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 839	289,130	157,576	446,706
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 846	79,262	12,682	91,944
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 848	82,513	13,202	95,715
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 849	178,336	28,534	206,870

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 853	\$ 196,609	\$ 31,458	\$ 228,067
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 855	173,181	27,709	200,890
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 856	364,017	60,678	424,695
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 859	628	100	728
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 865	8,035	1,286	9,321
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 866	92,973	14,876	107,849
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 RD	1,188,686	229,248	1,417,934
Veterans Medical Research Foundation of San Diego (VA Foundation)	99 RD	188,908	30,225	219,133
Virginia Commonwealth University	47 070	64,409	35,103	99,512
Virginia Commonwealth University	93 396	6,317	3,443	9,760
Virginia Polytechnic Institute	10 664	7,103	1,847	8,950
Virginia Polytechnic Institute	99 RD	47,931	11,708	59,639
Wake Forest University	93 837	24,082	5,454	29,536
Wake Forest University	93 838	63,587	15,325	78,912
Wake Forest University	93 848	109,838	24,988	134,826
Wake Forest University	93 853	(2)	-	(2)
Wake Forest University	93 867	(22,521)	(11,711)	(34,232)
Wake Forest University	93 RD	193,650	81,283	274,933
Wake Forest University	99 RD	272	71	343
Washington State University (Pullman, Wa)	10 206	64,461	16,116	80,577
Washington State University (Pullman, Wa)	10 303	7,306	1,715	9,021
Washington State University (Pullman, Wa)	10 500	20,444	6,603	27,047
Washington State University (Pullman, Wa)	47 050	(3,188)	(3,277)	(6,465)
Washington State University (Pullman, Wa)	81 RD	70,780	14,785	85,565
Washington University, (St. Louis, Mo)	43 RD	22,531	10,071	32,602
Washington University, (St. Louis, Mo)	93 127	7,323	-	7,323
Washington University, (St. Louis, Mo)	93 394	179,877	92,636	272,513
Washington University, (St. Louis, Mo)	93 399	9,879	5,088	14,967
Washington University, (St. Louis, Mo)	93 837	162,813	76,272	239,085
Washington University, (St. Louis, Mo)	93 846	55,654	30,332	85,986
Washington University, (St. Louis, Mo)	93 853	87,964	40,334	128,298
Washington University, (St. Louis, Mo)	93 859	20,369	10,490	30,859
Washington University, (St. Louis, Mo)	93 865	12,209	6,654	18,863
Washington University, (St. Louis, Mo)	93 867	280,783	144,599	425,382
Washington University, (St. Louis, Mo)	93 RD	392,246	158,166	550,412
Water Environment Research Foundation	99 RD	(267)	(132)	(399)
Wateruse Association (incl Wateruse Foundation)	15 RD	(91)	(39)	(130)
Wayne State University	12 420	3,601	1,974	5,575
Wayne State University	93 847	(7,983)	(4,111)	(12,094)
Wayne State University	93 855	48,176	26,256	74,432
West Virginia University	10 001	131,554	-	131,554
Westat	93 279	559,867	302,509	862,376
Westat	93 RD	126,476	28,359	154,835
Westat	99 RD	4,659	1,669	6,328
Wested (frmly Far West Laboratory)	47 076	128,408	61,437	189,845
Wested (frmly Far West Laboratory)	47 RD	614,094	134,760	748,854
Wested (frmly Far West Laboratory)	84 305	119,800	62,556	182,356
Wested (frmly Far West Laboratory)	84 RD	38,164	4,842	43,006
Western United States Agricultural Trade Association (WUSATA)	10 RD	(325)	(81)	(406)
Westside Community Services (San Francisco, California)	93 RD	146,804	13,212	160,016

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Funds Expended (Continued)				
Wet Labs, Inc.	12 300	\$ 42,967	\$ 5,672	\$ 48,639
Wet Labs, Inc.	12 RD	6,747	3,171	9,918
Wichita State University	20 109	44,922	18,492	63,414
Wildlife Conservation Society (New York Zoological Society)	98 011	22,325	3,722	26,047
Wistar Institute, The	93 393	195,697	100,784	296,481
Women & Infants Hospital of Rhode Island	93 279	81,662	20,632	102,294
Woods Hole Oceanographic Institution	11 417	30,249	7,142	37,391
Woods Hole Oceanographic Institution	12 300	44,072	12,295	56,367
Woods Hole Oceanographic Institution	43 RD	16,079	8,441	24,520
Woods Hole Oceanographic Institution	47 050	8,413	3,714	12,127
Woods Hole Oceanographic Institution	47 RD	56,524	-	56,524
World Learning for International Development	98 001	104,871	21,763	126,634
Wyeth (frmly Wyeth-Aayerst;incl Pharmaceu,research,consumer Hlthcare)	93 837	(21,947)	(4,939)	(26,886)
Wyle Laboratories	12 RD	18,417	4,990	23,407
Xerxes Society, The	10 RD	10,218	1,533	11,751
Xoma Corporation	93 RD	129,586	69,329	198,915
Yale University	47 074	12,954	6,959	19,913
Yale University	93 286	56,921	31,022	87,943
Yale University	93 847	41,997	13,859	55,856
Yale University	93 853	140,789	53,332	194,121
Yale University	93 865	228,112	30,150	258,262
Yale University	93 942	136,955	68,517	205,472
Yeshiva University (incl Albert Einstein College of Medicine)	12 431	90,261	46,936	137,197
Yeshiva University (incl Albert Einstein College of Medicine)	93 393	11,625	4,994	16,619
Yeshiva University (incl Albert Einstein College of Medicine)	93 395	6,571	428	6,999
Yeshiva University (incl Albert Einstein College of Medicine)	93 396	4,790	2,603	7,393
Yeshiva University (incl Albert Einstein College of Medicine)	93 837	19,115	4,970	24,085
Yeshiva University (incl Albert Einstein College of Medicine)	93 839	95,162	49,484	144,646
Yeshiva University (incl Albert Einstein College of Medicine)	93 866	6,011	3,276	9,287
Yeshiva University (incl Albert Einstein College of Medicine)	93 RD	31,926	16,602	48,528
Ziva Corporation	12 431	59,266	24,304	83,570
Zona Technology, Inc.	12 800	12,203	4,715	16,918
Total Pass Through Funds Expended		212,487,367	67,169,631	279,656,998
Partial Pass Through Funds Expended				
Advancement Project	99 RD	50,299	11,674	61,973
Aerodyne Research, Inc.	81 RD	19,989	9,995	29,984
American Cancer Soc, Inc.	99 RD	32,668	-	32,668
American Col of Rheumatology (incl Research and Education Fdn)	99 RD	7,356	-	7,356
Baylor College of Medicine (Houston,TX)	93 173	5,616	2,808	8,424
Bbn Technologies Corp.	15 RD	61,830	25,363	87,193
Broncus Technologies Inc.	99 RD	1,232	320	1,552
Cal BTH Highway Patrol, California Department of	99 RD	611	(23)	588
Cal BTH Office of Traffic Safety	20 600	461,705	55,911	517,616
Cal BTH Office of Traffic Safety	20 RD	60,847	7,942	68,789
Cal BTH Office of Traffic Safety	99 RD	470	6	476
Cal BTH Trans, Commission (Cal Transportation Commission)	99 RD	84,005	13,329	97,334
Cal BTH Trans, Facilities Construction, Division of	20 RD	201,934	24,741	226,675
Cal BTH Trans, Facilities Construction, Division of	99 RD	81,022	11,158	92,180
Cal BTH Trans, Highways and Programming, Division of	20 RD	(226,332)	(22,633)	(248,965)

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	<u>Federal CFDA #</u>	<u>Direct Expenditures</u>	<u>Indirect Expenditures</u>	<u>Total Expenditures</u>
Research and Development (Continued)				
Partial Pass Through Funds Expended (Continued)				
Cal BTH Trans, New Technology and Research, Division of	20 205	\$ 3,708	\$ 556	4,264
Cal BTH Trans, New Technology and Research, Division of	20 RD	748,454	55,707	804,161
Cal BTH Trans, New Technology and Research, Division of	99 RD	307,921	39,551	347,472
Cal BTH Trans/miscellaneous	20 515	17,807	1,781	19,588
Cal BTH Trans/miscellaneous	20 RD	680,632	65,360	745,992
Cal DE Curriculum Instruction & Assessment Division	84 367	47,501	3,800	51,301
Cal DE Curriculum Instruction & Assessment Division	84 RD	17,217	1,259	18,476
Cal DE Curriculum Instruction & Assessment Division	99 RD	24,275	2,428	26,703
Cal DE/miscellaneous Divisions or Bureaus	10 560	(2,116)	(550)	(2,666)
Cal DE/miscellaneous Divisions or Bureaus	10 574	(1,453)	(378)	(1,831)
Cal DE/miscellaneous Divisions or Bureaus	84 RD	381,536	16,609	398,145
Cal DE/miscellaneous Divisions or Bureaus	99 RD	253,870	5,093	258,963
Cal DFA Food and Agriculture, Dept. of	10 206	7,074	-	7,074
Cal EPA Air Resources Board	10 RD	23,374	2,337	25,711
Cal EPA Air Resources Board	99 RD	159,962	10,970	170,932
Cal Governor's Emergency Services, Office of	97 063	6,427	-	6,427
Cal H&W Alcohol & Drug Programs	93 959	3,864	134	3,998
Cal H&W Health Care Services, Department of (DHCS)	10 RD	32,763	9,250	42,013
Cal H&W Health Care Services, Department of (DHCS)	93 184	11,467	2,867	14,334
Cal H&W Health Care Services, Department of (DHCS)	93 RD	103,585	24,925	128,510
Cal H&W Social Services, Department of	10 225	20,253	3,443	23,696
Cal H&W Social Services, Department of	10 561	667,601	102,956	770,557
Cal H&W Social Services, Department of	93 558	14,634	2,927	17,561
Cal H&W Social Services, Department of	93 RD	10,583,650	76,408	10,660,058
Cal H&W Social Services, Department of	99 RD	258,323	14,666	272,989
Cal High-speed Rail Authority	99 RD	31,183	14,159	45,342
Cal Industrial Relations, Department of	99 RD	20,207	-	20,207
Cal Ra Califed Bay-delta Authority	11 417	4,696	(3,678)	1,018
Cal Ra Energy Resources, Conservation Development Commission	81 119	107,771	9,055	116,826
Cal Ra Fish and Game, Department of	99 RD	7,973	1,993	9,966
Cal Ra Forestry, Department of	99 RD	60	-	60
Cal Ra Parks and Recreation, Department of	99 RD	3,562	-	3,562
Cal State Library	45 310	89,667	8,967	98,634
Children's Discovery Museum of San Jose	47 075	38,464	9,385	47,849
Children's Hospital National Medical Center	12 420	224,460	122,331	346,791
Colorado State University	81 049	47,447	24,672	72,119
Cornell University	47 RD	126,888	48,217	175,105
Dartmouth College	93 859	(11,766)	(5,588)	(17,354)
Electronic Bio Sciences Llc	99 RD	258,279	107,681	365,960
Ensco, Inc.	12 800	88,078	43,865	131,943
Eospace Inc.	12 630	102,828	47,795	150,623
Erc, Incorporated	99 RD	14,774	8,052	22,826
Foundation for The National Institutes of Health, Inc.	93 999	29,743	4,461	34,204
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	99 RD	66,798	26,642	93,440
Health Effects Institute	66 500	187,897	31,794	219,691
Health Effects Institute	99 RD	52,014	3,915	55,929
Honeywell, Inc. (includes Sperry Flight & Tetratech Data Systems, Inc)	81 RD	109,546	55,603	165,149
Innovative Concepts, Inc.	12 RD	263	144	407
Intl Rice Research Institute (IRRI) (Intl)	99 RD	2,469	444	2,913

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Partial Pass Through Funds Expended (Continued)				
Jet Propulsion Laboratory	10 RD	\$ 4	\$ 2	6
Jet Propulsion Laboratory	43 RD	241,723	84,279	326,002
Johns Hopkins University	93 867	119,852	63,095	182,947
Joint Oceanographic Institutions, Inc.	47 050	1,134	295	1,429
Lehigh University (Pennsylvania)	84 324	199,039	70,798	269,837
Leukemia and Lymphoma Society	99 RD	(175)	-	(175)
Los Alamos National Security, Llc	99 RD	17,163	-	17,163
Los Amigos Research & Ed Institute,inc.(Rancho Los Amigos Med Ctr)	84 133	(31)	(8)	(39)
Los Angeles Unified School District	84 351	33,892	17,022	50,914
Los Angeles Unified School District	99 RD	52,010	28,345	80,355
Mack Truck, Inc.	99 RD	37,468	18,663	56,131
Mantech International Corporation (incl Meti)	99 RD	2,250	585	2,835
Mar Vista Family Center	99 RD	(498)	2,221	1,723
Michigan State University	19 999	162,566	31,529	194,095
Microelectronics Advanced Research Corporation (MARCO)(SRC Subsidiary)	12 910	439,917	113,488	553,405
Mount Sinai School of Medicine (New York)	93 395	71,339	38,880	110,219
Multiplex, Inc.	99 RD	34,163	15,620	49,783
Natl Academy of Sciences(incl Inst of Med,Natl Res Cncl,Natl Acad Engr)	47 075	9,724	-	9,724
Natl Fish and Wildlife Foundation	10 028	17,956	-	17,956
Natl Fish and Wildlife Foundation	15 608	10,000	-	10,000
New Mexico State University	10 200	16,649	-	16,649
New Mexico, State of	93 RD	2,983	1,551	4,534
Northern Arizona University (incl Natl Inst for Climatic Change Res)	84 336	100,185	8,015	108,200
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	12 RD	39,506	10,272	49,778
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	43 001	69,361	18,034	87,395
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	92 242	46,201	12,012	58,213
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 242	76,151	19,799	95,950
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 286	17,972	4,673	22,645
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 375	87,257	22,687	109,944
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 393	7,989	2,077	10,066
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 394	26,207	6,814	33,021
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 396	65,663	17,073	82,736
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 837	514,064	133,657	647,721
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 846	465,171	120,944	586,115
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 847	125,838	32,718	158,556
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 853	121,715	31,646	153,361
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 859	78,387	20,381	98,768
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 864	4,146	1,078	5,224
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 866	1,060,997	274,605	1,335,602
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 929	71,313	18,541	89,854
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 RD	1,474,036	383,214	1,857,250
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	99 RD	452,967	117,772	570,739
Northrop Grumman Corporation (incl Logicon Inc, Xetron Corporation)	12 RD	8,317	4,367	12,684
Novartis Ag (incl Pharma,Animal Hlth,Med Nutritn,Ciba Visn-Switzerland)	99 RD	(2,106)	(474)	(2,580)
O2diesel, Corp. (frmly Aae Technologies, Inc.)(Ireland)	12 999	29,144	6,267	35,411
O2diesel, Corp. (frmly Aae Technologies, Inc.)(Ireland)	81 999	18,043	3,881	21,924
Pacific States Marine Fisheries Commission	15 632	3,479	977	4,456
Photonic Systems, Inc.	12 630	138,576	71,250	209,826
Riverside, City of	16 RD	1,155	92	1,247

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Partial Pass Through Funds Expended (Continued)				
Rutgers University	10 001	\$ 178	\$ -	178
Salk Institute for Biological Studies	93 172	83,210	45,349	128,559
San Diego, City of	99 RD	471	245	716
San Diego, County of	99 RD	52,755	2,735	55,490
San Francisco, City and County	99 RD	(12)	(1)	(13)
Santa Clara University	47 075	48,386	26,370	74,756
South Carolina, State of (incl Commission on Higher Education	84 116	2,354	-	2,354
Texas A&M Research Foundation	47 074	3,491	1,658	5,149
Texas A&M University	10 200	924	231	1,155
Trauma Foundation (the)	20 RD	2,417	1,305	3,722
U.S. Civilian Research and Development Foundation (CRDF)	99 RD	9,195	-	9,195
U.S.-Egypt Joint Science Technology Board (Intl)	10 961	4,589	642	5,231
United Therapeutics Corp. (incl Lung Rx, Inc.)	99 RD	10,249	-	10,249
University Navstar Consortium	81 RD	421,291	210,608	631,899
University and Community College System of Nevada (incl Univ,Reno,dri)	81 087	5,848	1,486	7,334
University and Community College System of Nevada (incl Univ,Reno,dri)	99 RD	88,165	18,995	107,160
University of Arizona	10 303	75,656	18,914	94,570
University of Arizona	47 050	(672)	(171)	(843)
University of Maryland	93 837	2,484	1,354	3,838
University of Massachusetts	99 RD	1,364	-	1,364
University of Minnesota	99 RD	92,491	48,354	140,845
University of New Hampshire	43 001	15,295	7,647	22,942
University of New Mexico	47 074	938	237	1,175
University of Rochester	47 074	73,958	33,103	107,061
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47 050	81,875	43,173	125,048
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 866	21,049	10,524	31,573
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 894	(728)	(397)	(1,125)
University of Wisconsin	93 866	726	189	915
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 849	86,413	13,826	100,239
Western Governors' Association	66 999	197,742	15,155	212,897
World Anti-doping Agency (Canada)	99 RD	154,959	30,992	185,951
Total Partial Pass Through Funds Expended		24,926,805	3,503,859	28,430,664
Total Research and Development		2,147,272,096	650,021,156	2,797,293,252
Total Major Programs		2,387,184,466	650,021,156	3,037,205,622
Nonmajor Programs				
Federal Agency Awards Expended				
Corporation for Nat'l & Community Service	94 005	753	38	791
Corporation for Nat'l & Community Service	94 007	327,958	20,385	348,343
Corporation for Nat'l & Community Service	94 013	194,919	-	194,919
Corporation For National Service Total		523,630	20,423	544,053
Department of Agriculture	10 001	67,633	-	67,633
Department of Agriculture	10 025	254,239	-	254,239
Department of Agriculture	10 200	198,313	6,530	204,843
Department of Agriculture	10 206	26,329	6,747	33,076

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Federal Agency Awards Expended (Continued)				
Department of Agriculture	10 210	\$ 8,455	\$ -	\$ 8,455
Department of Agriculture	10 217	-	147	147
Department of Agriculture	10 219	1,418	355	1,773
Department of Agriculture	10 302	-	13,186	13,186
Department of Agriculture	10 303	10,407	2,265	12,672
Department of Agriculture	10 304	368,703	-	368,703
Department of Agriculture	10 307	25,188	5,541	30,729
Department of Agriculture	10 443	119,437	51,056	170,493
Department of Agriculture	10 455	52,209	5,244	57,453
Department of Agriculture	10 456	8,190	819	9,009
Department of Agriculture	10 664	34,956	7,893	42,849
Department of Agriculture	10 680	30,941	6,807	37,748
Department of Agriculture	10 769	88,778	19,531	108,309
Department of Agriculture	10 771	(4)	(1)	(5)
Department of Agriculture	10 902	50,980	4,409	55,389
Department of Agriculture	10 912	10,009	1,752	11,761
Department of Agriculture	10 913	7,538	-	7,538
Department of Agriculture	10 919	25,000	-	25,000
Department of Agriculture	10 unknown	1,635,467	15,343	1,650,810
Department of Agriculture Total		3,024,186	147,624	3,171,810
Department of Commerce	11 417	24,750	-	24,750
Department of Commerce	11 429	326,270	-	326,270
Department of Commerce	11 609	11,922	-	11,922
Department of Commerce	11 650	7,620	-	7,620
Department of Commerce	11 unknown	1,290,035	262,716	1,552,751
Department of Commerce Total		1,660,597	262,716	1,923,313
Department of Defense				
Dept of the Air Force	12 800	13,891	4,445	18,336
Dept of the Air Force	12 910	-	(11,394)	(11,394)
Dept of the Air Force	12 unknown	29,153	-	29,153
Dept of the Air Force Total		43,044	(6,949)	36,095
Dept of the Army	12 420	867,605	80,200	947,805
Dept of the Army	12 431	53,154	-	53,154
Dept of the Army	12 unknown	560,557	86,013	646,570
Dept of the Army Total		1,481,316	166,213	1,647,529
Dept of the Navy	12 300	672,421	4,691	677,112
Dept of the Navy	12 unknown	3,413	1,088	4,501
Dept of the Navy Total		675,834	5,779	681,613

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Federal Agency Awards Expended (Continued)				
Separate Agencies	12 901	\$ 1,330	\$ -	\$ 1,330
Separate Agencies	12 unknown	84,516	447	84,963
Separate Agencies Total		85,846	447	86,293
Department of Defense Total		2,286,040	165,490	2,451,530
Department of Education	84 004	96,351	-	96,351
Department of Education	84 007	1,469,656	-	1,469,656
Department of Education	84 015	1,571,290	147,044	1,718,334
Department of Education	84 017	637,574	83,800	721,374
Department of Education	84 019	376	-	376
Department of Education	84 021	71,719	-	71,719
Department of Education	84 022	6,682	-	6,682
Department of Education	84 033	2,285,700	-	2,285,700
Department of Education	84 042	1,623,321	174,419	1,797,740
Department of Education	84 044	1,534,823	80,715	1,615,538
Department of Education	84 047	2,333,237	112,735	2,445,972
Department of Education	84 063	1,199,490	-	1,199,490
Department of Education	84 083	187,743	47,227	234,970
Department of Education	84 116	400,759	36,060	436,819
Department of Education	84 170	5,612	-	5,612
Department of Education	84 184	97,063	43,678	140,741
Department of Education	84 195	109,312	7,416	116,728
Department of Education	84 200	303,951	605	304,556
Department of Education	84 217	807,080	50,577	857,657
Department of Education	84 220	48,171	3,854	52,025
Department of Education	84 229	45,818	3,666	49,484
Department of Education	84 305	14,380	7,550	21,930
Department of Education	84 334	7,181,186	519,179	7,700,365
Department of Education	84 335	608,319	11,907	620,226
Department of Education	84 337	74,620	5,970	80,590
Department of Education	84 363	174,536	11,713	186,249
Department of Education	84 unknown	923,911	62,970	986,881
Department of Education Total		23,812,680	1,411,085	25,223,765
Department of Energy	81 004	111	22	133
Department of Energy	81 049	60,000	-	60,000
Department of Energy	81 unknown	731,976	15,943	747,919
Department of Energy Total		792,087	15,965	808,052
Department of Interior	15 608	7,973	1,389	9,362
Department of Interior	15 808	57,912	6,247	64,159
Department of Interior	15 unknown	32,073	3,583	35,656
Department of Interior Total		97,958	11,219	109,177

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Federal Agency Awards Expended (Continued)				
Department of Justice	16 560	\$ 89,385	\$ -	\$ 89,385
Department of Justice	16 710	40,289	-	40,289
Department of Justice	16 unknown	2,128,399	390,425	2,518,824
Department of Justice Total		2,258,073	390,425	2,648,498
Department of Labor	17 502	206,881	40,060	246,941
Department of Labor	17 unknown	23,196	-	23,196
Department of Labor Total		230,077	40,060	270,137
Department of State	19 400	4,753	1,236	5,989
Department of State	19 402	12,994	4,160	17,154
Department of State	19 409	126,527	2,416	128,943
Department of State	19 418	2,481,139	396,177	2,877,316
Department of State	19 424	107,438	-	107,438
Department of State	19 unknown	119,876	31,347	151,223
Department of State Total		2,852,727	435,336	3,288,063
Department of Transport	20 106	93,336	-	93,336
Department of Transport	20 200	113,323	-	113,323
Department of Transport	20 215	31,623	-	31,623
Department of Transport	20 502	30,286	-	30,286
Department of Transport	20 514	63,792	-	63,792
Department of Transport	20 600	7,241	-	7,241
Department of Transport	20 603	30,000	-	30,000
Department of Transport	20 701	140,576	-	140,576
Department of Transport	20 760	83,524	-	83,524
Department of Transport	20 unknown	1,509,599	40,333	1,549,932
Department of Transport Total		2,103,300	40,333	2,143,633
Environmental Protection Agency	66 222	-	(150)	(150)
Environmental Protection Agency	66 500	-	(128)	(128)
Environmental Protection Agency	66 509	73,631	35,983	109,614
Environmental Protection Agency	66 514	171,017	175	171,192
Environmental Protection Agency	66 607	11,205	-	11,205
Environmental Protection Agency	66 716	230,065	67,802	297,867
Environmental Protection Agency	66 unknown	37,518	1,398	38,916
Environmental Protection Agency Total		523,436	105,080	628,516
Department of Health & Human Services				
Office of Human Development Service	93 551	-	(366)	(366)
Office of Human Development Service	93 600	826,590	-	826,590
Office of Human Development Service	93 632	431,680	34,534	466,214
Office of Human Development Service	93 925	502,464	-	502,464
Office of Human Development Service	93 unknown	55,130	14,334	69,464
Office of Human Development Service Total		1,815,864	48,502	1,864,366

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Federal Agency Awards Expended (Continued)				
PHS/Adamha	93 230	\$ 566,471	\$ 36,959	\$ 603,430
PHS/Adamha	93 243	1,218,042	217,155	1,435,197
PHS/Adamha Total		1,784,513	254,114	2,038,627
PHS/Agency for Health Care Policy and Research	93 225	359,299	35,760	395,059
PHS/Agency for Health Care Policy and Research	93 226	33,117	3,941	37,058
PHS/Agency for Health Care Policy and Research Total		392,416	39,701	432,117
PHS/Center for Disease Control	93 061	(331)	(26)	(357)
PHS/Center for Disease Control	93 063	263,385	16,492	279,877
PHS/Center for Disease Control	93 262	303,132	83,315	386,447
PHS/Center for Disease Control	93 263	37,379	39,674	77,053
PHS/Center for Disease Control	93 283	2,046,296	148,011	2,194,307
PHS/Center for Disease Control	93 942	13,525	1,082	14,607
PHS/Center for Disease Control	93 957	(131,675)	(9,550)	(141,225)
PHS/Center for Disease Control	93 978	17,468	1,747	19,215
PHS/Center for Disease Control	93 unknown	958,564	113,236	1,071,800
PHS/Center for Disease Control Total		3,507,743	393,981	3,901,724
PHS/Food & Drug Administration	93 448	156,805	52,799	209,604
PHS/Food & Drug Administration	93 unknown	1,223	318	1,541
PHS/Food & Drug Administration Total		158,028	53,117	211,145
PHS/Health Resource & Service Admin	93 107	858,401	48,532	906,933
PHS/Health Resource & Service Admin	93 110	1,801,806	178,803	1,980,609
PHS/Health Resource & Service Admin	93 117	119,817	9,585	129,402
PHS/Health Resource & Service Admin	93 145	3,399,302	140,989	3,540,291
PHS/Health Resource & Service Admin	93 153	458,627	67,819	526,446
PHS/Health Resource & Service Admin	93 156	197,982	10,544	208,526
PHS/Health Resource & Service Admin	93 157	1,030,897	63,947	1,094,844
PHS/Health Resource & Service Admin	93 186	453,596	23,930	477,526
PHS/Health Resource & Service Admin	93 189	338,363	27,069	365,432
PHS/Health Resource & Service Admin	93 224	527,324	45,983	573,307
PHS/Health Resource & Service Admin	93 247	933,469	75,036	1,008,505
PHS/Health Resource & Service Admin	93 249	295,555	15,713	311,268
PHS/Health Resource & Service Admin	93 253	2,261,110	225,944	2,487,054
PHS/Health Resource & Service Admin	93 358	382,906	-	382,906
PHS/Health Resource & Service Admin	93 822	608,652	20,825	629,477
PHS/Health Resource & Service Admin	93 884	2,313,952	184,582	2,498,534
PHS/Health Resource & Service Admin	93 887	343,723	-	343,723
PHS/Health Resource & Service Admin	93 895	3,517	281	3,798
PHS/Health Resource & Service Admin	93 896	39,695	3,175	42,870
PHS/Health Resource & Service Admin	93 900	(1,685)	(800)	(2,485)
PHS/Health Resource & Service Admin	93 918	789,714	-	789,714
PHS/Health Resource & Service Admin	93 925	1,959,735	-	1,959,735
PHS/Health Resource & Service Admin	93 964	50	-	50
PHS/Health Resource & Service Admin	93 969	213,416	15,840	229,256
PHS/Health Resource & Service Admin	93 984	(181)	(15)	(196)
PHS/Health Resource & Service Admin	93 996	1,111,157	85,522	1,196,679
PHS/Health Resource & Service Admin	93 unknown	209,821	56,131	265,952
PHS/Health Resource & Service Admin Total		20,650,721	1,299,435	21,950,156

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Federal Agency Awards Expended (Continued)				
PHS/National Institute of Health	93 113	\$ 98,620	\$ 7,010	\$ 105,630
PHS/National Institute of Health	93 114	601,355	13,791	615,146
PHS/National Institute of Health	93 121	1,784,850	152,076	1,936,926
PHS/National Institute of Health	93 142	770,236	37,100	807,336
PHS/National Institute of Health	93 154	-	(502)	(502)
PHS/National Institute of Health	93 172	824,294	48,917	873,211
PHS/National Institute of Health	93 173	371,755	2,849	374,604
PHS/National Institute of Health	93 213	133,509	7,793	141,302
PHS/National Institute of Health	93 242	1,750,653	213,697	1,964,350
PHS/National Institute of Health	93 272	602,923	34,760	637,683
PHS/National Institute of Health	93 277	320,247	25,626	345,873
PHS/National Institute of Health	93 278	367,408	24,838	392,246
PHS/National Institute of Health	93 279	778,511	47,707	826,218
PHS/National Institute of Health	93 281	708,841	56,494	765,335
PHS/National Institute of Health	93 282	4,624,813	311,979	4,936,792
PHS/National Institute of Health	93 283	13,581	3,401	16,982
PHS/National Institute of Health	93 286	644,851	35,983	680,834
PHS/National Institute of Health	93 306	313,562	6,015	319,577
PHS/National Institute of Health	93 307	199,066	13,685	212,751
PHS/National Institute of Health	93 333	279,262	14,398	293,660
PHS/National Institute of Health	93 361	681,958	18,256	700,214
PHS/National Institute of Health	93 371	18,717	-	18,717
PHS/National Institute of Health	93 375	76,364	6,110	82,474
PHS/National Institute of Health	93 389	3,286,368	224,004	3,510,372
PHS/National Institute of Health	93 390	93,592	7,487	101,079
PHS/National Institute of Health	93 393	374,329	26,629	400,958
PHS/National Institute of Health	93 394	5,418	203	5,621
PHS/National Institute of Health	93 396	298,469	154,601	453,070
PHS/National Institute of Health	93 397	17,889	806,736	824,625
PHS/National Institute of Health	93 398	6,046,908	413,933	6,460,841
PHS/National Institute of Health	93 461	91,225	6,444	97,669
PHS/National Institute of Health	93 583	17,916	-	17,916
PHS/National Institute of Health	93 837	2,644,141	159,798	2,803,939
PHS/National Institute of Health	93 838	1,510,864	78,334	1,589,198
PHS/National Institute of Health	93 839	505,970	34,686	540,656
PHS/National Institute of Health	93 846	1,447,359	82,606	1,529,965
PHS/National Institute of Health	93 847	1,688,890	88,716	1,777,606
PHS/National Institute of Health	93 848	2,098,696	145,059	2,243,755
PHS/National Institute of Health	93 849	993,127	62,927	1,056,054
PHS/National Institute of Health	93 853	3,047,572	165,022	3,212,594
PHS/National Institute of Health	93 854	9	961	970
PHS/National Institute of Health	93 855	2,309,938	132,814	2,442,752
PHS/National Institute of Health	93 856	2,938,052	439,263	3,377,315
PHS/National Institute of Health	93 862	1,467,096	78,072	1,545,168
PHS/National Institute of Health	93 864	246,921	14,568	261,489
PHS/National Institute of Health	93 865	3,530,975	274,287	3,805,262
PHS/National Institute of Health	93 866	1,966,663	232,779	2,199,442
PHS/National Institute of Health	93 867	1,810,602	231,567	2,042,169
PHS/National Institute of Health	93 879	485,479	29,343	514,822
PHS/National Institute of Health	93 880	29,810	-	29,810
PHS/National Institute of Health	93 894	441,086	26,963	468,049
PHS/National Institute of Health	93 925	50,246	-	50,246
PHS/National Institute of Health	93 989	3,255,519	265,967	3,521,486
PHS/National Institute of Health	93 unknown	1,745,249	319,352	2,064,601
PHS/Natl Inst Health Total		60,411,754	5,585,104	65,996,858

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Federal Agency Awards Expended (Continued)				
PHS/Other	93 unknown	\$ (5,371)	\$ 3,768	\$ (1,603)
Department of Health & Human Services Total		88,715,668	7,677,722	96,393,390
Department of Housing & Urban Development	14 511	166,814	16,248	183,062
Library of Congress	42 006	575,645	71,959	647,604
Library of Congress	42 unknown	1,502,653	180,592	1,683,245
Library of Congress Total		2,078,298	252,551	2,330,849
National Aeronautics & Space Administration	43 001	31,889	-	31,889
National Aeronautics & Space Administration	43 002	19,593	-	19,593
National Aeronautics & Space Administration	43 unknown	815,076	23,844	838,920
National Aeronautics & Space Administration Total		866,558	23,844	890,402
National Archives & Records	89 003	60,464	-	60,464
National Foundation Arts & Humanities	45 024	266,808	29,479	296,287
National Foundation Arts & Humanities	45 149	75,599	27,375	102,974
National Foundation Arts & Humanities	45 161	215,698	151	215,849
National Foundation Arts & Humanities	45 162	1,513	333	1,846
National Foundation Arts & Humanities	45 163	46,255	10,092	56,347
National Foundation Arts & Humanities	45 164	87	-	87
National Foundation Arts & Humanities	45 301	93,371	23,363	116,734
National Foundation Arts & Humanities	45 303	10,966	5,373	16,339
National Foundation Arts & Humanities	45 312	431,489	151,651	583,140
National Foundation Arts & Humanities	45 unknown	5,295	920	6,215
National Foundation Arts & Humanities Total		1,147,081	248,737	1,395,818
National Science Foundation	47 046	202,866	-	202,866
National Science Foundation	47 076	151,183	-	151,183
National Science Foundation Total		354,049	-	354,049
Other Agencies	99 unknown	35,726	3,176	38,902
Small Business Administration	59 037	887,970	49,199	937,169
Veterans Affairs	64 unknown	1,992,991	-	1,992,991
Total Federal Agency Awards Expended		136,470,410	11,317,233	147,787,643
Pass Through Funds Expended				
ABC Unified School District (Artesia Bloomfield & Carmenita Dists)	84 184	142,542	41,773	184,315
ABC Unified School District (Artesia Bloomfield & Carmenita Dists)	99 unknown	(10,583)	514	(10,069)
Academy of Applied Science	12 431	17,451	-	17,451
Alliance for Rural Community Health	93 unknown	37,432	11,230	48,662
American Academy of Child & Adolescent Psychiatry	93 277	120,013	8,157	128,170
American Assn for The Advancement of Science	15 unknown	3,135	157	3,292

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Pass Through Funds Expended (Continued)				
American Assn of Colleges of Nursing	99 unknown	\$ 7,000	\$ -	\$ 7,000
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	93 394	(954)	(248)	(1,202)
American Educational Research Association	84 unknown	31,243	2,499	33,742
American Intl Health Alliance Inc. (AIHA)	93 145	382,549	22,403	404,952
American Intl Health Alliance Inc. (AIHA)	99 unknown	191,224	15,298	206,522
American Medical Student Association/foundation	93 213	400	-	400
American Medical Student Association/foundation	93 unknown	12,249	980	13,229
American Sheep and Goat Center (ASGC)	10 200	5,356	1,178	6,534
Arts Midwest	45 024	25,365	-	25,365
Arts Midwest	99 unknown	(826)	-	(826)
Assn of American Medical Colleges	93 283	46,013	11,755	57,768
Assn of Occupational and Environmental Clinics	93 161	80,943	5,800	86,743
Assn of Occupational and Environmental Clinics	93 unknown	17,384	1,217	18,601
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	99 unknown	327	67	394
Auburn University	10 500	68,995	-	68,995
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	81 unknown	25,652	11,543	37,195
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	99 unknown	-	(230)	(230)
Brookhaven Science Associates, Llc (Brookhaven National Laboratory)	99 unknown	(525)	(211)	(736)
Cal BTH Office of Traffic Safety	20 600	230,021	25,246	255,267
Cal BTH Trans, Commission (Cal Transportation Commission)	20 unknown	201,744	(27,191)	174,553
Cal BTH Trans/miscellaneous	20 unknown	111,280	-	111,280
Cal Community Colleges & Chancellor's Office	99 unknown	34,904	2,792	37,696
Cal Criminal Justice Planning, Office of	16 588	157,418	1,195	158,613
Cal DE Curriculum Instruction & Assessment Division	84 367	929,195	69,016	998,211
Cal DE Curriculum Instruction & Assessment Division	99 unknown	130,345	10,428	140,773
Cal DE/miscellaneous Divisions or Bureaus	10 558	43,047	-	43,047
Cal DE/miscellaneous Divisions or Bureaus	10 559	46,756	-	46,756
Cal DE/miscellaneous Divisions or Bureaus	84 282	139,552	-	139,552
Cal DE/miscellaneous Divisions or Bureaus	84 unknown	787,374	14,492	801,866
Cal DE/miscellaneous Divisions or Bureaus	93 575	59,929	-	59,929
Cal DE/miscellaneous Divisions or Bureaus	93 unknown	(157)	(41)	(198)
Cal DE/miscellaneous Divisions or Bureaus	99 unknown	383,158	29,512	412,670
Cal DFA Food and Agriculture, Dept. of	10 156	(9,397)	116,483	107,086
Cal DFA/miscellaneous Agencies	10 558	38,014	-	38,014
Cal DFA/miscellaneous Agencies	10 559	5,685	-	5,685
Cal DFA/miscellaneous Agencies	93 575	1,661	-	1,661
Cal EPA Pesticide Regulation	66 460	114,386	17,158	131,544
Cal EPA Pesticide Regulation	66 700	218,397	7,327	225,724
Cal EPA Pesticide Regulation	66 716	67,469	7,489	74,958
Cal EPA Pesticide Regulation	66 unknown	139,296	(23)	139,273
Cal Governor's Emergency Services, Office of	93 643	53,651	2,683	56,334
Cal Governor's Emergency Services, Office of	97 004	12,524	-	12,524
Cal Governor's Emergency Services, Office of	97 074	20,000	-	20,000
Cal Governor's Emergency Services, Office of	99 unknown	(6,394)	-	(6,394)
Cal H&W Alcohol & Drug Programs	93 959	226,682	55,842	282,524
Cal H&W Alcohol & Drug Programs	99 unknown	210	21	231
Cal H&W Community Services and Development, Department of	93 569	42,112	-	42,112
Cal H&W Developmental Services, Department of	10 561	614	(100)	514
Cal H&W Developmental Services, Department of	93 778	48,917	-	48,917
Cal H&W Emergency Medical Services Authority	93 889	140,331	25,597	165,928

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Pass Through Funds Expended (Continued)				
Cal H&W Health Care Services, Department of (DHCS)	10 561	\$ 1,279,152	\$ 268,760	\$ 1,547,912
Cal H&W Health Care Services, Department of (DHCS)	93 110	2,831	283	3,114
Cal H&W Health Care Services, Department of (DHCS)	93 283	62,812	9,359	72,171
Cal H&W Health Care Services, Department of (DHCS)	93 779	(1,791)	(199)	(1,990)
Cal H&W Health Care Services, Department of (DHCS)	93 917	(4,424)	(71)	(4,495)
Cal H&W Health Care Services, Department of (DHCS)	93 940	847,290	93,664	940,954
Cal H&W Health Care Services, Department of (DHCS)	93 959	210	55	265
Cal H&W Health Care Services, Department of (DHCS)	93 991	156,229	5,498	161,727
Cal H&W Health Care Services, Department of (DHCS)	93 994	253,750	19,234	272,984
Cal H&W Health Care Services, Department of (DHCS)	93 unknown	1,837,133	162,408	1,999,541
Cal H&W Health Care Services, Department of (DHCS)	99 unknown	2,022,171	187,775	2,209,946
Cal H&W Social Services, Department of	10 561	2,847,808	621,222	3,469,030
Cal H&W Social Services, Department of	93 658	28,176	-	28,176
Cal H&W Social Services, Department of	93 667	22,146	-	22,146
Cal H&W Social Services, Department of	99 unknown	33,191	3,195	36,386
Cal Military Department	12 unknown	1,863	-	1,863
Cal Postsecondary Education Commission	84 281	6,655	532	7,187
Cal Postsecondary Education Commission	84 367	772,231	61,778	834,009
Cal Postsecondary Education Commission	99 unknown	359,473	28,758	388,231
Cal RA Fish and Game, Department of	11 438	90,818	19,336	110,154
Cal State Library	45 310	160,772	16,077	176,849
Cal State Universities Campuses	47 076	9,461	757	10,218
Calif County Superintendents Educational Services Association	99 unknown	(43,432)	(4,343)	(47,775)
Calif Family Health Council, Inc.	93 217	59,355	-	59,355
Calif Family Health Council, Inc.	93 unknown	64,217	16,355	80,572
Calif Medical Center	93 600	159,869	23,980	183,849
Calif State Univ, Cal Poly Corporation (Cal Poly Fdn, San Luis Obispo)	47 046	49	26	75
Case Western Reserve University	99 unknown	70,492	5,639	76,131
Center To Protect Workers' Rights, The	93 955	130,209	28,443	158,652
Center for Plant Conservation (Missouri)	15 unknown	9,000	1,350	10,350
Central City Neighborhood Partners (CCNP)	17 259	(136)	57	(79)
Charles R. Drew University of Medicine and Science	93 156	998	80	1,078
Chemonics International Consulting Division	10 unknown	34,292	17,661	51,953
Chemonics International Consulting Division	98 001	54,753	16,411	71,164
Children's Hospital and Research Center at Oakland (incl Chori)	93 172	274,052	74,811	348,863
Children's Hospital of Los Angeles	93 865	28,241	2,047	30,288
Children's Hospital of Los Angeles	93 unknown	597	(584)	13
Children's Hospital of Orange County	92 283	31,552	2,524	34,076
Children's Hospital of Orange County	93 110	86,116	6,889	93,005
Children's Hospital of Orange County	93 283	84,483	6,798	91,281
Children's Hospital of Orange County	99 unknown	87,108	6,969	94,077
City of Hope	93 395	-	115	115
Colorado State University	10 200	18,578	-	18,578
Colorado State University	10 unknown	6,438	-	6,438
Davis Farmers Market Foundation	10 168	2,700	270	2,970
Department of Homeland Security	83 544	40,112	-	40,112
Duke University (incl Duke Clinical Research Institute)	47 075	44,764	14,325	59,089
Eastern Research Group, Inc.	99 unknown	(9,490)	(3,037)	(12,527)
Education Development Center, Inc.	47 076	15,004	3,089	18,093
El Monte Union High School District	84 215	7,107	569	7,676

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Pass Through Funds Expended (Continued)				
Emmes Corporation, The	93 unknown	\$ (864)	\$ 4,668	\$ 3,804
Endeavor, Inc.	84 341	79,387	6,351	85,738
Family Health International, North Carolina	93 855	(709)	(227)	(936)
Family Health International, North Carolina	93 856	8,236	2,141	10,377
Fayette County School System	47 076	54,404	6,800	61,204
Foothill Junior College Dist.	84 116	3,580	286	3,866
Genentech, Inc.	99 unknown	(254)	(20)	(274)
General Motors Corporation	99 unknown	-	26,116	26,116
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	12 unknown	58,630	22,183	80,813
Georgia State University	47 076	11,775	3,827	15,602
Georgia, State of	93 041	29,953	2,696	32,649
Grant Joint Union High School District	84 unknown	50,264	-	50,264
Health Education Council (firmly Hypertension Council)	10 561	1,681	-	1,681
Higher Education for Development (firmly Assn Liaison ofc Univ Coop)	99 unknown	54,958	12,091	67,049
Imperial County	84 unknown	7,854	628	8,482
Inst of International Education	19 unknown	(81)	-	(81)
Inst of International Education	84 unknown	168,511	-	168,511
Inst of International Education	99 unknown	107,186	16,804	123,990
Intelligent Decision Systems, Inc. (IDSi)	99 unknown	(4)	(1)	(5)
Intl Executive Service Corps (IESC)	98 001	8,684	2,258	10,942
Intl Life Sciences Institute	99 unknown	-	1	1
Iowa State University (incl Iowa Energy Center)	10 303	17,027	4,001	21,028
Iowa State University (incl Iowa Energy Center)	10 352	54,399	18,496	72,895
Jet Propulsion Laboratory	43 unknown	-	455	455
Jet Propulsion Laboratory	99 unknown	3,000	(5,036)	(2,036)
Johns Hopkins University	93 242	-	288	288
Joint Oceanographic Institutions, Inc.	47 050	20,292	-	20,292
Law School Admission Council	99 unknown	100,000	-	100,000
Lehigh University (Pennsylvania)	99 unknown	-	(1,674)	(1,674)
LG Industrial Systems Co., Ltd.(Korea)(incl LG Biomed & LG Electronic)	99 unknown	(130)	(67)	(197)
Life Sciences Research Foundation	81 049	528	-	528
Los Angeles County Office of Education	84 367	46,101	3,688	49,789
Los Angeles County Office of Education	99 unknown	2,471	198	2,669
Los Angeles Dept of Children and Family Services, County of	99 unknown	(42,781)	1,657	(41,124)
Los Angeles Health Dept, County of	93 283	59,582	14,292	73,874
Los Angeles Unified School District	17 263	(2,759)	(138)	(2,897)
Los Angeles Unified School District	99 unknown	37,818	1,891	39,709
Los Angeles Urban League	99 unknown	57,468	2,873	60,341
Los Angeles, City of	17 259	(343)	(17)	(360)
Los Angeles, City of	17 263	38,060	14,601	52,661
Los Angeles, City of	99 unknown	(2,103)	(263)	(2,366)
Los Angeles, County of	93 283	19,658	4,461	24,119
Los Angeles, County of (2007 expenditures)	93 996	206,289	-	206,289
Los Angeles, County of (2006 expenditures)	93 996	493,514	-	493,514
Los Angeles, County of	99 unknown	8,616	2,240	10,856
Marquette University (Milwaukee, WI)	84 133	78,908	20,516	99,424
Marriott Foundation for People With Disabilities	99 unknown	56,845	2,990	59,835
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93 854	(752)	(365)	(1,117)
Medantic Technology (incl Global Emedicine Llc)	99 unknown	-	913	913
Mendocino, County of	93 unknown	27,165	8,965	36,130
Microelectronics Advanced Research Corporation (MARCO)(SRC Subsidiary)	12 910	-	32	32
Mississippi State University	20 unknown	28,186	11,267	39,453
Montana State University	15 224	4,541	454	4,995

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Pass Through Funds Expended (Continued)				
Mount Sinai School of Medicine (New York)	93 853	\$ 57,819	\$ -	\$ 57,819
Museum of Science	43 unknown	52,122	27,103	79,225
NSABP Foundation, Inc. (Natl Surgical Adjuvant Breast & Bowel Project)	93 395	30,392	9,726	40,118
Nanosys, Inc.	12 unknown	-	66	66
Nathan Associates Inc.	98 001	21,562	5,563	27,125
Natl 4-H Council	10 500	5,891	-	5,891
Natl Asian Women's Health Organization (NAWHO)	93 unknown	187	-	187
Natl Board for Professional Teaching Standards	99 unknown	-	(6,055)	(6,055)
Natl Collegiate Athletics Assn	93 570	47,162	-	47,162
Natl Council on The Aging	93 048	13,855	1,385	15,240
Natl Fish and Wildlife Foundation	10 unknown	26,894	-	26,894
Natl Inst for Medical Research (NIMR) (Tanzania)	93 941	102,770	15,068	117,838
Natl Writing Project Corporation	84 928	383,261	-	383,261
Natl Writing Project Corporation	99 unknown	84,317	-	84,317
Nature Conservancy	15 unknown	11,788	3,066	14,854
Network for Earthquake Engineering Simulation Consortium Inc. (NEES)	47 041	469,479	138,993	608,472
New England Research Institute, Inc.	93 273	29,046	14,959	44,005
New Hampshire, State of	84 367	60,374	4,830	65,204
Northeast Valley Health Corporation	93 224	282,177	8,201	290,378
Northern Sierra Rural Health Network	93 unknown	14,605	4,381	18,986
Northwestern University	10 206	22,448	5,269	27,717
Oak Ridge Associated Universities	81 049	26	8	34
Oregon State University	11 417	41,685	9,171	50,856
Pacific Institute for Research & Eval (incl Prevention Resch Ctr)	93 273	37,523	2,328	39,851
Parkinson's Institute (formerly Calif Parkinson's Foundation)	93 853	8,512	2,213	10,725
Public Health Foundation Enterprises, Inc.	99 unknown	41,562	3,325	44,887
Purdue University	47 076	72,327	-	72,327
Rancho Santiago Community College District	84 334	80,597	-	80,597
Rand Corp	99 unknown	-	(233)	(233)
Riverside, County of	99 unknown	817,495	-	817,495
Rutgers University	10 200	13,064	-	13,064
Sacramento Metropolitan Air Quality Management District	99 unknown	21,249	-	21,249
Sam Technology, Inc. (frmly Eeg Systems Laboratory)	99 unknown	-	(2)	(2)
San Francisco Community Clinic Consortium	93 107	6,425	514	6,939
San Francisco Community Clinic Consortium	93 252	(9)	(3)	(12)
San Francisco, City and County	93 unknown	350	32	382
San Mateo County	93 unknown	34,552	10,366	44,918
San Mateo County	99 unknown	41,390	12,417	53,807
Santa Ana Unified School District	84 334	1,043	-	1,043
Santa Ana Unified School District	84 unknown	16,593	480	17,073
Santa Ana Unified School District	99 unknown	306,431	64,044	370,475
Santa Ana, City of	97 unknown	140,689	-	140,689
Santa Barbara, County of	93 243	87,395	6,992	94,387
Science Applications Intl Corp (SAIC)(incl Geo-cntr, Eai Corp)	12 300	41,736	10,851	52,587
Science Applications Intl Corp (SAIC)(incl Geo-cntr, Eai Corp)	12 unknown	51	10	61
Sexual Minority Alliance of Alameda County (SMAAC)	93 939	(68)	(20)	(88)
Simon Fraser University (Canada)	93 unknown	547	-	547
Smithsonian Institute	43 unknown	-	(437)	(437)
Smithsonian Institute	99 unknown	15,000	-	15,000
Social & Scientific Systems, Inc.	93 856	2,411	(2,263)	148
Solano, County of	99 unknown	60	6	66

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Pass Through Funds Expended (Continued)				
Southwest Educational Development Laboratory	99 unknown	\$ 150,104	\$ 44,528	\$ 194,632
Sri International (incl Sarnoff Corporation)	47 076	180,848	48,967	229,815
Stanford University	91 unknown	683	55	738
State University System of Florida	93 307	70,592	5,647	76,239
Sweetwater Union High School District (Chula Vista, Ca)	99 unknown	49,731	3,978	53,709
Texas A&M University	10 500	16,640	1,664	18,304
Texas, State of	47 076	6,995	3,673	10,668
United Negro College Fund (UNCF)	43 unknown	8,500	-	8,500
Universidad Autonoma De Baja California (Mexico)	93 unknown	945	-	945
University Corp for Atmospheric Research	47 050	118,851	29,283	148,134
University of Arizona	10 303	10,961	2,740	13,701
University of Arizona	10 unknown	9,356	2,058	11,414
University of Chicago	43 unknown	8,894	2,668	11,562
University of Cincinnati (incl College of Medicine, Emcreg Intl)	93 854	2,317	674	2,991
University of Connecticut	93 121	-	8,420	8,420
University of Georgia (incl Skidaway Institute of Oceanography)	99 unknown	6,787	815	7,602
University of Medicine and Dentistry of New Jersey	93 145	(75,174)	(6,014)	(81,188)
University of Michigan (incl William Davidson Institute)	45 149	15,064	-	15,064
University of Missouri System-Rolla & Lincoln	10 217	(2,392)	431	(1,961)
University of Oklahoma	93 879	5,772	-	5,772
University of Rochester	47 049	-	(358)	(358)
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	84 015	54,977	4,398	59,375
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 867	27,705	1,280	28,985
University of Texas-San Antonio	93 121	-	159	159
University of Texas-San Antonio	99 unknown	49,494	3,960	53,454
University of Texas-Southwestern Medical Center at Dallas	99 unknown	-	87	87
University of Utah	99 unknown	43,777	3,502	47,279
University of Washington	10 200	1,975	-	1,975
University of Washington	10 206	8,289	1,939	10,228
University of Washington	47 049	-	1	1
University of Washington	93 145	649,855	51,988	701,843
University of Washington	93 393	-	63	63
University of Washington	93 856	102,127	53,660	155,787
University of Wyoming	10 500	15,999	-	15,999
Utah State University (incl Western Sare)	10 200	2,332	-	2,332
Utah State University (incl Western Sare)	10 500	13,020	-	13,020
Utah, State of	93 283	39,746	8,940	48,686
Ventura County	10 561	11,667	2,567	14,234
Veterans Affairs	84 unknown	108,000	-	108,000
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 849	-	4,677	4,677
Washington State University (Pullman, WA)	10 500	6,086	1,269	7,355
Watts Labor Community Action Committee (WLCAC)	99 unknown	43,404	2,170	45,574
Webplay (Santa Monica, Ca)	84 351	87,001	27,840	114,841
West Hills Community College District	84 031	87,773	-	87,773
Westat	93 unknown	1,479	166	1,645
Westat	99 unknown	19,556	6,258	25,814
Wested (frmly Far West Laboratory)	84 283	329,889	99,507	429,396
Yale University	93 865	8,649	692	9,341
Yolo County	84 unknown	2,364	-	2,364
Youth Opportunities Unlimited Inc.	99 unknown	(181)	(9)	(190)
Total Pass Through Funds Expended		25,416,127	3,200,690	28,616,817

The accompanying notes are an integral part of this schedule.

University of California
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2007

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Nonmajor Programs (Continued)				
Partial Pass Through Funds Expended				
Alameda County Health Care Services Agency	99 unknown	\$ 136,373	\$ 16,365	\$ 152,738
American Federation-Aging Research	99 unknown	5,368	-	5,368
Auburn University	10 500	187,896	-	187,896
Cal BTH Office of Traffic Safety	99 unknown	51,030	7,655	58,685
Cal DE Curriculum Instruction & Assessment Division	84 367	3,759	301	4,060
Cal DE Curriculum Instruction & Assessment Division	84 unknown	24,391	1,951	26,342
Cal DE/miscellaneous Divisions or Bureaus	10 558	45,830	-	45,830
Cal DE/miscellaneous Divisions or Bureaus	93 575	5,325	-	5,325
Cal DE/miscellaneous Divisions or Bureaus	93 596	4,170	-	4,170
Cal EPA Water Control Board	66 640	38,723	-	38,723
Cal H&W Alcohol & Drug Programs	99 unknown	168	41	209
Cal H&W Developmental Services, Department of	99 unknown	49,807	(15,364)	34,443
Cal H&W Health Care Services, Department of (DHCS)	10 unknown	527,927	113,361	641,288
Cal H&W Health Care Services, Department of (DHCS)	93 779	127,309	2,148	129,457
Cal H&W Health Care Services, Department of (DHCS)	99 unknown	613,435	19,676	633,111
Cal H&W Managed Risk Medical Insurance Board	93 767	101,773	15,265	117,038
Cal H&W Social Services, Department of	10 unknown	553,213	(233)	552,980
Cal H&W Social Services, Department of	93 645	3,884	-	3,884
Cal H&W Social Services, Department of	93 658	507,445	64,171	571,616
Cal H&W Social Services, Department of	93 unknown	7,585,279	-	7,585,279
Cal H&W Social Services, Department of	99 unknown	41,780	-	41,780
Cal Institute for Regenerative Medicine (CIRM)	99 unknown	710,083	71,008	781,091
Cal Postsecondary Education Commission	84 unknown	(17)	(1)	(18)
Cal Service Corps, The (firmly Governor's ofc on Svc & Volunteerism)	93 unknown	(4)	-	(4)
Cal Service Corps, The (firmly Governor's ofc on Svc & Volunteerism)	94 006	38,531	1,618	40,149
Cal Service Corps, The (firmly Governor's ofc on Svc & Volunteerism)	99 unknown	31,742	1,670	33,412
El Proyecto Del Barrio	17 263	322	74	396
Frank D. Lanterman Regional Center	99 unknown	(627)	(63)	(690)
Freeman Foundation	99 unknown	92,290	9,229	101,519
Inst of International Education	84 unknown	1,000	-	1,000
Krell Institute	99 unknown	352	-	352
Los Angeles Dept of Children and Family Services, County of	99 unknown	164,597	42,695	207,292
Los Angeles Health Dept, County of	93 283	170,997	42,949	213,946
Los Angeles Unified School District	99 unknown	33,432	-	33,432
Los Angeles Universal Preschool (LAUP)	99 unknown	51,093	5,047	56,140
Los Angeles Urban League	99 unknown	353	5,581	5,934
Michigan State University	19 unknown	(5)	(3)	(8)
Natl Writing Project Corporation	84 928	43,113	-	43,113
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 859	-	(48)	(48)
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	99 unknown	96,663	25,132	121,795
Private Industry Council of Southeast Los Angeles County, Inc.	99 unknown	6,646	1,728	8,374
Sacramento City Unified School District	84 215	152,179	32,414	184,593
Santa Clara County	10 561	177,785	39,102	216,887
Watts Labor Community Action Committee (WLCAC)	99 unknown	3,410	179	3,589
World Health Organization (Intl)	99 unknown	19,543	-	19,543
Yolo County	84 215	90,974	18,563	109,537
Total Partial Pass Trough Funds Expended		12,499,337	522,211	13,021,548
Total Nonmajor Programs		174,385,874	15,040,134	189,426,008
Total Federal Awards		\$ 2,561,570,340	\$ 665,061,290	\$ 3,226,631,630

The accompanying notes are an integral part of this schedule.

University of California
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2007

1. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the University financial statements, as they relate to the Federal Family Educational Loan Program, as well as other awards.

Consistent with the provisions of OMB Circular A-133, the accompanying Schedule of Expenditures of Federal Awards does not include the expenditures of the Lawrence Berkeley National Laboratory and the Lawrence Livermore National Laboratory – two major Department of Energy national laboratories operated and managed by the University under contracts directly with the DOE – as they represent government-owned, contractor operated (GOCO) facilities.

2. Loan Programs

The University participates in the following federal loan programs:
(In Thousands)

	CFDA Number	2006-2007 Amount Authorized or Advanced	Outstanding Balance as of June 30, 2007
U.S. Department of Education			
Federal Perkins Loan Program	84.038	\$ 45,624	\$ 224,428
Federal Family Educational Loan Program	84.032	\$ 279,234	N/A
Federal Direct Student Loan Program	84.268	\$ 471,272	N/A
U.S. Department of Health and Human Services			
Health Professions Student Loan Program/Loans for Disadvantaged Students/Primary Care Loan Program	93.342	\$ 7,317	\$ 32,050
Nursing Student Loan Program	93.364	\$ 328	\$ 1,389
Nurse Faculty Loan Program	93.264	\$ 248	\$ 579

University of California

Notes to Schedule of Expenditures of Federal Awards (Continued) For the Fiscal Year Ended June 30, 2007

3. CFDA Numbers

Research and Development programs included in the Schedule of Expenditures of Federal Awards are presented by federal agency and major subdivision within the federal agency. Pass-through and partial pass-through awards have been presented by pass-through entity and federal identification number, when available. In accordance with instructions distributed by the Federal Audit Clearinghouse, when federal identification numbers are not available, federal awards are presented by federal agency number and the suffix "unknown" for the federal identification number. When the federal agency and the federal identification number are not available, "99.unknown" is used.

4. Partial Pass-Throughs

The University has included, within the Schedule of Expenditures of Federal Awards, amounts received from pass-through entities which include funds from both federal and nonfederal sources.

5. Commingled Assistance

The California Student Aid commission (CSAC) administers the State Cal Grant A and B Programs, selects the student recipients of these grant awards, and provides the funds to participating institutions for disbursement. Leveraging Educational Assistance Partnership (LEAP) funds (CFDA Number 84.069A) from the United States Department of Education may comprise up to approximately 1.4% of the total funding for these Cal Grant awards. In fiscal year 2007, the University received Cal Grant A and B funds in the amount of approximately \$263,626,000; however, CSAC is unable to determine the amount of LEAP funds, if any, represented in those awards. As such, the Schedule of Expenditures of Federal Awards does not include State Cal Grant A and B awards.

6. Contingencies

Substantial amounts are received and expended by the University, including its medical centers, under federal and state programs, and is subject to audit by cognizant governmental agencies. This funding relates to research, student aid, medical center operations, and other programs. University management believes that any liabilities arising from such audits will not have a material effect on the University's financial position.

**Report of Independent Auditors on Internal Control
over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To The Regents of the University of California

We have audited the financial statements listed in the accompanying table of contents, which collectively comprise the financial statements of the University of California (the "University"), a component unit of the State of California, as of and for the year ended June 30, 2007, and have issued our report thereon dated October 16, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the University's component units were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the University in a separate letter dated October 16, 2007 which is included in Appendix A.

This report is intended solely for the information and use of the University's Committee on Audit, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

PricewaterhouseCoopers LLP

October 16, 2007

**Report of Independent Auditors on Compliance with Requirements
Applicable to Each Major Program and on Internal Control Over Compliance
in Accordance with OMB Circular A-133**

To The Regents of the University of California

Compliance

We have audited the compliance of the University of California (the "University") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007, except as described in the second paragraph of this report. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We did not audit the University's compliance with the requirements governing Student Loan Billing and Collection compliance requirements specified by the Federal Perkins Loan Program and described in the OMB Circular A-133 *Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the University's compliance with those requirements, is based solely on the report of the other auditors. Additionally, we did not audit the University's compliance with the requirements governing the reporting requirements over Student Status Confirmation Reports specified by the Federal Family Education Loan Program and described in the OMB Circular A-133 *Compliance Supplement*. Compliance with these requirements was audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the University's compliance with those requirements, is based solely on the report of the other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the University's compliance with those requirements.

In our opinion, based on our audit and the reports of other auditors, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 07-1 through 07-4.

Internal Control over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, except as noted in the following paragraph, we considered the University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

We did not consider internal control over compliance with the Student Loan Billing and Collection compliance requirements specified by the Federal Perkins Loan Program and described in the OMB Circular A-133 *Compliance Supplement*. Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to the University's internal control over those compliance requirements, is based solely upon the report of the other auditors. Additionally, we did not consider internal control over compliance with the requirements governing the reporting requirements over Student Status Confirmation Reports specified by the Federal Family Education Loan Program and described in the OMB Circular A-133 *Compliance Supplement*. Internal control over these compliance requirements was considered by the other auditors referred to above; and our report, insofar as it relates to the University's internal control over those compliance requirements, is based solely upon the report of the other auditors.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Our consideration and the other auditors' consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Also, the reports of the other auditors did not identify any deficiencies in internal control over compliance that they consider to be material weaknesses, as defined above.

The University's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the University's response and, accordingly, we express no opinion on it.



This report is intended solely for the information and use of the University's Committee on Audit, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

PricewaterhouseCoopers LLP

March 21, 2008

University of California
Independent Auditors' Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

Part I – Summary of Independent Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weakness(es) identified? No

Significant deficiencies identified not considered
to be material weakness(es)? None Reported

Noncompliance material to financial statements? No

Federal Awards

Internal control over major programs:
Material weakness(es) identified? No

Significant deficiencies identified not considered
to be material weakness(es)? None Reported

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Circular A-133
(Section 510(a))? Yes

Programs Subjected to Audit Procedures as Major Programs

Name of Federal Program	CFDA Number
Research and Development Cluster	Various
Student Financial Aid Cluster	Various
FEMA Disaster Grants	97.036
Cooperative Extension Grants	10.500

Dollar threshold used to distinguish between Type A and Type B programs: \$9,685,381

Auditee qualified as low-risk auditee? Yes

Part II – Financial Statement Findings

None reported.

University of California
Independent Auditors' Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2007

Part III – Federal Award Findings and Questioned Costs

PART A

Finding 07-01 Untimely Cost Transfers

National Science Foundation	CFDA # 47.070
Health and Human Services	CFDA # 93.389
Health and Human Services	CFDA # 93.837
Health and Human Services	CFDA # 93.855

Questioned Costs

None noted

Criteria

NIH Grants Policy Statement states that cost transfers should be completed within 90 days of when the error was discovered. NIH policy does not apply to non-NIH grants; however, the NIH standards were used to test the timeliness of all cost transfers.

Condition

Cost transfer testing was performed at three different campuses. For one campus, where a total of 65 cost transfers were selected for testing, we noted nine instances in which the transfers were completed more than 120 days after the original date of the transaction. We could not determine the date of discovery of the error.

Recommendation

While we could not determine if any of the transfers were untimely as defined by NIH policy, we recommend that the University enhance its focus on achieving timely cost transfers to ensure compliance with the agency guidelines.

Management's Views and Corrective Action Plan

The campus will add an edit to the financial system to identify cost transfers into federal funds that are over 90 days after the original transaction date. The Office of Extramural Fund Management (EFM) will monitor and review these transactions to ensure compliance with NIH guidelines.

Campus training courses will be updated to further emphasize the rules and procedures on the allowability and allocability of expenses. Regular reminders will be sent out through the Office of Research Administration (ORA) "hints and tips" listserv to remind campus departments to post expense to the appropriate account at the time orders are placed or when other transactions are initiated.

EFM will continue to work with campus departments to promote monthly reviews with the Principal Investigators through meetings and reports to ensure expenses are booked on the appropriate funds and that errors are identified and corrected in a timely manner.

University of California
Independent Auditors' Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2007

Part III – Federal Award Findings and Questioned Costs (Continued)

PART A (Continued)

Finding 07-01 Untimely Cost Transfers (Continued)

All inquiries regarding management's corrective action plan should be directed to:

Mr. Jorge Ohy
Manager, Costing Policy & Analysis
Office of the President
University of California
1111 Franklin Street, 10th Floor
Oakland, CA 94607-5200

University of California
Independent Auditors' Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2007

Part III – Federal Award Findings and Questioned Costs (Continued)

PART A (Continued)

Finding 07-02 Ensure Title IV Funds Are Returned In a Timely Manner

Citation

34 CFR section 668.173(b)

Questioned Costs

None.

Criteria

Institutions with students receiving Title IV aid must return all unearned portions of aid to the Department of Education or to the lender within 45 days after the date it determines that the student withdrew. Institutions must also calculate the amount of aid to be returned to the Department of Education or to the lender within 30 days after the date it determines that the student withdrew.

Condition

Title IV testing was performed at two different campuses. For both campuses where a total of 60 calculations were examined for testing, we noted eighteen instances in which the calculation of the funds to be returned was not completed within 30 days. We also noted that out of the 60, 6 were returned over 45 days. Delays of 46 to 217 days were noted.

Effect

Returns to Title IV Funds were not submitted within the time frame as required by federal guidelines, and the University may be required to post a letter of credit with the Department of Education.

Cause

Change in the software used by the campus to calculate the Return of Title IV refunds caused some delays in processing. In addition, the campus's incorrect interpretation of a Department of Education guidance caused the late calculation of refunds.

In some instances, campus departments notified the Registrar's Office of the effective date of the students' cancellation/withdrawal actions after the 30-day window had elapsed.

Recommendation

We recommend that management institute controls to ensure that all students who owe Title IV funds are identified on a timely basis and the amounts refunded to the Department of Education. In particular, we recommend that a reconciliation be prepared between the Registrar's office and the Financial Aid Office to determine that all students who have dropped courses are accounted for, and thus, that the return of unearned Title IV funds be on a timely basis. In addition, we recommend that a policy be in place such that all departments and the Registrar are aware of the turnaround time required for the return of Title IV funds. This will reduce the turn-around time of the withdrawal/cancellation form, allowing the Student Financial Aid office to complete the return calculation and authorize the refund within federal time requirements.

University of California
Independent Auditors' Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2007

Part III – Federal Award Findings and Questioned Costs (Continued)

PART A (Continued)

Finding 07-02 Ensure Title IV Funds Are Returned In a Timely Manner (Continued)

Management's Response

The campus interpreted the guidance, issued by the Department of Education, with regard to the longer time frame allowed for the return of Title IV funds to the Department (from within 45 days rather than the original 30 days) to apply to the calculation of the refunds as well. In April 2007, the campus received clarification that the calculations were to be performed no later than 30 days after the effective withdrawal date. Upon receipt of this clarification, the campus implemented a change to its processing procedures immediately.

A change in the software used by the campus (to the Department of Education's software) to calculate the Return of Title IV refunds, resulted in back-and-forth communications in an attempt to better understand how to interpret the refund amounts in the context of the new software. During this period of confusion, three files were put aside while clarification was being sought, and they were inadvertently left out of the group when the recalculations were performed. Once the oversight was discovered, the refunds were recalculated and the funds were returned.

The campus Financial Aid Office has updated its Policies and Procedures to accurately reflect that the correct timeframe for performing the Return of Title IV calculations is 30 days. The Financial Aid Office will enhance the coordination with the Registrar to identify all students who have dropped courses so that unearned Title IV funds can be returned on a timely basis.

The campus Financial Aid Office compliance committee will also review future guidance and policy changes to ensure their correct interpretation and implementation.

A campus-wide memorandum will be issued, alerting campus offices of the importance of timely reporting of withdrawals/cancellations so that the campus can comply within the required timeframe for returning Title IV funds.

All inquiries regarding management's corrective action plan should be directed to:

Mr. Jorge Ohy
Manager, Costing Policy & Analysis
Office of the President
University of California
1111 Franklin Street, 10th Floor
Oakland, CA 94607-5200

University of California
Independent Auditors' Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2007

Part III – Federal Award Findings and Questioned Costs (Continued)

PART A (Continued)

Finding 07-03 Timely Submission of Student Status Changes

Title

Reporting student status changes to the National Student Loan Data System

Citation

34 CFR section 682.610 & 34 CFR section 685.309(b) (2)

Questioned Costs

None.

Criteria

The University must complete and return within thirty days of receipt student status confirmation report sent by guaranty agencies unless the University expects to complete its next student status report within sixty days.

Condition

Student status change testing was performed at two different campuses. For both campuses where a total of 60 students were selected for testing, we noted nine instances in which the students' status changes were not reported to the National Student Loan Data System ("NSLDS") within the prescribed time frame. Delays of 64 to 99 days were noted.

Effect

Student status changes were not submitted within the time frame as required by Federal Regulations.

Cause

The Registrar only responds regarding the students on a given NSLDS list and does not compare this list to its records for completeness. In addition, most exceptions occurred for withdrawn or less than half time status students, signifying a lack of communication between the personnel performing the return of federal funds process and the Registrar.

Recommendation

We recommend that the Registrar compare the NSLDS list to a list of students with FFELP loans and whose status has changed since the last NSLDS report. In addition, personnel performing the return of federal funds process should notify the Registrar regarding withdrawn or less than half time students on a timely basis. This will ensure timely submission of student status changes to the NSLDS by the Registrar.

Management's Response

The campus Office of the Registrar has developed a revised reporting schedule with the National Student Clearinghouse analysts to ensure compliance with the 30 day reporting to NSLDS.

The campus Financial Aid Office will establish a return of federal funds staff liaison with the Office of the Registrar to ensure timely submission of student status changes.

University of California
Independent Auditors' Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2007

Part III – Federal Award Findings and Questioned Costs (Continued)

PART A (Continued)

Finding 07-03 Timely Submission of Student Status Changes (Continued)

All inquiries regarding management's corrective action plan should be directed to:

Mr. Jorge Ohy
Manager, Costing Policy & Analysis
Office of the President
University of California
1111 Franklin Street, 10th Floor
Oakland, CA 94607-5200

Finding 07-04 Cash Management – Delays in Returning Federal Funds

Federal Family Education Loan CFDA# 84.032

Citation

Cash Management regulations (34 CFR 668.167)

Questioned Costs

None

Criteria

In order to be in compliance with Federal guidelines for disbursement of Title IV Aid as well as Excess Cash Maintenance, an institution which participates in Federal Family and Education Loan (FFEL) program funding must comply with the guidelines of the program which include disbursing aid in a timely manner. Additionally, disbursements that go unused by students or are not distributed to students must be returned in an equally timely manner. Per cash management regulations the University has up to 13 days in some cases to return unused funds.

Condition

When reviewing the refund initiation dates of a sample of returns of FFEL funds to the Federal Government at one campus, we noted thirteen instances out of 20 selections in which FFEL Funds were not returned back to the Federal Government within the necessary timeframe of 13 days from receipt of the funding. The required funds were returned up to 25 days late.

Effect

Returns to FFEL Title IV Funds were not submitted within the time frame as required by federal guidelines.

Cause

The University has controls in place but the operation of the controls was not effective in the instances noted.

University of California
Independent Auditors' Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2007

Part III – Federal Award Findings and Questioned Costs (Continued)

PART A (Continued)

Finding 07-04 Cash Management – Delays in Returning Federal Funds (Continued)

Recommendation

We recommend that the University implement more stringent monitoring and review procedures to ensure that all required funds are returned within the required time period to comply with federal regulations.

Management's Views and Corrective Action Plan

The following practices and procedures have been implemented by the campus to ensure the timely return of unused funds to the federal government:

- The Loan Services Supervisor conjointly performed the task with the processor for three months to ensure that the processor understood and performed all tasks according to federal requirements. The Loan Services Supervisor is now the back-up processor for the task and the Assistant Director is training to be an additional backup.
- An independent monthly random sampling of a minimum 5% of Electronic Funds Transfer (EFT) returns as well as 5% minimum of disbursements to validate that funds are processed within the required time has been put in place. This sampling is performed by the Assistant Director and submits the results on a monthly basis to the Director.
- Documentation was improved concerning the EFT return processes and step-by-step instructional procedures were updated to aid in eliminating future non-compliance situations.
- Improvement has been made to essential printed reports to streamline the process and to prevent the possibility of errors.
- Further investigation will be made into the possibility of automating the process.

All inquiries regarding management's corrective action plan should be directed to:

Mr. Jorge Ohy
Manager, Costing Policy & Analysis
Office of the President
University of California
1111 Franklin Street, 10th Floor
Oakland, CA 94607-5200

PART B OTHER AUDIT REPORTS

The University utilizes Affiliated Computer Services, Inc. Education Services (ACS) as its institutional servicer to perform certain compliance requirements related to the Perkins Loan Program. The ACS Audits of Federal Student Financial Assistance Programs Report for the year ended June 30, 2007 includes two findings related to 90-day call procedures and the recording of court litigation charges, together with ACS management's responses to these findings.

University of California
Independent Auditors' Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2007

Part IV – Disposition of Prior Year Federal Award Findings

Finding 06-01 Cash Management – Delays in Returning Federal Funds

Similar instances of noncompliance were noted in 2007. See Finding 07-04.

Finding 06-02 Inaccurate FISAP Data

Corrective action was taken. No instances of noncompliance noted in the current year.

Finding 06-03 Untimely Cost Transfers

Similar instances of noncompliance were noted in 2007. See Finding 07-01.

Finding 06-04 Time and Effort Reporting

Corrective action was taken. No instances of noncompliance noted in the current year.

Finding 06-05 Account Reconciliations

Corrective action was taken. No instances of noncompliance noted in the current year.

Appendix A

**University of California
Report to The Regents
For the Year Ended June 30, 2007**

October 16, 2007

To The Regents of the
University of California

We have recently completed the audit of the financial statements of the University of California (the "University") and reported on them, as well as on the separately issued financial statements of related entities, including the University's five medical centers and Retirement System funds. In planning and performing our audit of the financial statements of the University, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the University's internal controls over financial reporting. Accordingly, we do not express an opinion on the University's internal controls over financial reporting.

Our consideration of internal controls over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses as defined in the recent amendment to AU 325, *Communicating Internal Control Related Matters Identified in an Audit*, of the AICPA Professional Standards and shown below:

Control deficiency – exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Significant deficiency - a control deficiency, or combination of control deficiencies, that adversely affects the company's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

Material weakness - a control deficiency, or combination of control deficiencies, that result(s) in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

We have completed our evaluation on whether any identified audit adjustments or deficiencies, individually or in aggregate, are to be classified as material weaknesses. We identified no deficiencies involving internal control over financial reporting that we consider to be material weaknesses as defined above. We are providing you with a detail report of all deficiencies that are of a lesser magnitude. See the following report for detailed comments along with management's responses.



Comments relative to the national laboratories have been included in our "Observations from Audit Procedures," which is provided under separate cover. The comments contained in this letter are summaries of those comments which generally represent common themes across the Office of the President, the campuses and academic medical centers, or are significant. Management at the Office of the President, the campuses and academic medical centers have responded and, where appropriate, are taking corrective actions to our comments. The full text of all our comments is contained in separately issued letters and available under separate cover.

Our comments reflect our desire to be of continuing assistance to the University. We look forward to discussing these matters with you at the November 2007 Regents' meeting. Please contact Joan Murphy at (415) 498-7690 if you have any questions regarding this report.

This letter is intended solely for the information and use of The Regents' Committee on Audit, management and others within the University.

Sincerely,

A handwritten signature in black ink, reading "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style, with the letters being somewhat slanted and connected.

PricewaterhouseCoopers LLP

University of California
Report to The Regents
For the Year Ended June 30, 2007

Table of Contents

Page No.

Evidence of Review and Timeliness of Key Controls	1
Periodic Reviews of IT User Access	2
Risk Assessment and Monitoring of Sensitive Data Access	4
 APPENDIX	
Status of Prior Years Comments	6

University of California
Report to The Regents
For the Year Ended June 30, 2007

1. Evidence of Review and Timeliness of Key Controls – Control Deficiency

Observation

As part of our testing over the operating effectiveness of key controls at the Office of the President, 10 campus locations and five academic medical centers, we noted certain key reconciliations and reports that lacked evidence of the review process and/or were not consistently reviewed within a reasonable time period. Specifically, we found exceptions in the treasury, purchases and payables, payroll and general ledger cycles.

The review process is critical in ensuring appropriate segregation of duties and the timely identification and resolution of potential errors.

Recommendation

We recommend that management at the Office of the President, each campus location and academic medical center, formally implement policies highlighting appropriate evidence retention procedures along with formal review schedules over each key account and report.

Management's Response

This observation was made at four campuses, two National Laboratories and two units at the Office of the President. At each location, management had agreed with the observation and has indicated that it will implement policies and procedures to ensure appropriate and timely review, approval and documentation of identified key controls.

University of California
Report to The Regents
For the Year Ended June 30, 2007

The following comments are related to Information Technology General Controls (ITGC) which have a pervasive impact across multiple business cycles. Our approach for assessing deficiencies for ITGCs included both qualitative and quantitative considerations.

From a qualitative perspective, we considered: (1) the pervasiveness of ITGCs across multiple business processes and transactions; (2) the occurrence of ITGC related breaches in security across multiple locations; (3) recurrence of findings from prior year; (4) the complexity of UC's systems environment; (5) the proximity of the finding to applications and data; and (6) whether a deficiency is related to data for accounts that are susceptible to loss or fraud.

We also performed a quantitative analysis to understand materiality thresholds, and determined whether compensating controls exist and are operating effectively to reduce the risk of a misstatement in the financial statements to a less than inconsequential amount. Given the pervasive nature of all ITGC findings, it is not viable to quantify these findings to an exposure of a specific dollar amount. As a result, compensating controls need to operate at a low enough dollar threshold, across multiple business cycles. As such, we recommend that The Regents give careful consideration to these findings and their impact.

2. Periodic Reviews of IT Professional and Application User Access – Control Deficiency

Observation

As part of our testing over ITGCs, we evaluated whether IT professional and application users are assessed by IT and business management on a periodic basis to ensure that access rights are commensurate with existing roles and responsibilities. In general, we noted that this formal review occurred in some, but not all locations.

We noted the following in this area:

- Formal periodic reviews of user access rights are not consistently performed by IT and business management across all locations to ensure that access rights are commensurate with existing roles and responsibilities
- Not all users with powerful access rights are reviewed as part of these periodic assessments
- Not all financially significant applications are included in these periodic reviews

The absence of formal periodic reviews and assessments of IT professional and application user access increases the risk of unauthorized access to data and systems.

Unauthorized or inappropriate access may allow users to have improper access levels at the transaction level which may have an impact on transaction processing and financial reporting.

University of California
Report to The Regents
For the Year Ended June 30, 2007

Recommendation

In regards to IT professional users, we recommend IT management at each location conduct a formal, periodic review of privileged system users. IT management should also consider whether inappropriate users identified through this review have performed unauthorized transactions during the interim period that may need to be investigated and resolved.

In regards to IT application users, we recommend that functional owners or business management implement a formal periodic review process to ensure that these individuals' access rights are commensurate with their current roles and responsibilities. Business management should also work together with IT management, and consider whether inappropriate users identified through this review have performed unauthorized transactions during the interim period that may need to be investigated and resolved.

Documentation evidencing periodic reviews and assessments over any identified inappropriate access should be retained.

Management's Response

This observation was made at three campuses and three medical centers. At each location, management has agreed with the observation and has indicated that it will conduct formal, periodic reviews of system users with privileged access to key systems, as well as individual users of these systems, to ensure appropriateness of access rights. Management has indicated that documentation to evidence these reviews will be retained.

3. Risk Assessment and Monitoring of Sensitive Data Access – Control Deficiency

Observation

Database Administrators (DBAs) currently have the ability to directly access and modify transaction data, and IT management has not performed a risk assessment at every location to determine whether that access is appropriate, and whether activities would need to be monitored.

As part of our testing over ITGCs, we noted that some, but not all, locations have performed a risk assessment over sensitive data sets and tables, and restricted access or implemented monitoring procedures accordingly.

Opportunities exist to enhance the controls in place to mitigate the risk posed by those personnel that have the ability to directly change key data outside the normal course of posting transactions. Currently, there is no formal assessment performed at the database layer to determine the risks associated with direct access to modify data, nor are there effective controls to monitor changes made to key data. This increases the risk that users with direct access to data could enact changes that may affect underlying transaction data and therefore impact financial reporting.

Recommendation

We recommend that IT management at each location perform appropriate risk assessments over sensitive data sets and tables relating to all significant systems and accounts. Based on this risk assessment, IT management should also consider implementing formal monitoring of activities performed by database administrators and system administrators for appropriateness.

Management's Response

This observation was made at two campuses, four medical centers and at the Office of the President. At all locations, management has agreed with the observation and has indicated that it will perform periodic risk assessments of sensitive data and tables for key systems and accounts. Management has agreed to investigate implementing independent computer systems to monitor activities of database and system administrators with the ability to access or modify key systems and transaction data.

APPENDIX

University of California
Report to The Regents
For the Year Ended June 30, 2007

Appendix A

STATUS OF PRIOR YEARS COMMENTS

Management takes responsibility for tracking the implementation status of prior year management letter comments. We are informing you of management's progress in implementing the previous recommendations.

Comment

Status

COMMENTS ORIGINATING IN FY06:

Changes to Communication of Internal Control Related Matters Identified in an Audit	Implemented
Enhance Procedures for Recording Revenue Accrual	Implemented
Eliminate or Reconcile Any Differences between the UCLA Medical Center General Ledger and the Campus General Ledger	In progress
Improve the Reconciliation Process over General Ledger Accounts At UCSD	Implemented
Improve the Reconciliation Process between Medical Center and Campus Accounts at UCD	Implemented
Reconciliation of Foreign Bank Accounts at UCB	Implemented
Recording of Pledges Receivables at UCB	Implemented

COMMENTS ORIGINATING IN FY05:

Programmer Access to Production	Implemented
Improve Subrecipient Monitoring at UCR	Implemented

COMMENTS ORIGINATING IN FY04:

Improve Controls over Use of Spreadsheets - Campus	Implemented
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