

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, 2008

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University of California
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Report of Independent Auditors

To The Regents of the University of California

In our opinion, based upon our audits and the report 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, 2008 and 2007, 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 and the fiduciary net assets of the University of California Retiree Health Benefit Trust (the "Trust") at June 30, 2008 and the changes in the Trust's fiduciary net assets for the year 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 opinions 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. Those financial statements were audited by another auditor whose report thereon has 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 report of the other auditor. 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 report of other auditors provide a reasonable basis for our opinions.

As discussed in the significant accounting policies in the Notes to Financial Statements, the University adopted Governmental Accounting Standards Board Statement No.45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of July 1, 2007.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2008 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, 2008. 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 42 and the required supplementary information on pages 107 through 108 are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurements and presentation of the required 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 of Expenditures of Federal Awards and Schedule of Expenditures of Federal Awards for the year ended June 30, 2008 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.

Price Waterhouse Coopers LLP

October 10, 2008

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, 2008, with selected comparative information for the years ended June 30, 2007 and 2006. 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 (2006, 2007, 2008, 2009, 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), the University of California Retirement System (the UCRS) and the University of California Retiree Health Benefit Trust (the UCRHBT) 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 the statements of changes in plans' fiduciary net assets, present the financial position and operating activities for the UCRS and the UCRHBT. 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 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 17 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 17,000 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) in California. The University is a member in two separate joint ventures, Los Alamos National Security, LLC (LANS) and Lawrence Livermore National Security, LLC (LLNS), that operate and manage the Los Alamos National Laboratory (LANL) and Lawrence Livermore National Laboratory (LLNL), respectively, under contracts directly with the DOE. 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

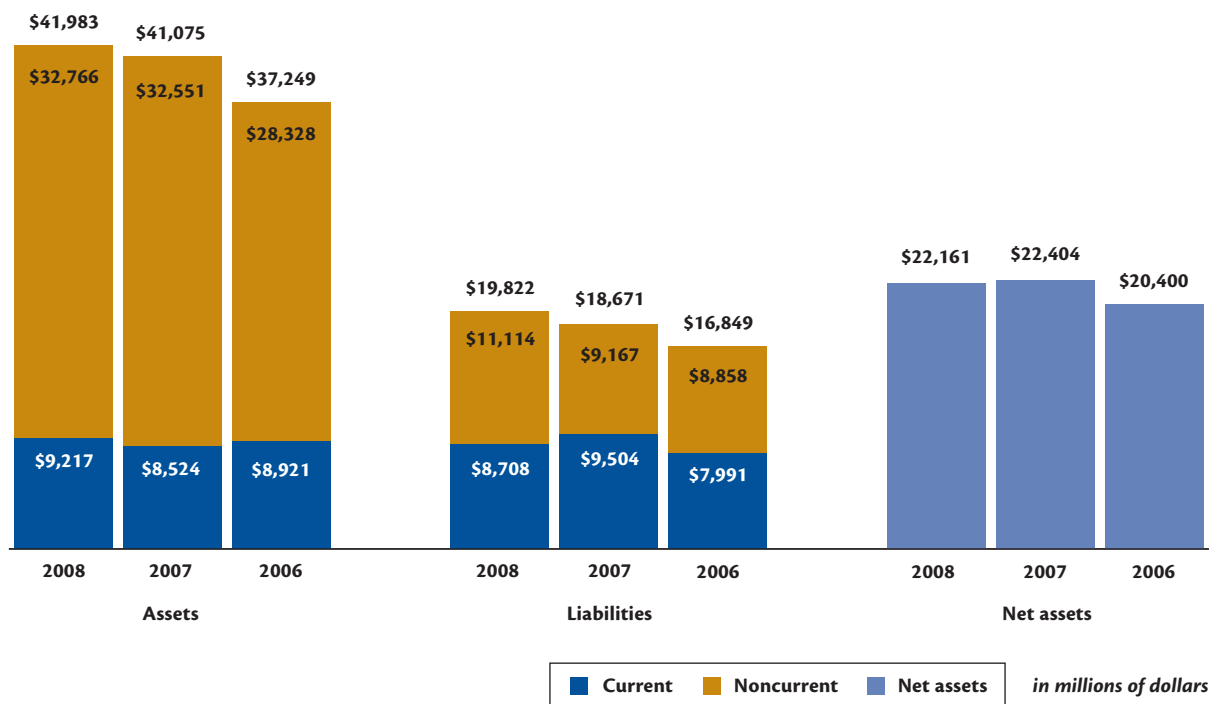
The University's financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB).

During 2008, the University adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement No. 45 requires accrual-based measurement, recognition and disclosure of other postemployment benefits expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability. The implementation of GASB Statement No. 45 resulted in an operating expense that decreased the University's changes in net assets and total net assets by \$1.36 billion for the year ended June 30, 2008, and increased the DOE receivable and obligation for retiree health benefits at June 30, 2008 by \$31 million and \$1.12 billion, respectively. There was no effect on the financial statements for year ended June 30, 2007.

The University also adopted GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, during the year ended June 30, 2008. Statement No. 52 requires endowments to report land and other real estate investments at fair value. Since the University previously reported its endowment real estate investments at fair value, the implementation of GASB Statement No. 52 had no effect on the University's net assets or changes in net assets for the years ended June 30, 2008 and 2007.

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.

The University's Financial Position



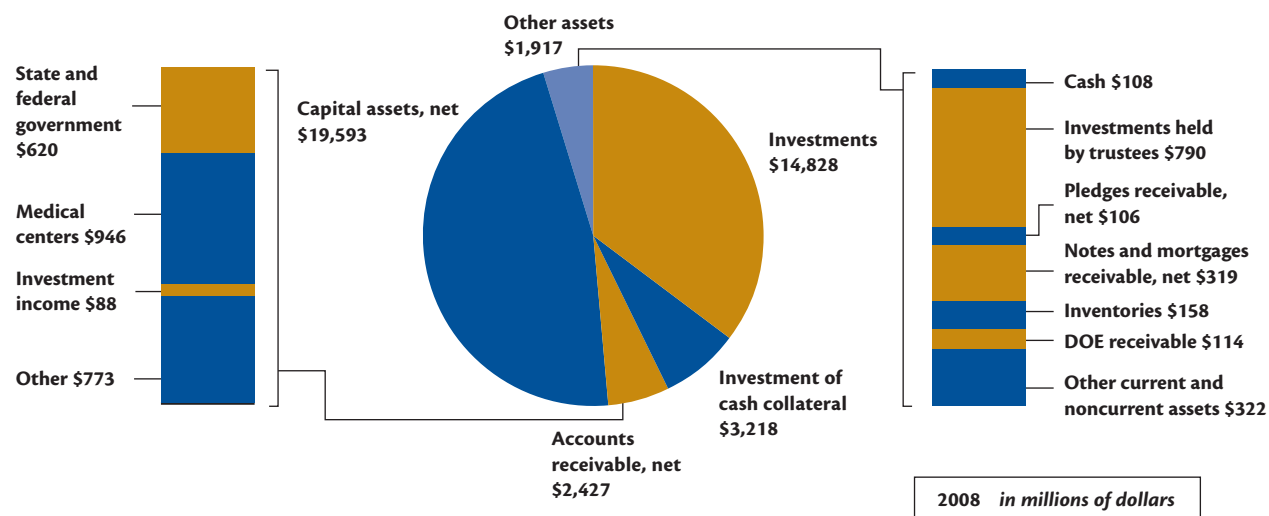
The statement of net assets presents the financial position of the University at the end of each year. It displays all of the University's assets and liabilities. The difference between assets and liabilities is net assets, representing a measure of the current financial condition of the University. At June 30, 2008, the University's assets were nearly \$42 billion, liabilities were nearly \$20 billion and net assets were over \$22 billion, a decrease of \$243 million from 2007. Net assets increased by \$2 billion at the end of 2007 from 2006.

The major components of the assets, liabilities and net assets as of 2008, 2007 and 2006 are as follows:

(in millions of dollars)

	2008	2007	2006
ASSETS			
Investments	\$ 14,828	\$ 14,210	\$ 13,244
Investment of cash collateral	3,218	4,554	3,455
Accounts receivable, net	2,427	2,146	1,955
Capital assets, net	19,593	18,105	16,665
Other assets	1,917	2,060	1,930
Total assets	41,983	41,075	37,249
LIABILITIES			
Debt, including commercial paper	10,025	9,364	8,876
Securities lending collateral	3,234	4,554	3,456
Obligations for retiree health benefits	1,119		
Other liabilities	5,444	4,753	4,517
Total liabilities	19,822	18,671	16,849
NET ASSETS			
Invested in capital assets, net of related debt	10,035	9,102	8,535
Restricted:			
Nonexpendable	952	920	873
Expendable	5,793	5,856	5,056
Unrestricted	5,381	6,526	5,936
Total net assets	\$22,161	\$22,404	\$20,400

The University's Assets



The University's total assets have grown to \$41.98 billion in 2008, compared to \$41.08 billion in 2007 and \$37.25 billion in 2006, primarily from increases in investments and capital assets.

Investments *(in millions of dollars)*



The University's investments totaled \$14.83 billion at the end of 2008, \$4.07 billion classified as a current asset and \$10.76 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. 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)

	2008	2007	2006
STIP	\$ 8,529	\$ 7,578	\$ 7,424
GEP	5,845	6,176	5,390
Other	454	456	430
University investments	\$14,828	\$14,210	\$13,244

Overall, investments increased by \$618 million in 2008. Investments in the STIP increased by \$951 million primarily due to \$547 million associated with the routine timing of cash collections and payments, particularly \$434 million in additional accrued payroll at June 30, 2008 since the July 1 payroll occurred on a weekday in 2008 and a weekend in 2007; \$360 million of STIP investment income; and \$44 million of net appreciation in the fair value of STIP investments held at the end of 2008. Investments in the GEP and other securities declined by \$333 million as a result of \$236 million of net depreciation in the fair value of investments; participant withdrawals of \$94 million; and \$210 million of annual income distributions to be used for operating purposes in 2009. The decrease in GEP and other securities was partially offset by \$172 million of investment income and new permanent endowments of \$35 million.

Investments in 2007 of \$14.21 billion grew from \$13.24 billion in 2006, an increase of \$966 million. 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 used for operating purposes in 2008.

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 2008 and 2007 was (1.5) percent and 19.8 percent, respectively. The investment return for the STIP distributed to participants during 2008 and 2007 was 4.7 percent for both years.

The financial markets, both domestically and internationally, are currently demonstrating significant volatility on a daily basis that affect the valuation of investments. As a result, the fair value of investments held by the University has declined subsequent to June 30, 2008. The Regents of the University of California utilizes asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and at acceptable levels of risk.

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 2008, the investment of cash collateral decreased from 2007 by \$1.34 billion in response to decreased demand from borrowers for certain classes of fixed income securities and decreased availability of certain of the University's equity securities resulting from asset allocation changes.

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.

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 \$281 million in 2008. Federal and state government receivables decreased by \$28 million primarily as a result of lower receivables attributable to state educational appropriations (\$25 million), pending reimbursements from the state for various construction projects (\$24 million) and federal grants and contracts receivables (\$8 million), partially offset by growth in receivables from state capital appropriations (\$19 million) and state grants and contracts (\$10 million). Medical center receivables grew by \$87 million corresponding to growth in patient revenue. Investment income receivables declined by \$10 million. Various other receivables collectively grew by \$232 million primarily due to the timing of clearing trades upon the sale of investments (\$90 million), additional private and local grants and contracts (\$38 million), educational activities generally related to physician practice plans (\$31 million), insurance rebates due from carriers (\$23 million) and securities litigation (\$35 million).

In 2007, accounts receivable increased by \$191 million from 2006. 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).

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

Capital assets include land, infrastructure, buildings and improvements, equipment, libraries, collections and construction in progress. Capital assets, net of accumulated depreciation, increased by \$1.49 billion to \$19.59 billion in 2008 and by \$1.44 billion to \$18.11 billion in 2007.

Capital asset activity consists of the following:

(in millions of dollars)

	2008	2007
Capital expenditures:		
Land and infrastructure	\$ 80	\$ 99
Buildings and improvements	2,720	1,171
Equipment	491	461
Libraries and special collections	154	146
Construction in progress, net	(836)	660
Capital expenditures	2,609	2,537
Depreciation and amortization expense	(1,094)	(1,049)
Asset disposals, net	(27)	(48)
Increase in capital assets, net	\$1,488	\$1,440

Capital spending continues 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. Capital spending increased by 2.8 percent in 2008 from 2007 levels. At the end of 2008, the cost of projects under construction decreased by \$836 million, generally as a result of over \$1.24 billion of health care facilities and equipment placed into service, primarily at UCLA. Construction in progress at the end of the year was \$3.0 billion, including \$1.66 billion for campus projects and \$1.34 billion for health care facilities.

Capital spending increased in 2007 by 17.5 percent and decreased in 2006 by 8.9 percent. Construction in progress was \$3.84 billion at the end of 2007 and \$3.18 billion at the end of 2006.

Accumulated depreciation and amortization was \$12.50 billion in 2008, \$11.71 billion in 2007 and \$10.98 billion in 2006. Depreciation and amortization expense was \$1.09 billion for 2008, \$1.05 billion for 2007 and \$997 million for 2006. 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)*

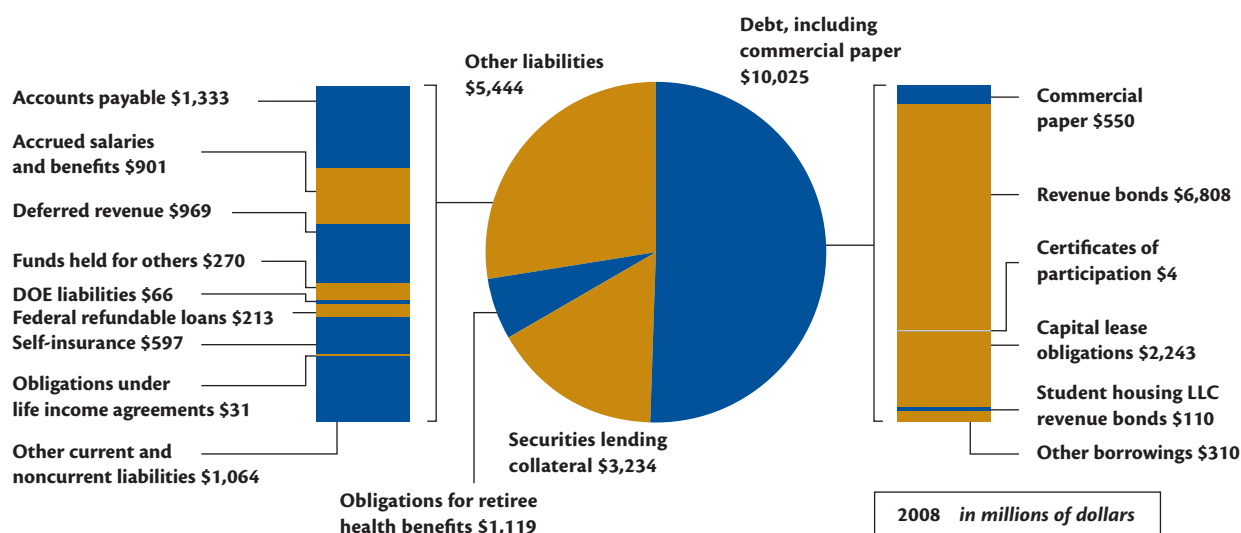
Other assets, including cash, investments held by trustees, pledges receivable, notes and mortgages receivable, inventories and a receivable from the DOE decreased by \$143 million in 2008.

Cash awaiting investment in the STIP was reduced by \$39 million. Investments held by trustees declined at the end of 2008 by \$3 million. Trustee-held investments associated with self-insurance programs grew by \$34 million as the contributions to the trusts were greater than claim payments made this year. However, trustee-held investments

associated with the proceeds from long-term debt to be used to finance capital projects under construction declined by \$37 million. Net collections of pledges were \$16 million. Overall receivables from the DOE dropped by \$124 million consisting of decreases in operating and employee liabilities due to the termination of the LLNL contract in 2008 (\$147 million) and collection of contributions to the UCRP for employees who formerly worked at LANL (\$17 million), although there were increases for the DOE's share of the obligation for retiree health benefits (\$31 million) and vendor and employee-related operating costs at LBNL (\$9 million). There were moderate increases in certain other areas, such as notes and mortgages receivable (\$16 million), inventories (\$15 million) and various other assets (\$8 million).

In 2007, other assets increased by \$130 million. Investments held by trustees grew at the end of 2007 by \$34 million, primarily trustee-held investments associated with self-insurance programs. 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.

The University's Liabilities



The University's liabilities grew to \$19.82 billion in 2008, compared to \$18.67 billion in 2007 and \$16.85 billion in 2006, principally as a result of debt issued to finance capital expenditures and obligations for retiree health benefits.

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 \$10.02 billion at the end of 2008, compared to \$9.36 billion at the end of 2007 and \$8.88 billion at the end of 2006.

Commercial paper is classified as a current liability. The current portion of long-term debt, excluding commercial paper, decreased to \$546 million in 2008 from \$630 million in 2007, primarily as a result of a \$101 million decrease 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 2008, the current portion of long-term debt still includes over \$102 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 \$661 million in 2008 and \$488 million in 2007. A summary of the activity follows:

<i>(in millions of dollars)</i>		
	2008	2007
ADDITIONS TO OUTSTANDING DEBT		
General Revenue Bonds	\$ 249	\$ 1,366
Limited Project Revenue Bonds	415	
Medical Center Pooled Revenue Bonds	520	537
Capital leases	361	473
Other borrowings	330	244
Bond premium, net	31	53
Additions to outstanding debt	1,906	2,673
REDUCTIONS TO OUTSTANDING DEBT		
Refinancing and prepayments	(870)	(1,844)
Scheduled principal payments	(286)	(270)
Payments on other borrowings	(74)	(34)
Other, including deferred financing costs, net	(15)	(37)
Reductions to outstanding debt	(1,245)	(2,185)
Net increase in outstanding debt	\$ 661	\$ 488

During 2008, additions to outstanding debt totaled \$1.91 billion, including net bond premiums of \$31 million.

General Revenue Bonds totaling \$249 million with a weighted average interest rate of 4.8 percent were issued in January 2008 to finance certain facilities and projects of the University. Proceeds, including a bond premium of \$12.7 million, are available to pay for project construction and issuance costs and repay interim financing incurred prior to the issuance of the bonds.

Limited Project Revenue Bonds totaling \$415 million with a weighted average interest rate of 5.0 percent were issued in October 2007 to finance certain auxiliary enterprises of the University. Proceeds, including a bond premium of \$18.0 million, are available to pay for project construction and issuance costs and repay interim financing incurred prior to the issuance of the bonds.

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 in July 2007 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 interest rate of 4.7 percent paid to the swap counterparty. These swap transactions did not result in any basis or tax risk to the University.

In April 2008, Medical Center Pooled Revenue Bonds totaling \$323 million with a weighted average interest rate of 4.9 percent were issued to refinance certain improvements to another of its medical centers. Proceeds, including a bond premium of \$10.6 million, were used to refund \$324 million of Medical Center Revenue Bonds and for a swap termination payment of \$7 million.

The University entered into a lease-purchase agreement with the state in April 2008, recorded as a capital lease, totaling \$303 million to finance the construction of certain University projects. 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 addition to lease-purchase agreements with the state, new capital lease obligations entered into during 2008 for equipment totaled \$59 million.

Other newly originated borrowings in 2008 totaled \$330 million, generally consisting of 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 2008 were \$1.25 billion, consisting of \$870 million for one-time principal payments for the refinancing or refunding of previously outstanding Medical Center Revenue Bonds (\$512 million), payments on interim loans from the state as lease revenue bonds were sold (\$206 million) and refinancing of previously outstanding bank loans (\$152 million); \$286 million for principal payments associated with scheduled debt service on revenue bonds, certificates of participation and capital lease obligations; and \$74 million for scheduled payments on other borrowings.

The University's counterparty in the interest rate swap agreement entered into in connection with Medical Center Pooled Revenue Bonds with a notional amount of \$189.8 million is Lehman Brothers Special Financing Inc. The guarantor is Lehman Brothers Holdings Inc. On September 14, 2008, Lehman Brothers Holdings Inc. filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. On October 3, 2008, Lehman Brothers Special Financing Inc. filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. The University is exploring various options, including terminating the existing swap agreement and substituting a new interest rate swap agreement with a new counterparty, to reduce the credit risk resulting from these bankruptcy filings and to provide funds to pay the cost of terminating the existing swap agreement.

The University's counterparty in the interest rate swap agreement entered into in connection with Medical Center Pooled Revenue Bonds with a notional amount of \$93.7 million is Merrill Lynch Capital Services, Inc. On September 15, 2008, Bank of America Corporation announced that it had agreed to acquire Merrill Lynch & Co. and that it expects the transaction to close in the first quarter of calendar year 2009, subject to shareholder and standard regulatory approvals.

The University's General Revenue Bond ratings are currently affirmed at Aa1 with a positive outlook by Moody's Investors Service and AA by Standard & Poor's with a stable outlook. The University's Limited Project Revenue Bonds and Medical Center Pooled Revenue Bonds are currently affirmed at Aa2 with a positive outlook by Moody's Investors Service and AA- by Standard & Poor's with a stable outlook.

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.

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, new capital lease obligations during 2007 for equipment totaled \$56 million.

Other newly originated borrowings in 2007 totaled \$244 million, generally 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, 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.

The state of California, through state financing appropriations, provided \$167 million and \$162 million in 2008 and 2007, respectively, of the University's debt service requirements, mainly under the terms of lease-purchase agreements.

Securities lending collateral *(in millions of dollars)*



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 dropped by \$1.32 billion in 2008 after increasing by \$1.10 billion in 2007. As previously discussed, the amount of the securities lending collateral liability fluctuates directly with securities lending opportunities and the investment of cash collateral.

Obligations for retiree health benefits *(in millions of dollars)*



The University has financial responsibility for the campuses' and medical centers' obligation for retiree health benefits. LBNL participates in the University's retiree health plans, although the DOE has an ongoing financial responsibility to reimburse the University for LBNL's share of the obligation for retiree health benefits.

Beginning in 2008, the University's obligation for retiree health benefits is based upon an actuarial determination of the annual retiree health benefit expense. Campus and medical center contributions during the year toward retiree health benefits, at rates determined by the University, reduce their share of the obligations for retiree health benefits. Contributions from the DOE to the University during the year reduce LBNL's share of the obligations for retiree health benefits.

Obligations for retiree health benefits attributable to campuses and medical centers and LBNL are as follows:

<i>(in millions of dollars)</i>	
	2008
Campuses and medical centers	\$ 1,088
LBNL	31
Obligations for retiree health benefits	\$1,119

A summary of the activity that resulted in the obligations for retiree health benefits follows:

(in millions of dollars)

	2008	
	Campuses and Medical Centers	LBNL
Retiree health benefit expense	\$ 1,356	\$ 44
Contributions, including implicit subsidy	(268)	(13)
Increase in obligation for retiree health benefits	\$1,088	\$ 31

The University recorded revenue and a receivable from the DOE of \$31 million in 2008 for LBNL's share of the increase in obligations for retiree health benefits.

Based upon the latest actuarial valuation as of the beginning of 2008, the actuarial accrued liability for campuses and medical centers and LBNL is as follows:

(in millions of dollars)

	2008
Campuses and medical centers	\$ 12,074
LBNL	460
Total actuarial accrued liability	\$12,534

The University funds the retiree health expense for campuses and medical centers through the UCRHBT based upon a projection of benefits on a pay-as-you-go basis. The UCRHBT's net assets were \$51 million in 2008.

At the end of 2008, the University recorded a receivable from the DOE of \$31 million toward LBNL's actuarial accrued liability. The receivable will increase over time in accordance with LBNL's share of the obligations for retiree health benefits.

Other liabilities *(in millions of dollars)*

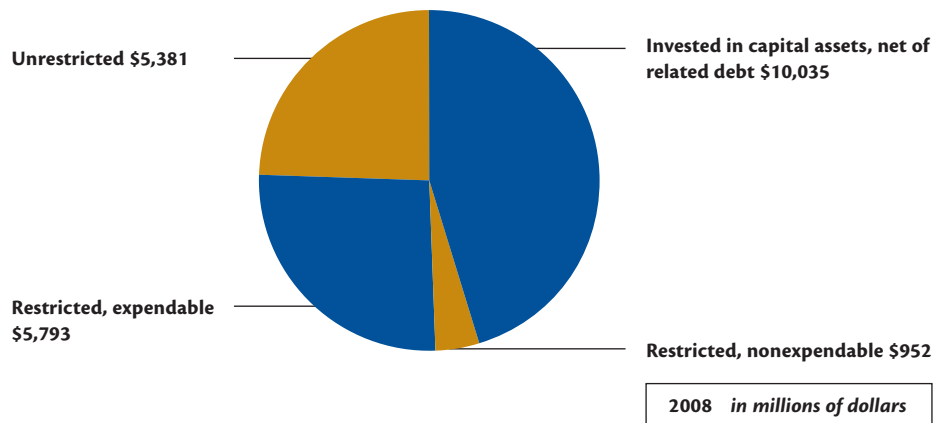


Other liabilities consist of accounts payable, accrued salaries, other employee benefits, deferred revenue, funds held for others, DOE laboratories' liabilities, federal refundable loans, self-insurance and obligations under life income agreements.

Other liabilities grew by \$691 million in 2008, generally as a result of increases in accrued salaries of \$435 million due to the July 1 payroll occurring on a weekday in 2008 and a weekend in 2007; deferred revenue related to grants and contracts of \$215 million; accounts payable of \$76 million, self-insurance liabilities of \$57 million; and \$71 million of other liabilities, primarily deposits, compensated absences and federal refundable loans. These increases were partially offset by reductions in DOE laboratories' liabilities of \$140 million for operating and employee liabilities related to the termination of the LLNL contract and other employee benefits of \$15 million.

In 2007, other liabilities grew by \$236 million, 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. A decrease in accounts payable of \$65 million partially offset the above. 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.

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 \$22.16 billion in 2008, compared to \$22.40 billion in 2007 and \$20.40 billion in 2006. 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 \$10.03 billion in 2008, compared to \$9.10 billion in 2007 and \$8.54 billion in 2006. The increase represents the University's continuing investment in its physical facilities in excess of the related financing and depreciation expense.

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)*

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 2008, net unrealized depreciation in the fair value of investments resulted in a \$268 million decline in the value of endowments and gifts. However, restricted expendable endowments, funds functioning as endowments and annuity and life income funds grew by \$77 million; restricted gifts and grants grew by \$63 million and other funds grew by \$65 million. 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.

Unrestricted *(in millions of dollars)*

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. Unrestricted net assets were reduced by the retiree health benefit expense totaling \$1.36 billion in 2008. 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 \$1.24 billion and \$1.29 billion in 2008 and 2007, 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.

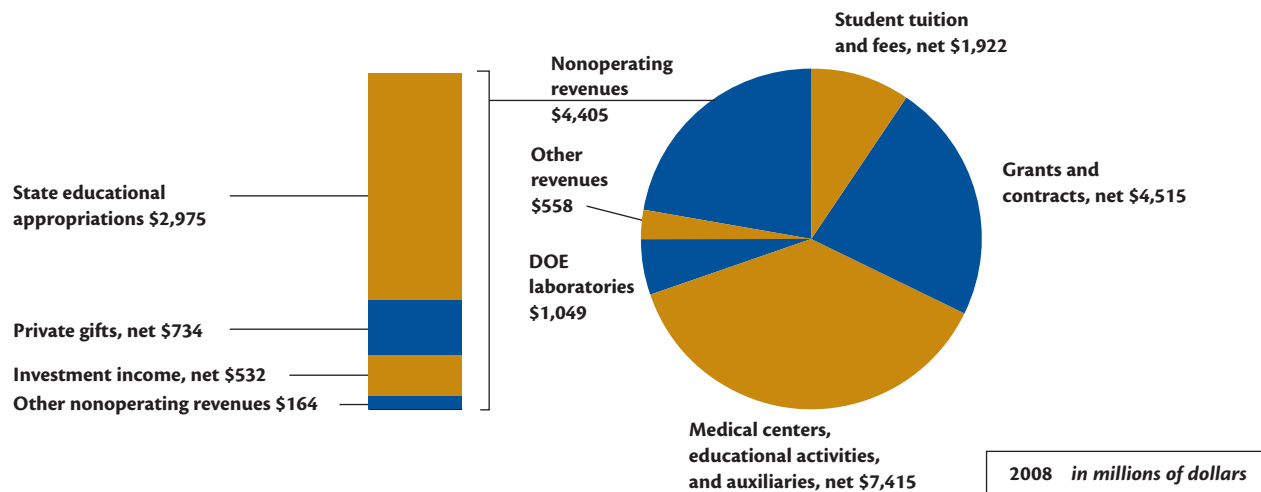
A summarized comparison of the operating results for 2008, 2007 and 2006, arranged in a format that matches the revenue supporting the core activities of the University with the expenses associated with core activities, is as follows:

(in millions of dollars)

	2008			2007			2006		
	OPERATING	NONOPERATING	TOTAL	OPERATING	NONOPERATING	TOTAL	OPERATING	NONOPERATING	TOTAL
REVENUES									
Student tuition and fees, net	\$ 1,922		\$ 1,922	\$ 1,738		\$ 1,738	\$ 1,663		\$ 1,663
State educational appropriations		\$ 2,975	2,975		\$ 2,793	2,793		\$ 2,573	2,573
Grants and contracts, net	4,515		4,515	4,316		4,316	4,145		4,145
Medical centers, educational activities and auxiliary enterprises, net	7,415		7,415	6,788		6,788	6,222		6,222
Department of Energy laboratories	1,049		1,049	2,188		2,188	4,232		4,232
Private gifts, net		734	734		681	681		624	624
Investment income, net		532	532		508	508		446	446
Other revenues	558	164	722	435	157	592	508	147	655
Revenues supporting core activities	15,459	4,405	19,864	15,465	4,139	19,604	16,770	3,790	20,560
EXPENSES									
Salaries and benefits	12,401		12,401	10,313		10,313	9,488		9,488
Scholarships and fellowships	428		428	401		401	358		358
Utilities	392		392	372		372	350		350
Supplies and materials	2,102		2,102	1,910		1,910	1,827		1,827
Depreciation and amortization	1,094		1,094	1,049		1,049	997		997
Department of Energy laboratories	1,039		1,039	2,170		2,170	4,198		4,198
Interest expense		400	400		385	385		347	347
Other expenses	2,708	25	2,733	2,509	(11)	2,498	2,299	20	2,319
Expenses associated with core activities	20,164	425	20,589	18,724	374	19,098	19,517	367	19,884
Income (loss) from core activities	\$ (4,705)	\$3,980	(725)	\$ (3,259)	\$3,765	506	\$ (2,747)	\$3,423	676
OTHER NONOPERATING ACTIVITIES									
Net (depreciation) appreciation in fair value of investments			(192)			949			315
Income (loss) before other changes in net assets			(917)			1,455			991
OTHER CHANGES IN NET ASSETS									
State capital appropriations			394			293			220
Capital gifts and grants, net			245			217			167
Permanent endowments			35			39			44
Increase (decrease) in net assets			(243)			2,004			1,422
NET ASSETS									
Beginning of year			22,404			20,400			18,978
End of year			\$22,161			\$22,404			\$20,400

Revenues Supporting Core Activities

Categories of both operating and nonoperating revenue that supported the University's core activities in 2008 are as follows:



Revenues to support the University's core activities, including those classified as nonoperating revenues, were \$19.86 billion, \$19.60 billion and \$20.56 billion in 2008, 2007 and 2006, respectively. These diversified sources of revenue increased in 2008 by \$260 million. Revenue growth in 2008 was tempered by the loss of \$1.14 billion of revenue from the termination of the University's direct contract with the DOE to manage LLNL. Revenues 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.

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 \$184 million and \$75 million in 2008 and 2007, respectively. Scholarship allowances were \$507 million in 2008, \$461 million in 2007 and \$436 million in 2006. The new fee revenue over the past several years has generally been necessitated by growth in the demand for resources that has outpaced 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 2008, enrollment grew by 2.7 percent. Resident undergraduate fees increased by 7 percent, graduate student fees by 7 percent and most professional school fees by between 7 and 10 percent. In addition to the resident student fees, nonresident undergraduate and graduate students pay tuition. Tuition increased by 5 percent for undergraduate 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. Nonresident undergraduate and graduate students tuition 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.

State educational appropriations *(in millions of dollars)*



Educational appropriations from the state of California of \$2.97 billion increased in 2008 by \$182 million. The last year that educational appropriations were above \$2.9 billion was 2003. After declining to \$2.46 billion in 2005, they gradually increased in prior years to \$2.57 billion in 2006 and \$2.79 billion in 2007.

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



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 \$779 million, \$743 million and \$712 million in 2008, 2007 and 2006, respectively—increased in both 2008 and 2007 as follows:

(in millions of dollars)

	2008	2007	2006
Federal	\$ 2,911	\$ 2,881	\$ 2,814
State	492	449	424
Private	912	804	744
Local	200	182	163
Grants and contracts net revenue	\$4,515	\$4,316	\$4,145

In 2008, federal grants and contracts revenue, including the federal facilities and administration cost recovery of \$602 million and direct expenditures of \$2.31 billion, grew by \$30 million, or 1.0 percent. This revenue represents support from a variety of federal agencies as indicated below:

(in millions of dollars)

	2008	2007	2006
Department of Health and Human Services	\$ 1,689	\$ 1,682	\$ 1,644
National Science Foundation	420	422	423
Department of Education	265	240	215
Department of Defense	174	164	163
National Aeronautics and Space Administration	82	84	101
Department of Energy (excluding national laboratories)	75	76	76
Other federal agencies	206	213	192
Federal grants and contracts net revenue	\$2,911	\$2,881	\$2,814

State grants and contracts revenue was up by \$43 million, or 9.6 percent. Although revenue from private grants and contracts at the campuses can be volatile from year to year, overall it rose by \$108 million (13.4 percent), due primarily to a growing number of awards. Local government grants and contracts revenue grew by \$18 million (9.9 percent).

In 2007, overall revenue from federal, state, private and local government grants and contracts increased by \$171 million, or 4.1 percent. Federal grants and contracts revenue grew by \$67 million, or 2.4 percent; state grants and contracts revenue increased by \$25 million, or 5.9 percent; private grants and contracts revenue grew by \$60 million, or 8.1 percent, and local government grants and contracts revenue grew by \$19 million, or 11.7 percent.

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



Revenue from medical centers, educational activities and auxiliary enterprises increased by \$627 million, or 9.2 percent, in 2008. In 2007, these revenues increased \$566 million, or 9.1 percent, from 2006. Revenues for each activity are as follows:

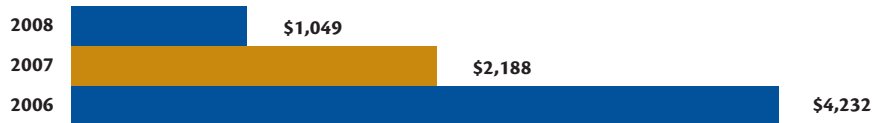
(in millions of dollars)

	2008	2007	2006
Medical centers, net	\$ 4,917	\$ 4,526	\$ 4,206
Educational activities, net	1,376	1,250	1,123
Auxiliary enterprises, net	1,122	1,012	893
Medical centers, educational activities and auxiliary enterprises revenues, net	\$7,415	\$6,788	\$6,222

Medical center revenue, net of allowances for doubtful accounts, increased by \$391 million and \$320 million in 2008 and 2007, 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 1.6 percent and 2.8 percent increase in patient days for 2008 and 2007, respectively; and outpatient visits grew by 4.3 percent and declined by 1.1 percent for 2008 and 2007, respectively.

Revenue from educational activities, primarily physicians' professional fees, net of allowances for doubtful accounts, grew by \$126 million in 2008, or 10.1 percent, and by \$127 million, or 11.3 percent, in 2007 and is generally associated with an expanded patient base and higher rates.

Revenue from auxiliary enterprises, net of scholarship allowances, grew by \$110 million in 2008, or 10.9 percent, and by \$119 million in 2007, or 13.3 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 \$127 million in 2008, \$119 million in 2007 and \$109 million in 2006.

DOE laboratories *(in millions of dollars)*

The national laboratories operate on federally financed budgets. Revenue in 2008, 2007 and 2006 is as follows:

(in millions of dollars)

	2008	2007	2006
Lawrence Berkeley National Laboratory	\$ 546	\$ 518	\$ 519
Lawrence Livermore National Laboratory	447	1,611	1,619
Los Alamos National Laboratory			2,029
DOE revenue related to pension benefits		17	
DOE revenue related to retiree health benefits	56	42	65
DOE laboratories revenue	\$1,049	\$2,188	\$4,232

At LBNL, revenue in 2008 increased in Physical Biosciences and Materials Sciences primarily to support the Joint BioEnergy Institute and Materials Sciences Molecular Foundry, respectively.

LLNL revenue was reported in the University's financial statements through September 30, 2007, the date the University's contract to directly manage and operate LLNL terminated. The contract transitioned to LLNS effective October 1, 2007. As a result, revenue comparisons for LLNL are affected by the partial year in 2008.

LANL revenue was reported in the University's financial statements through May 31, 2006, the date the University's contract to directly manage and operate LANL terminated. The contract transitioned to LANS effective June 1, 2006.

The DOE has an ongoing financial responsibility for all current and future pension benefit and retiree health expenses incurred at any of the national laboratories. The University recognizes the DOE's financial responsibility by recording DOE revenue to the extent there are any pension or retiree health expenses attributable to the DOE laboratories.

The University's equity in the current earnings of LANS and LLNS totaled \$25 million and \$16 million in 2008 and 2007, respectively, and is recorded as other operating revenue. A substantial portion of the earnings is available for research activities directed by the laboratories.

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

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 \$53 million in 2008. Grants from the campus foundations totaling \$528 million, recorded as private gifts by the University, increased by \$77 million and more than offset declines from other private sources. Private gifts in 2007 of \$681 million were substantially above the \$624 million in 2006.

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 \$1.01 billion in 2008, \$937 million in 2007 and \$835 million in 2006.

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



Investment income, principally consisting of \$348 million from the STIP and \$159 million from endowments invested in the GEP, increased in 2008 by \$24 million. Investment income from the STIP grew by \$8 million in 2008 and by \$38 million in 2007. The STIP return distributed to participants was 4.7 percent in both 2008 and 2007. Endowment income dropped by \$3 million in 2008 and grew by \$29 million in 2007. Securities lending income, net of fees and rebates, increased by \$19 million. A reduction in interest rates during the year resulted in lower levels of both gross income and rebates, although yields available from lending U.S. government fixed income securities were greater than in 2007.

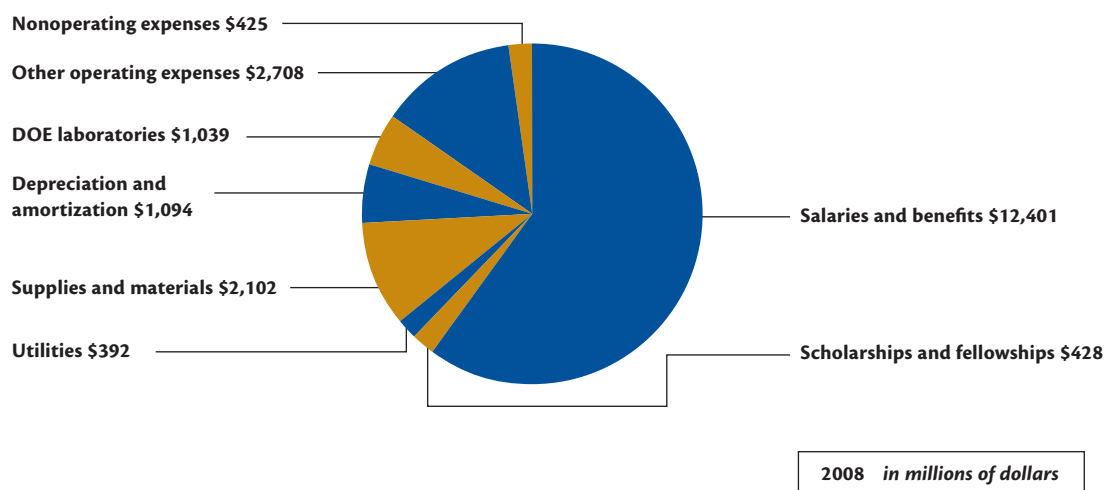
Other revenues *(in millions of dollars)*



Other revenues are from a variety of sources, including state financing appropriations and patent royalty income. Collectively, they grew by \$130 million in 2008 after having decreased by \$63 million in 2007. Patent royalty income grew in 2008 by nearly \$50 million. State financing appropriations grew by \$7 million and \$10 million in 2008 and 2007, respectively. Compensation to the University as a member of LANS and LLNS totaled \$25 million in 2008 and \$16 million in 2007.

Expenses Associated with Core Activities

Categories of both operating and nonoperating expenses related to the University's core activities in 2008 are as follows:



Expenses associated with the University's core activities, including those classified as nonoperating expenses, were \$20.59 billion, \$19.10 billion and \$19.88 billion in 2008, 2007 and 2006, respectively. Expenses increased in 2008 by \$1.49 billion. Major changes included retiree health benefit costs brought about by the implementation of GASB Statement No. 45 of \$1.36 billion that were partially offset by a \$1.13 billion reduction in DOE laboratory expenses from termination of the University's direct contract with the DOE to manage LLNL. 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.

Salaries and benefits *(in millions of dollars)*



Over 60 percent of the University's expenses are related to salaries and benefits. There are over 131,000 full time equivalent (FTE) employees in the University, excluding employees who are associated with LBNL whose salaries and benefits are included as laboratory expenses. FTE employees increased by approximately 4,200 in 2008 and over 50 percent 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 2008, 2007 and 2006 are as follows:

(in millions of dollars)

	2008	2007	2006
Salaries and wages	\$ 9,359	\$ 8,569	\$ 7,880
Pension benefits	3	6	
Retiree health benefits	1,355	175	146
Other employee benefits	1,684	1,563	1,462
Salaries and benefits	\$12,401	\$10,313	\$9,488

During 2008, overall salaries and benefits grew by \$2.09 billion from 2007, or 20.2 percent, primarily from a \$1.18 billion increase in retiree health costs resulting from a change in accounting principle and a \$278 million increase at the University's five medical centers where the growth was 12.1 percent.

Salaries and wages increased by \$790 million in 2008, or 9.2 percent, generally related to new academic and administrative employees necessary to directly support the increase in academic and research programs, as well as higher wages and costs associated with patient care activities.

The University's pension benefit expense is actuarially determined and independently calculated for the campuses and medical centers, separate from the DOE laboratories. Due to the funded status of the campus and medical center segment of the UCRP at July 1, 2007, the date of the latest actuarial valuation, pension benefit costs were not significant in 2008, 2007 or 2006.

Beginning in 2008, the University's retiree health benefit expense is also actuarially determined and independently calculated for the campus and medical centers, separate from LBNL. Retiree health benefit expense for the University's campuses and medical centers resulting from the implementation of GASB Statement No. 45 in 2008 was \$1.36 billion. Prior to 2008, retiree health benefit expenses were recognized as they were paid.

Other employee benefit costs in 2008 increased by \$121 million, or 7.7 percent. The most prevalent increases were in health insurance costs for active employees of \$59 million, the employer portion of payroll taxes of \$42 million and student fee remissions of \$14 million.

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. Retiree health benefit costs attributable to campuses and medical centers, recognized as they were paid, were \$175 million, an increase of \$29 million from 2006. Other benefit costs increased by \$101 million, or 6.9 percent. Increases in health insurance costs of \$70 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.

Scholarships and fellowships *(in millions of dollars)*



Scholarships and fellowships, representing payments of financial aid made directly to students and reported as an operating expense, were higher by \$27 million in 2008 than in 2007, an increase of 6.6 percent, and were higher by \$43 million in 2007 than in 2006, an increase of 12.0 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 2008 by \$54 million, or 9.2 percent, to \$641 million and increased in 2007 by 6.1 percent to \$587 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 \$1.07 billion in 2008 from \$988 million in 2007 and \$911 million in 2006, an increase of \$158 million over the past two years, or 17.3 percent.

Utilities *(in millions of dollars)*



Utility costs rose by \$20 million in 2008 and by \$22 million in 2007. Almost three-quarters of the University's utility costs are for electricity and natural gas. Electricity costs decreased by \$5 million in 2008, after growing by \$27 million in 2007. Natural gas costs increased by \$15 million in 2008, after dropping by \$2 million in 2007.

Supplies and materials *(in millions of dollars)*



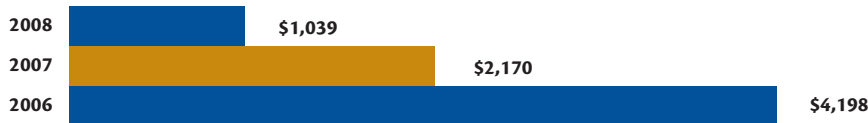
During 2008, supplies and materials costs increased by \$192 million, or 10.0 percent, and in 2007, by \$83 million, or 4.5 percent. During the past year, there has been inflationary pressure on the costs for medical supplies and laboratory instruments and higher costs for general supplies necessary to support expanded research activity and student enrollment.

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 \$1.09 billion in 2008 from \$1.05 billion in 2007 and \$997 million in 2006.

DOE laboratories *(in millions of dollars)*



DOE laboratory expenses in 2008, 2007 and 2006 are as follows:

(in millions of dollars)

	2008	2007	2006
Lawrence Berkeley National Laboratory	\$ 540	\$ 514	\$ 515
Lawrence Livermore National Laboratory	443	1,597	1,605
Los Alamos National Laboratory			2,013
DOE expense related to pension benefits		17	
DOE expense related to retiree health benefits	56	42	65
DOE laboratory expenses	\$1,039	\$2,170	\$4,198

DOE laboratories' expenses declined by \$1.13 billion in 2008 and declined by \$2.03 billion in 2007.

At LBNL, expenses, excluding pension and retiree health, grew by \$26 million. Salaries, along with employee benefits for active employees, are the predominant expenses, totaling \$229 million in 2008, an increase of \$14 million from 2007. Supplies and materials required for maintenance and seismic safety upgrades increased by \$23 million, although spending for equipment was \$11 million less in 2008.

LLNL operating expenses were reported in the University's financial statements through September 30, 2007, the date the University's contract to directly manage and operate LLNL terminated. The contract transitioned to LLNS effective October 1, 2007. As a result, expense comparisons for LLNL are affected by the partial year in 2008.

LANL operating expenses were reported in the University's financial statements through May 31, 2006, the date the University's contract to directly manage and operate LANL terminated. The contract transitioned to LANS effective June 1, 2006.

As discussed above, the University's pension benefit expense is actuarially determined and independently calculated for the DOE laboratories, separate from the campuses and medical centers. Due to the funded status of the DOE laboratory segment of the UCRP, there was no pension benefit expense attributable to the DOE laboratories in 2008 or 2006, although there was an expense in 2007 associated with employees who formerly worked at LANL.

Beginning in 2008, the University's retiree health benefit expense is also actuarially determined and independently calculated for LBNL, separate from the campuses and medical centers. LANL and LLNL do not participate in the University's retiree health plan subsequent to their contract termination dates. Retiree health benefit expense for the DOE laboratories in 2008 of \$56 million consists of \$44 million for LBNL resulting from the implementation of GASB Statement No. 45, and \$12 million for LLNL activity through September 30, 2007. Prior to 2008, retiree health benefit expenses were recognized as they were paid and included LLNL and LANL through their contract termination dates.

Interest expense *(in millions of dollars)*



Interest expense, reported as a nonoperating expense, increased by \$15 million in 2008 and by \$38 million in 2007. In addition to decreased capitalized interest in 2008 and 2007 of \$9 million and \$13 million, respectively, 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 any gain or loss on disposals of capital assets and other nonoperating expenses, increased by \$235 million in 2008 and \$179 million in 2007. In both 2008 and in 2007, there were increases across a variety of expense categories, including travel, rent, insurance, legal settlements and repairs and maintenance. However, improved management of professional liability insurance claims in 2008 and a non-recurring expense in 2007 resulted in lower costs by \$44 million. In addition, disposals and write-offs of capital assets resulted in a loss of \$16 million in 2008 compared to a gain of \$13 million in 2007. Typically, routine disposals result in a very slight gain or loss.

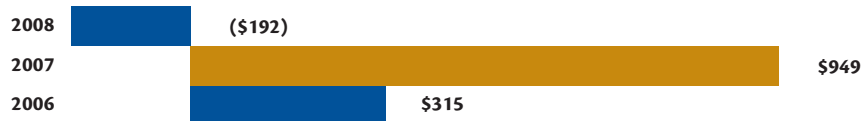
In accordance with the GASB's reporting standards, operating losses were \$4.71 billion in 2008, \$3.26 billion in 2007 and \$2.75 billion in 2006. The operating loss in 2008 increased significantly from 2007 and 2006 from the \$1.36 billion retiree health benefit expense that resulted from implementation of GASB Statement No. 45. The operating loss was partially offset in 2008 by \$3.98 billion of net revenue that is required by the GASB to be classified as nonoperating, but clearly supports core operating activities of the University. As a result, in 2008 expenses exceeded revenue available to support core activities by \$725 million.

In 2007 and 2006, operating losses were more than offset by \$3.77 billion and \$3.42 billion, respectively, of net nonoperating revenue. Therefore, revenue to support core activities exceeded the associated expenses by \$506 million in 2007 and \$676 million in 2006.

Other Nonoperating Activities

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

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



In 2008, the University recognized net depreciation in the fair value of investments of \$192 million compared to net appreciation of \$949 million during 2007 and \$315 million in 2006. Equity markets suffered losses in 2008, partially offset by an increase in the fair value of certain securities in the fixed-income portfolios. Conversely, in 2007 and 2006, equity markets delivered substantial gains, although as short-term interest rates rose over these two years the fair value of securities in the fixed-income portfolios declined.

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)*



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 \$101 million in 2008 and increased by \$73 million in 2007. Capital appropriations are from bond measures approved by the California voters.

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



Capital gifts and grants increased by \$28 million in 2008 and by \$50 million in 2007. Private capital gifts increased in 2008, offsetting reductions from federal and state sources. Significant Federal Emergency Management Agency (FEMA) grants, primarily for the replacement hospitals at UCLA, declined in 2008 as the projects approached completion. Grants from FEMA decreased by \$26 million in 2008 after increasing by \$7 million in 2007. In 2007, the University received \$30 million from the state for capital requirements to support patient care for children.

Permanent endowments *(in millions of dollars)*



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 \$215 million in 2008, \$210 million in 2007 and \$204 million in 2006.

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 2008, 2007 and 2006 is as follows:

(in millions of dollars)

	2008	2007	2006
Cash received from operations	\$ 14,438	\$ 13,100	\$ 12,454
Cash payments for operations	(16,385)	(15,299)	(14,655)
Net cash used by operating activities	(1,947)	(2,199)	(2,201)
Net cash provided by noncapital financing activities	3,708	3,472	3,221
Net cash used by capital and related financing activities	(1,453)	(1,721)	(772)
Net cash provided (used) by investing activities	(347)	393	(210)
Net increase (decrease) in cash	(39)	(55)	38
Cash, beginning of year	147	202	164
Cash, end of year	\$ 108	\$ 147	\$ 202

The University's cash in demand deposit accounts declined by \$39 million and \$55 million in 2008 and 2007, respectively, after increasing by \$38 million in 2006. Cash in demand deposit accounts is minimized by sweeping available cash balances into investment accounts on a daily basis.

Nearly \$1.95 billion of cash was used for operating activities in 2008, offset by \$3.71 billion of cash provided by noncapital financing activities, resulting in \$1.76 billion of cash before capital financing or investing activities. Similarly, in 2007, \$2.20 billion of cash was used for operating activities, offset by \$3.47 billion of cash provided by noncapital financing activities, resulting in \$1.28 billion of cash before 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. Taken together, these two categories of sources of cash were greater in 2008 than 2007 by a combined \$488 million.

Cash of \$1.45 billion and \$1.72 billion in 2008 and 2007, 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 2008, proceeds from the issuance of debt, net of the refinancing of previously outstanding debt, were higher than 2007 by \$204 million, state capital appropriations were greater by \$117 million and purchases of capital assets were only slightly greater than the prior year by \$14 million.

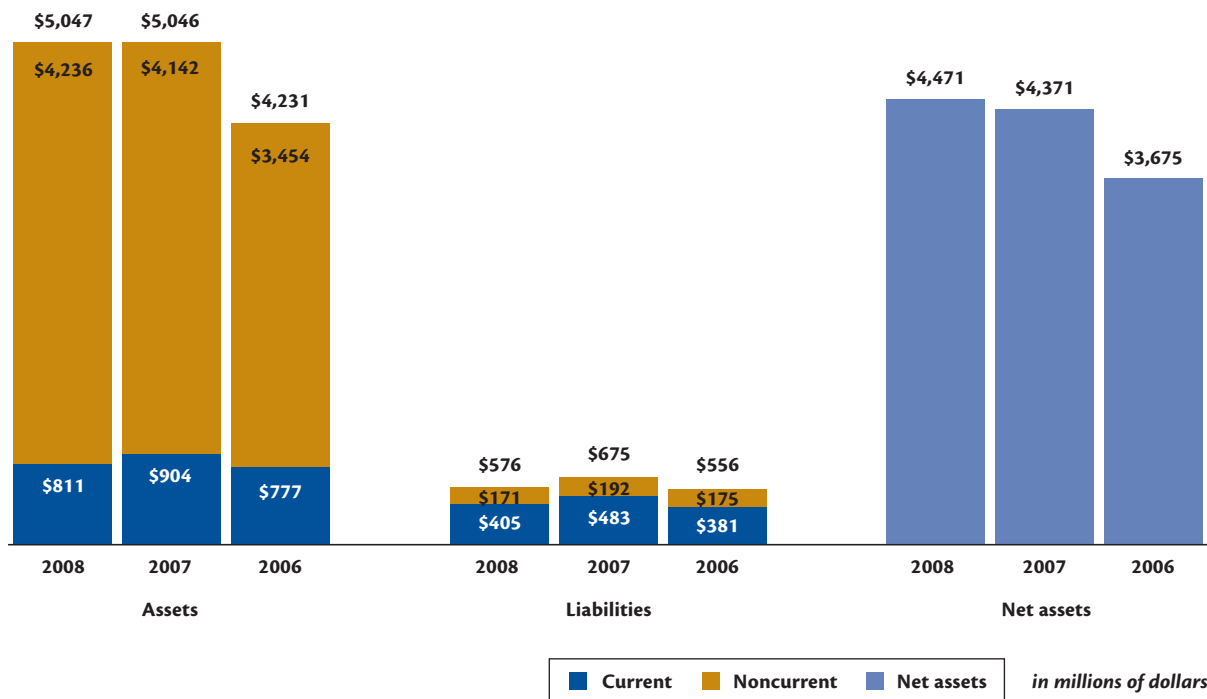
Cash used by investing activities totaled \$347 million in 2008 compared to cash provided in 2007 of \$393 million. The differences are the result of the routine timing of investment purchases that required \$791 million more cash in 2008 than 2007 and, to a lesser extent, greater investment income.

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 2008, 2007 and 2006 are as follows:

<i>(in millions of dollars)</i>			
	2008	2007	2006
ASSETS			
Investments	\$ 4,159	\$ 4,037	\$ 3,364
Investment of cash collateral	280	367	280
Pledges receivable, net	421	450	430
Other assets	187	192	157
Total assets	5,047	5,046	4,231
LIABILITIES			
Securities lending collateral	280	367	280
Obligations under life income agreements	181	181	163
Other liabilities	115	127	113
Total liabilities	576	675	556
NET ASSETS			
Restricted:			
Nonexpendable	1,916	1,728	1,527
Expendable	2,528	2,628	2,132
Unrestricted	27	15	16
Total net assets	\$4,471	\$4,371	\$3,675

Assets. Investments in 2008 grew by \$122 million. The significant changes were \$180 million of new permanent endowments, \$76 million of investment income and \$12 million of net cash receipts as cash receipts from gifts were greater than the foundations' grants to the University, partially offset by \$143 million of net depreciation in the fair value of investments.

Investments in 2007 grew by \$673 million, generally resulting from \$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.

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 \$1.03 billion and \$1.13 billion of the campus foundations' investments at the end of 2008 and 2007, respectively.

The financial markets, both domestically and internationally, are currently demonstrating significant volatility on a daily basis that affect the valuation of investments. As a result, the fair value of investments held by the campus foundations has declined subsequent to June 30, 2008. The Boards of Trustees for the campus foundations utilize asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and at acceptable levels of risk.

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. Two campus foundations participate directly in their own securities lending program. The investment of cash collateral and related securities lending liability allocated by the University to the campus foundations totaled \$199 million and \$320 million at the end of 2008 and 2007, respectively. The campus foundations with direct participation loaned securities for cash collateral of \$78 million and \$46 million at the end of 2008 and 2007, 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 \$421 million at the end of 2008, down slightly by \$29 million from last year. Pledges receivable were \$450 million in 2007, an increase of \$20 million from 2006.

Liabilities. Total campus foundations' liabilities were \$576 million in 2008 compared to \$675 million in 2007 and \$556 million in 2006. The \$99 million decrease in 2008 is primarily related to securities lending activity that dropped by \$87 million. Liabilities increased in 2007 primarily due to securities lending activity that grew by \$87 million.

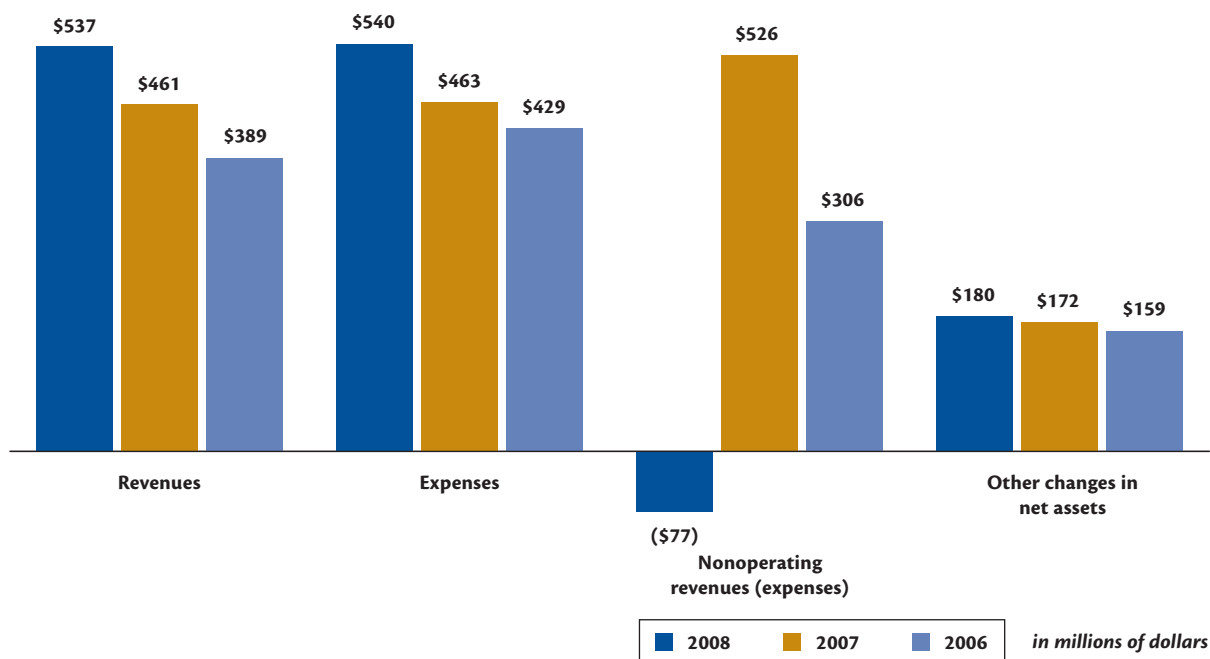
Net assets. Net assets are reported in certain categories based upon the nature of the restrictions on their use.

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 or depreciation in the fair value of investments were the primary reasons for the changes in value in 2008 and 2007.

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 2008, 2007 and 2006 is as follows:

(in millions of dollars)

	2008	2007	2006
OPERATING REVENUES			
Private gifts	\$ 534	\$ 458	\$ 388
Other revenues	3	3	1
Total operating revenues	537	461	389
OPERATING EXPENSES			
Grants to campuses	528	451	416
Other expenses	12	12	13
Total operating expenses	540	463	429
Operating loss	(3)	(2)	(40)
NONOPERATING REVENUES (EXPENSES)			
Investment income	76	79	69
Net appreciation (depreciation) in fair value of investments	(143)	451	234
Other nonoperating revenues (expenses)	(10)	(4)	3
(Loss) income before other changes in net assets	(80)	524	266
OTHER CHANGES IN NET ASSETS			
Permanent endowments	180	172	159
Increase in net assets	100	696	425
NET ASSETS			
Beginning of year	4,371	3,675	3,250
End of year	\$4,471	\$4,371	\$3,675

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 \$76 million and \$72 million in 2008 and 2007, 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 \$76 million was lower than \$79 million in 2007, although higher than \$69 million in 2006. Due to the performance of the financial markets in 2008 and 2007, the campus foundations' results include \$143 million of net depreciation in the fair value of investments in 2008 and \$451 million of net appreciation in the fair value of investments in 2007.

Other changes in net assets. Gifts of permanent endowments of \$180 million in 2008 grew by \$8 million from 2007 levels. In 2007, gifts of permanent endowments grew by \$13 million from 2006.

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 2008, 2007 and 2006 is as follows:

(in millions of dollars)

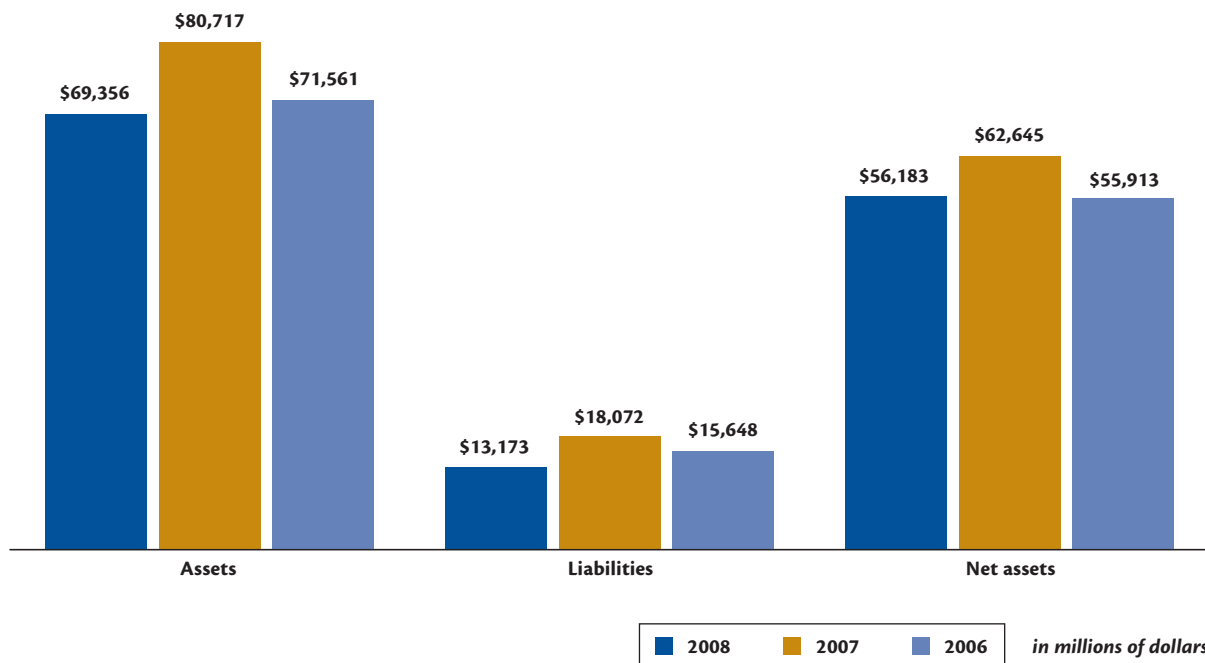
	2008	2007	2006
Cash received from private gifts	\$ 551	\$ 429	\$ 385
Cash payments for grants	(547)	(463)	(430)
Other cash receipts (payments), net	8	3	(3)
Net cash provided (used) by operating activities	12	(31)	(48)
Net cash provided by noncapital financing activities	163	163	141
Net cash used by investing activities	(186)	(96)	(47)
Net increase (decrease) in cash and cash equivalents	(11)	36	46
Cash and cash equivalents, beginning of year	162	126	80
Cash and cash equivalents, end of year	\$ 151	\$ 162	\$ 126

Cash and cash equivalents were \$151 million in 2008 compared to \$162 million in 2007, a decrease of \$11 million. In 2007, cash increased by \$36 million. Cash provided by operating activities was \$12 million in 2008 compared to cash used of \$31 million in 2007 due to the timing of 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. Cash used by investing activities totaled \$186 million in 2008 compared to \$96 million in 2007. The difference is the result of the routine timing of investment purchases.

THE UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM (The 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, 2008, the UCRS plans' assets were over \$69 billion, liabilities were over \$13 billion and net assets held in trust for pension benefits exceeded \$56 billion, a decrease of \$6.46 billion from 2007. Net assets increased in 2007 by \$6.73 billion from 2006.

The major components of the assets, liabilities and net assets available for pension benefits for 2008, 2007 and 2006 are as follows:

<i>(in millions of dollars)</i>			
	2008	2007	2006
ASSETS			
Investments	\$ 52,532	\$ 59,685	\$ 53,866
Participants' interest in external mutual funds	3,773	3,794	3,019
Investment of cash collateral	12,162	16,884	13,993
Other assets	889	354	683
Total assets	69,356	80,717	71,561
LIABILITIES			
Securities lending collateral	12,224	16,885	13,994
Other liabilities	949	1,187	1,654
Total liabilities	13,173	18,072	15,648
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Members' defined benefit plan benefits	42,099	48,192	43,440
Participants' defined contribution plan benefits	14,084	14,453	12,473
Total net assets held in trust for pension benefits	\$56,183	\$62,645	\$55,913

Assets. UCRS investments, including participants' interest in external mutual funds, totaled \$56.31 billion at the end of 2008 compared to \$63.48 billion at the end of 2007, a decrease of \$7.17 billion, including the net effect at the end of the year of security purchases and sales yet to be settled of \$928 million. The decrease, excluding the effect of future settlements of security purchases and sales, was generally a result of \$1.04 billion in contributions to the UCRS and \$1.89 billion in net investment earnings that were more than offset by benefit payments and participant withdrawals of \$2.80 billion, \$4.98 billion of net depreciation in the fair value of investments and a transfer of UCRP assets to the LLNS defined benefit plan of \$1.57 billion.

In 2007, UCRS investments, including participants' interest in external mutual funds, increased by \$6.59 billion, including the net effect at the end of the year of security purchases or sales yet to be settled of \$141 million. The increase, excluding the effect of future settlements of security purchases and sales, was primarily 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.

During 2008, participants' interest in external mutual funds, representing defined contribution plan contributions to certain external mutual funds on a custodial plan basis, dropped by \$21 million to \$3.77 billion primarily through a combination of \$299 million of participant contributions and \$153 million transferred from University-managed investments, partially offset by \$184 million of investment earnings and depreciation in the fair value of investments and \$289 million of participant withdrawals. In 2007, participants' interest in external mutual funds 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.

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 decreased in 2008 by 28 percent after having increased in 2007 by 21 percent. As with the University, there was decreased demand from borrowers for certain classes of fixed income securities and decreased availability of certain of the UCRS' equity securities resulting from asset allocation changes from publicly traded equity securities to alternative investments.

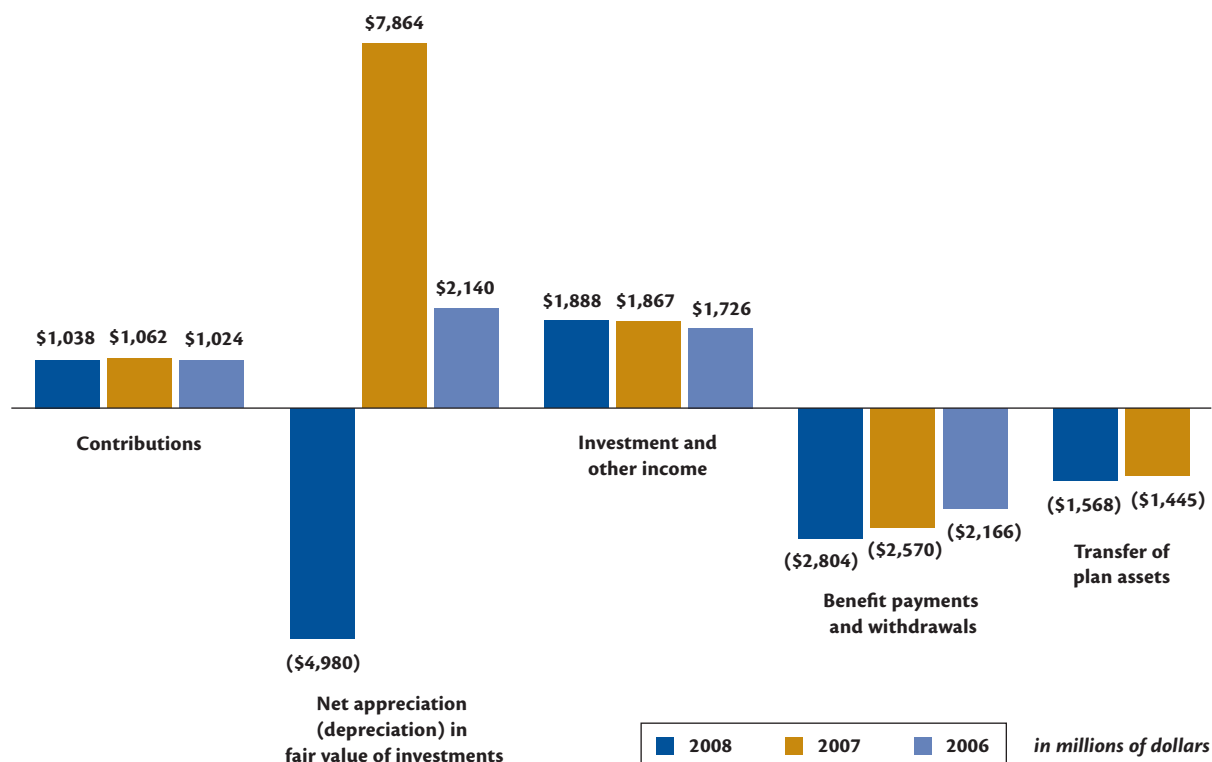
The financial markets, both domestically and internationally, are currently demonstrating significant volatility on a daily basis that affect the valuation of investments. As a result, the fair value of investments held by the UCRS has declined subsequent to June 30, 2008. The Regents of the University of California utilizes asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and at acceptable levels of risk.

Liabilities. Total UCRS liabilities were \$13.17 billion in 2008 compared to \$18.07 billion in 2007. Over \$4.66 billion of the decrease results from the securities lending program, with the remainder a result of liabilities for security purchases to be settled after year-end.

Net assets. As of June 30, 2008, a total of \$42.10 billion of the net assets are dedicated to the UCRP members' defined benefit plan benefits and over \$14.08 billion are associated with participants' tax deferred, defined contribution plan benefits. As of July 1, 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 July 1, 2006. Given the investment return in 2008, it is likely that the funded ratio will decline when the July 1, 2008 actuarial valuation becomes available.

While all assets of the UCRP are available to pay any member's benefits, 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 July 1, 2007, the funded ratio for the campus and medical center segment was 105.2 percent compared to 105.6 percent as of July 1, 2006. For the DOE national laboratory segment, as of July 1, 2007 the funded ratio was 103.5 percent compared to 100.1 percent as of July 1, 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 2008, 2007 and 2006 is as follows:

(in millions of dollars)

	2008	2007	2006
ADDITIONS (REDUCTIONS)			
Contributions	\$ 1,038	\$ 1,062	\$ 1,024
Net appreciation (depreciation) in fair value of investments	(4,980)	7,864	2,140
Investment and other income, net	1,888	1,867	1,726
Total additions (reductions)	(2,054)	10,793	4,890
DEDUCTIONS			
Benefit payments and participant withdrawals	2,804	2,570	2,166
Plan expenses	36	46	42
Transfer of assets to the LANS defined benefit plan		1,445	
Transfer of assets to the LLNS defined benefit plan	1,568		
Total deductions	4,408	4,061	2,208
Increase (decrease) in net assets held in trust for pension benefits	\$(6,462)	\$ 6,732	\$2,682

Contributions. Contributions in 2008 decreased by \$24 million after increasing in 2007 by \$38 million. The majority of contributions, nearly \$1.04 billion in 2008, are made by participants into the defined contribution plans that included \$8 million and \$13 million of University contributions in 2008 and 2007, 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. 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 (depreciation) appreciation in fair value of investments. The UCRS recognized net depreciation in the fair value of investments of \$4.98 billion during 2008 compared to \$7.86 billion net appreciation in the fair value of investments during 2007.

The overall investment loss based upon unit values for the UCRS was (5.0) percent in 2008 compared to an investment gain of 17.7 percent in 2007.

Investment and other income. Investment and other income in 2008 of \$1.89 billion increased by \$21 million, or 1.1 percent. Similarly, investment and other income in 2007 of \$1.87 billion increased by \$141 million, or 8.2 percent. Short-term interest rates declined in 2008 after rising in 2007 and 2006. Securities lending investment income, net of fees and rebates, increased to \$97 million in 2008 from \$32 million in 2007. A reduction in interest rates during the year resulted in lower levels of both gross income and rebates, although yields available from lending U.S. government fixed income securities were greater than in 2007.

Benefit payments and withdrawals. Benefit payments and participant withdrawals were \$234 million higher in 2008 than in 2007 and \$404 million higher in 2007 than in 2006. Payments from the UCRP and PERS-VERIP to retirees increased by \$154 million and \$175 million in 2008 and 2007, respectively, due to a growing number of retirees receiving payments and cost-of-living adjustments and member withdrawals. At the beginning of 2008, there were 47,600 retirees and beneficiaries receiving payments compared to 45,400 at the beginning of 2007. In addition, elections of lump sum cash-outs of the UCRP and participant withdrawals from the Retirement Savings Plans grew by \$80 million and \$229 million in 2008 and 2007, respectively. In 2008 and 2007, participant withdrawals from the Retirement Savings Plans were affected by former employees at LLNL and LANL transitioning from the University to LLNS and LANS.

Transfer of assets to LLNS’ and LANS’ defined benefit plans. With the selection of LLNS as the successor contractor to the University for the management of LLNL effective October 1, 2007, assets and liabilities attributable to the UCRP benefits of the approximately 3,900 LLNL employees who accepted employment with LLNS and elected to participate in the defined benefit plan established by LLNS were transferred to the LLNS defined benefit plan. The market value of assets transferred as of March 31, 2008 to the LLNS defined benefit plan associated with the transitioning employees who are not retained in the UCRP was \$1.57 billion.

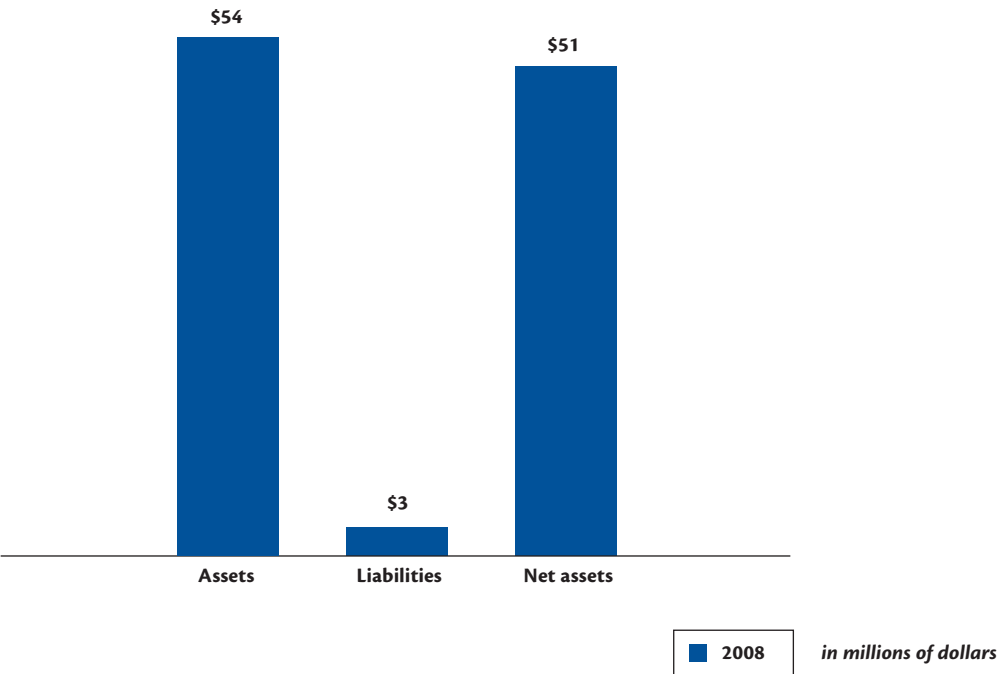
With the selection of LANS as the successor contractor to the University for the management of LANL effective June 1, 2006, assets and liabilities attributable to the UCRP benefits of the approximately 6,500 LANL employees who accepted employment with LANS and elected to participate in the defined benefit 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 2008 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 and Benefits, Post Office Box 24570, Oakland, California 94623.

THE UNIVERSITY OF CALIFORNIA RETIREE HEALTH BENEFIT TRUST (The UCRHBT)

The UCRHBT was established July 1, 2007 to allow certain University locations—primarily campuses and medical centers—that share the risks, rewards and costs of providing for retiree health benefits to fund such benefits on a cost-sharing basis and accumulate funds on a tax-exempt basis under an arrangement segregated from University assets. The University contributes toward retiree medical and dental benefits, although it does not contribute toward the cost of other benefits available to retirees. The DOE laboratories do not participate in the UCRHBT, therefore the DOE has no interest in the Trust’s assets.

The UCRHBT’s Financial Position



The statement of plan's fiduciary net assets presents the financial position of the UCRHBT at the end of the fiscal year. It displays all of the UCRHBT's assets, liabilities and net assets. The difference between assets and liabilities are the net assets held in trust for retiree health benefits. These represent amounts available to provide retiree health benefits to its participants. At June 30, 2008, the UCRHBT's assets were \$54 million, liabilities were \$3 million and net assets held in trust for retiree health benefits were \$51 million.

The major components of the assets, liabilities and net assets available for retiree health benefits for 2008 are as follows:

<i>(in millions of dollars)</i>	
	2008
ASSETS	
Investments	\$ 20
Other assets	34
Total assets	54
LIABILITIES	
Total liabilities	3
NET ASSETS HELD IN TRUST FOR RETIREE HEALTH BENEFITS	
Total net assets held in trust for retiree health benefits	\$51

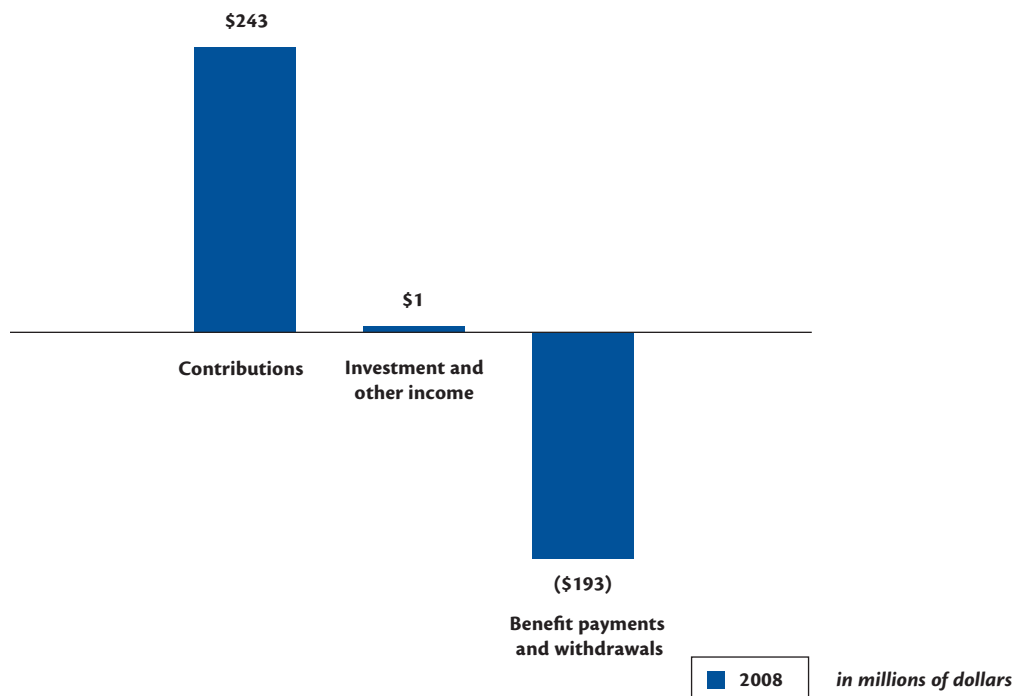
Assets. UCRHBT investments totaling \$20 million in 2008 are restricted to a portfolio of high-quality money market instruments in a commingled fund. Other assets consist of receivables, primarily contributions from the University of \$15 million and rebates from insurance carriers of \$4 million, and prepaid insurance premiums of \$15 million.

Liabilities. UCRHBT liabilities were \$3 million in 2008 and consist of insurance premiums and claims and administrative expenses payable to the University.

Net assets. Net assets of \$51 million are for the exclusive purpose of providing retiree health benefits pursuant to the University's plan to participants and beneficiaries who retired from a campus or medical center, and defraying the reasonable expenses associated with providing such benefits.

The retiree benefits provided under the University's plan and any liabilities related to the future funding requirements for the retiree benefits are reported by the University. The actuarial accrued liability associated with the participants and beneficiaries who retired from a campus or medical center at July 1, 2007, the date of the latest actuarial valuation, was over \$12.07 billion. Contributions made to the UCRHBT toward retiree health benefits, at rates determined by the University, reduce the unfunded actuarial accrued liability.

The UCRHBT's Results of Operations



The statement of changes in plan's fiduciary net assets is a presentation of the UCRHBT's operating results. It indicates whether the financial condition has improved or deteriorated during the year. Summarized operating results for 2008 are as follows:

(in millions of dollars)

	2008
ADDITIONS	
Contributions	\$ 243
Investment income	1
Total additions	244
DEDUCTIONS	
Insurance premiums and payments	191
Plan expenses	2
Total deductions	193
Increase in net assets held in trust for retiree health benefits	\$ 51

Contributions. Contributions in 2008 totaled \$243 million. The University provided a one-time contribution of \$20 million on July 1, 2007 in order to provide initial cash for working capital purposes. Campuses and medical centers contributed \$206 million during the year based upon projected pay-as-you-go financing, and retirees from campuses and medical centers contributed \$17 million.

Investment income. Investment income consists of interest income of \$1 million. The overall investment return was 4.3 percent for the year.

Insurance premiums and payments. Insurance premiums and payments were \$191 million in 2008, including \$4 million of insurance rebates from carriers.

Plan expenses. The University acts as a third-party administrative agent on behalf of the UCRHBT to pay health care insurers and administrators amounts currently due. The UCRHBT paid the University \$2 million in 2008 for the cost of providing these services.

Additional information on the retiree health benefit plan can be obtained from the 2008 annual reports of the University of California Health and Welfare Plan by writing to the University of California, Office of the President, Human Resources and Benefits, Post Office Box 24570, Oakland, California 94623.

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 have been 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. Four 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 was to address fundamental financial support, enrollment, student fees and other key program elements for 2007 through 2011 and to provide 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 committed to focus its resources to address long-term accountability goals for enrollment, student fees, financial aid and program quality, among other areas. The state's support of the University in 2009 is less than anticipated under the Compact and roughly equivalent to the 2008 levels. Unless the state's economy and fiscal condition improve, state support for the University in 2010 may also be limited.

In 2009, resident undergraduate fees, graduate student fees and most professional school fees will increase by approximately 7 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 bipartisan 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 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 2009 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.

Currently, the University does not pre-fund retiree health benefits and provides for benefits on a pay-as-you-go basis. Long-term strategic policy issues, such as pre-funding, will be considered in the future. If pre-funding occurs in the future, the UCRHBT will be the entity that holds the assets.

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. It is anticipated that contributions will need to resume soon through a multi-year strategy under which shared employer and employee contributions will increase gradually over time based upon UCRP's current normal cost of approximately 16 percent of covered compensation. The Regents has not yet authorized the initial resumption of contributions.

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. 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 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. The state budget also includes an additional \$204 million in lease-revenue bond financing to support a variety of campus projects. 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.

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, 2008 AND 2007 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2008	2007	2008	2007
ASSETS				
Cash and cash equivalents	\$ 108,016	\$ 147,209	\$ 150,660	\$ 161,543
Short-term investments	4,068,848	2,574,989	346,492	376,666
Investment of cash collateral	2,096,106	3,042,293	210,224	261,084
Investments held by trustees	55,345	41,937		
Accounts receivable, net	2,426,507	2,145,559	12,343	5,893
Pledges receivable, net	55,759	56,418	88,942	94,939
Current portion of notes and mortgages receivable, net	32,206	28,242	32	42
Inventories	157,920	143,254		
Department of Energy receivable	82,552	210,162		
Other current assets	133,328	134,688	2,370	4,120
Current assets	9,216,587	8,524,751	811,063	904,287
Investments	10,759,175	11,635,046	3,812,419	3,659,823
Investment of cash collateral	1,121,617	1,511,546	69,453	106,069
Investments held by trustees	735,104	751,798		
Pledges receivable, net	50,399	65,637	331,803	355,403
Notes and mortgages receivable, net	287,107	275,457	502	551
Department of Energy receivable	31,494	27,080		
Capital assets, net	19,593,214	18,105,332		
Other noncurrent assets	188,104	178,802	21,523	19,911
Noncurrent assets	32,766,214	32,550,698	4,235,700	4,141,757
Total assets	41,982,801	41,075,449	5,046,763	5,046,044
LIABILITIES				
Accounts payable	1,332,914	1,257,402	8,087	8,745
Accrued salaries	705,354	269,937		
Employee benefits	195,385	205,158		
Deferred revenue	968,686	754,158		1,551
Collateral held for securities lending	3,233,514	4,553,954	279,677	367,153
Commercial paper	550,000	550,000		
Current portion of long-term debt	546,461	629,713		
Funds held for others	270,118	276,945	92,584	80,559
Department of Energy laboratories' liabilities	66,374	178,899		
Other current liabilities	838,953	828,365	24,539	24,946
Current liabilities	8,707,759	9,504,531	404,887	482,954
Federal refundable loans	212,715	196,119		
Self-insurance	449,347	402,857		
Obligations under life income agreements	31,074	31,962	156,911	157,107
Long-term debt	8,928,521	8,184,017		
Obligations for retiree health benefits	1,118,754			
Other noncurrent liabilities	373,846	351,783	14,134	34,488
Noncurrent liabilities	11,114,257	9,166,738	171,045	191,595
Total liabilities	19,822,016	18,671,269	575,932	674,549
NET ASSETS				
Invested in capital assets, net of related debt	10,034,663	9,101,981		
Restricted:				
Nonexpendable:				
Endowments and gifts	952,502	920,329	1,915,829	1,727,602
Expendable:				
Endowments and gifts	5,340,738	5,457,743	2,527,896	2,628,262
Other, including debt service, loans, capital projects and appropriations	452,346	397,698		
Unrestricted	5,380,536	6,526,429	27,106	15,631
Total net assets	\$22,160,785	\$22,404,180	\$4,470,831	\$4,371,495

See accompanying Notes to Financial Statements

UNIVERSITY OF CALIFORNIA

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2008 AND 2007 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2008	2007	2008	2007
OPERATING REVENUES				
Student tuition and fees, net	\$ 1,921,918	\$ 1,737,597		
Grants and contracts, net				
Federal	2,910,560	2,881,396		
State	492,076	448,922		
Private	912,409	803,559		
Local	199,821	181,718		
Medical centers, net	4,917,235	4,526,355		
Educational activities, net	1,375,961	1,249,668		
Auxiliary enterprises, net	1,122,295	1,012,266		
Department of Energy laboratories	1,048,580	2,188,475		
Campus foundation private gifts			\$ 533,548	\$ 457,814
Other operating revenues, net	558,044	435,273	2,942	3,803
Total operating revenues	15,458,899	15,465,229	536,490	461,617
OPERATING EXPENSES				
Salaries and wages	9,359,064	8,569,207		
Retiree health benefits	1,355,362	174,521		
Other employee benefits	1,686,952	1,569,514		
Scholarships and fellowships	427,588	401,153		
Utilities	391,966	371,661		
Supplies and materials	2,101,594	1,909,814		
Depreciation and amortization	1,093,620	1,049,008		
Department of Energy laboratories	1,039,330	2,169,750		
Campus foundation grants			527,572	451,290
Other operating expenses	2,708,291	2,509,081	12,084	12,049
Total operating expenses	20,163,767	18,723,709	539,656	463,339
Operating loss	(4,704,868)	(3,258,480)	(3,166)	(1,722)
NONOPERATING REVENUES (EXPENSES)				
State educational appropriations	2,974,575	2,793,235		
State financing appropriations	163,794	156,899		
Private gifts, net	733,966	681,277		
Investment income:				
Short Term Investment Pool and other, net	348,029	339,528		
Endowment, net	159,220	161,909		
Securities lending, net	25,236	6,338	1,833	565
Campus foundations			76,008	78,825
Net appreciation(depreciation) in fair value of investments	(191,887)	948,887	(142,807)	450,633
Interest expense	(400,369)	(385,201)		
Gain (loss) on disposal of capital assets	(15,803)	12,664		
Other nonoperating expenses, net	(9,252)	(1,555)	(11,740)	(3,382)
Net nonoperating revenues (expenses)	3,787,509	4,713,981	(76,706)	526,641
Income (loss) before other changes in net assets	(917,359)	1,455,501	(79,872)	524,919
OTHER CHANGES IN NET ASSETS				
State capital appropriations	393,964	293,358		
Capital gifts and grants, net	245,305	216,783		
Permanent endowments	34,695	38,515	179,208	171,707
Increase (decrease) in net assets	(243,395)	2,004,157	99,336	696,626
NET ASSETS				
Beginning of year	22,404,180	20,400,023	4,371,495	3,674,869
End of year	\$22,160,785	\$22,404,180	\$4,470,831	\$4,371,495

See accompanying Notes to Financial Statements

UNIVERSITY OF CALIFORNIA
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2008 AND 2007 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2008	2007	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES				
Student tuition and fees	\$ 1,916,970	\$ 1,737,847		
Grants and contracts	4,701,366	4,276,529		
Medical centers	4,830,034	4,446,937		
Educational activities	1,344,471	1,243,164		
Auxiliary enterprises	1,130,832	1,010,263		
Collection of loans from students and employees	47,675	58,818		
Campus foundation private gifts			\$ 550,625	\$ 429,131
Payments to employees	(8,882,119)	(8,520,200)		
Payments to suppliers and utilities	(5,020,301)	(4,606,013)		
Payments for retiree health benefits	(234,413)	(215,939)		
Payments for other employee benefits	(1,759,611)	(1,487,113)		
Payments for scholarships and fellowships	(427,558)	(400,836)		
Loans issued to students and employees	(61,421)	(68,525)		
Payments to campuses and beneficiaries			(546,557)	(463,439)
Other receipts	466,665	326,174	8,191	3,110
Net cash provided (used) by operating activities	(1,947,410)	(2,198,894)	12,259	(31,198)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State educational appropriations	2,981,254	2,798,516		
Gifts received for other than capital purposes:				
Private gifts for endowment purposes	32,480	38,259	160,528	157,174
Other private gifts	702,648	644,670		
Receipt of retiree health contributions from UCRP	16,952			
Payment of retiree health contributions to UCRHBT	(15,569)			
Receipts from UCRHBT	209,363			
Payments for retiree health benefits made on behalf of UCRHBT	(205,127)			
Student direct lending receipts	508,169	468,180		
Student direct lending payments	(508,169)	(468,180)		
Other receipts (payments)	(13,831)	(9,182)	2,832	5,877
Net cash provided by noncapital financing activities	3,708,170	3,472,263	163,360	163,051
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Commercial paper financing:				
Proceeds from issuance	527,807	127,405		
Payments of principal	(527,807)	(127,405)		
Interest paid	(18,674)	(21,150)		
State capital appropriations	394,026	277,130		
State financing appropriations	3,392	2,483		
Capital gifts and grants	176,540	164,692		
Proceeds from debt issuance	1,684,326	2,294,416		
Proceeds from the sale of capital assets	9,057	59,717		
Proceeds from insurance recoveries		935		
Purchase of capital assets	(2,440,692)	(2,426,740)		
Refinancing or prepayment of outstanding debt	(663,888)	(1,477,837)		
Scheduled principal paid on debt and capital leases	(281,411)	(233,977)		
Interest paid on debt and capital leases	(316,021)	(360,639)		
Net cash used by capital and related financing activities	(1,453,345)	(1,720,970)		
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	72,001,318	67,128,618	767,356	646,519
Purchase of investments	(72,889,296)	(67,226,945)	(1,030,345)	(824,716)
Investment income, net of investment expenses	541,370	491,111	76,487	81,863
Net cash provided (used) by investing activities	(346,608)	392,784	(186,502)	(96,334)
Net increase (decrease) in cash and cash equivalents	(39,193)	(54,817)	(10,883)	35,519
Cash and cash equivalents, beginning of year	147,209	202,026	161,543	126,024
Cash and cash equivalents, end of year	\$ 108,016	\$ 147,209	\$ 150,660	\$161,543

See accompanying Notes to Financial Statements

UNIVERSITY OF CALIFORNIA

STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED JUNE 30, 2008 AND 2007 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2008	2007	2008	2007
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating loss	\$ (4,704,868)	\$ (3,258,480)	\$ (3,166)	\$ (1,722)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation and amortization expense	1,093,620	1,049,008		
Noncash gifts			(17,839)	(15,610)
Allowance for doubtful accounts	1,234	30,169	896	(555)
Loss on impairment of capital assets	1,483	24		
Change in assets and liabilities:				
Investments			(754)	(508)
Accounts receivable	(462,274)	(229,259)	(6,687)	(222)
Pledges receivable			28,624	(20,313)
Investments held by trustees	(34,190)	(38,826)		
Inventories	(14,666)	(14,044)		
Other assets	(16,982)	(32,931)	33,296	985
Accounts payable	128,798	76,414	2,589	548
Accrued salaries	435,417	31,356		
Employee benefits	205,400	40,383		
Deferred revenue	177,879	81,561	(22,000)	(98)
Self-insurance	37,160	35,361		
Obligations to life beneficiaries			(12,862)	3,811
Obligations for retiree health benefits	1,118,754			
Other liabilities	85,825	30,370	10,162	2,486
Net cash provided (used) by operating activities	\$(1,947,410)	\$(2,198,894)	\$12,259	\$(31,198)
SUPPLEMENTAL NONCASH ACTIVITIES INFORMATION				
Capital assets acquired through capital leases	\$ 58,615	\$ 55,522		
Capital assets acquired with a liability at year-end	99,786	114,731		
Investments held by trustees	(18,707)	8,480		
State financing appropriations	160,403	145,982		
Gifts of capital assets	63,876	36,734	\$ 25,523	\$ 1,223
Other noncash gifts	40,080	15,293	92,998	100,482
Gain (loss) on the disposal of capital assets	(15,803)	12,664		
Debt service for, or refinancing of, lease revenue bonds	(166,751)	(515,940)		
Refinancing of interim loans under lease-purchase agreements	(206,106)	(8,692)		
Securities lending activity	(1,320,440)	1,098,154	32,829	(2,772)
Interest added to principal			5,455	
Beneficial interest in charitable remainder trust			7,324	

See accompanying Notes to Financial Statements

UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM AND RETIREE HEALTH BENEFIT TRUST

STATEMENTS OF PLANS' AND TRUST'S FIDUCIARY NET ASSETS

AT JUNE 30, 2008 AND 2007 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM (UCRS)		UNIVERSITY OF CALIFORNIA RETIREE HEALTH BENEFIT TRUST (UCRHBT)	TOTAL UCRS AND UCRHBT	
	2008	2007	2008	2008	2007
ASSETS					
Investments	\$ 52,532,169	\$ 59,685,467	\$ 19,773	\$ 52,551,942	\$ 59,685,467
Participants' interest in external mutual funds	3,772,901	3,794,050		3,772,901	3,794,050
Investment of cash collateral	12,162,072	16,883,807		12,162,072	16,883,807
Participant 403(b) loans	96,790	87,085		96,790	87,085
Accounts receivable:					
Contributions from University and affiliates	67,394	92,617	14,671	82,065	92,617
Investment income	150,615	160,982		150,615	160,982
Securities sales and other	574,373	13,109	3,500	577,873	13,109
Prepaid insurance premiums			15,464	15,464	
Total assets	69,356,314	80,717,117	53,408	69,409,722	80,717,117
LIABILITIES					
Payable to University			2,604	2,604	
Payable for securities purchased	771,217	1,139,297		771,217	1,139,297
Member withdrawals, refunds and other payables	177,701	48,333		177,701	48,333
Collateral held for securities lending	12,223,854	16,884,510		12,223,854	16,884,510
Total liabilities	13,172,772	18,072,140	2,604	13,175,376	18,072,140
NET ASSETS HELD IN TRUST					
Members' defined benefit plan benefits	42,099,498	48,191,497		42,099,498	48,191,497
Participants' defined contribution plan benefits	14,084,044	14,453,480		14,084,044	14,453,480
Retiree health benefits			50,804	50,804	
Total net assets held in trust	\$56,183,542	\$62,644,977	\$ 50,804	\$56,234,346	\$62,644,977

See accompanying Notes to Financial Statements

UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM AND RETIREE HEALTH BENEFIT TRUST
STATEMENTS OF CHANGES IN PLANS' AND TRUST'S FIDUCIARY NET ASSETS

YEARS ENDED JUNE 30, 2008 AND 2007 (IN THOUSANDS OF DOLLARS)

	UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM (UCRS)		UNIVERSITY OF CALIFORNIA RETIREE HEALTH BENEFIT TRUST (UCRHBT)		TOTAL UCRS AND UCRHBT
	2008	2007	2008	2008	2007
ADDITIONS (REDUCTIONS)					
Contributions:					
Members and employees	\$ 1,027,004	\$ 1,024,984		\$ 1,027,004	\$ 1,024,984
Retirees			\$ 16,952	16,952	
University	10,894	36,984	226,192	237,086	36,984
Total contributions	1,037,898	1,061,968	243,144	1,281,042	1,061,968
Investment income (expense), net:					
Net appreciation (depreciation) in fair value of investments	(4,979,955)	7,863,875		(4,979,955)	7,863,875
Interest, dividends and other investment income	1,784,761	1,828,398	691	1,785,452	1,828,398
Securities lending income	685,910	914,913		685,910	914,913
Securities lending fees and rebates	(588,787)	(882,466)		(588,787)	(882,466)
Total investment income (expense), net	(3,098,071)	9,724,720	691	(3,097,380)	9,724,720
Interest income from contributions receivable	5,700	6,119		5,700	6,119
Total additions (reductions)	(2,054,473)	10,792,807	243,835	(1,810,638)	10,792,807
DEDUCTIONS					
Benefit payments:					
Retirement payments	1,195,414	1,071,633		1,195,414	1,071,633
Member withdrawals	96,690	89,829		96,690	89,829
Cost-of-living adjustments	213,478	193,751		213,478	193,751
Lump sum cashouts	312,489	292,556		312,489	292,556
Preretirement survivor payments	32,315	29,480		32,315	29,480
Disability payments	36,098	35,816		36,098	35,816
Death payments	7,309	7,008		7,309	7,008
Participant withdrawals	910,365	849,939		910,365	849,939
Total benefit payments	2,804,158	2,570,012		2,804,158	2,570,012
Insurance premiums:					
Insured plans			151,189	151,189	
Self-insured plans			22,898	22,898	
Medicare Part B reimbursements			17,105	17,105	
Total insurance premiums, net			191,192	191,192	
Expenses:					
Plan administration	34,384	44,819	1,839	36,223	44,819
Other	1,211	1,113		1,211	1,113
Total expenses	35,595	45,932	1,839	37,434	45,932
Transfer of assets to LANS' defined benefit plan		1,444,460			1,444,460
Transfer of assets to LLNS' defined benefit plan	1,567,209			1,567,209	
Total deductions	4,406,962	4,060,404	193,031	4,599,993	4,060,404
Increase (decrease) in net assets held in trust	(6,461,435)	6,732,403	50,804	(6,410,631)	6,732,403
NET ASSETS HELD IN TRUST					
Beginning of year	62,644,977	55,912,574		62,644,977	55,912,574
End of year	\$56,183,542	\$62,644,977	\$ 50,804	\$56,234,346	\$62,644,977

See accompanying Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

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 responsibility 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.

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.

Specific assets and liabilities and all revenues and expenses associated with the Lawrence Berkeley National Laboratory (LBNL)—a major United States Department of Energy (DOE) national laboratory operated and managed by the University under contract directly with the DOE—are included in the financial statements. In addition, prior to October 1, 2007, specific assets and liabilities and all revenues and expenses associated with the Lawrence Livermore National Laboratory (LLNL)—another major DOE national laboratory operated and managed by the University under contract directly with the DOE through September 30, 2007—are also included in the financial statements.

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 457(b) Deferred Compensation Plan (the 457(b) Plan). As a result, the UCRS statements of plans’ fiduciary net assets and changes in plans’ fiduciary net assets are shown separately in the University’s financial statements.

The Regents also has fiduciary responsibility for the University of California Retiree Health Benefit Trust (the UCRHBT) that was established on July 1, 2007. The UCRHBT statement of fiduciary net assets and changes in fiduciary net assets

are shown separately in the University's financial statements. The UCRHBT allows certain University locations and affiliates—primarily campuses and medical centers—that share the risks, rewards and costs of providing for retiree health benefits to fund such benefits on a cost-sharing basis and accumulate funds on a tax-exempt basis under an arrangement segregated from University assets. The Regents serves as Trustee of the UCRHBT and has the authority to amend or terminate the Trust.

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. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was adopted by the University during the year ended June 30, 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. Previously, the University recorded retiree medical and dental costs as they were paid and did not recognize the liability in the financial statements. The DOE has an ongoing financial responsibility for these costs and liabilities related to LBNL. The implementation of GASB Statement No. 45 resulted in an operating expense that decreased the University's changes in net assets and total net assets by \$1.36 billion for the year ended June 30, 2008, and increased the DOE receivable and obligation for retiree health benefits at June 30, 2008 by \$31.5 million and \$1.12 billion, respectively. There was no effect on the financial statements for the year ended June 30, 2007.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, was also adopted during the year ended June 30, 2008. Statement No. 52 requires endowments to report land and other real estate investments at fair value. Since the University previously reported its endowment real estate investments at fair value, the implementation of GASB Statement No. 52 had no effect on the University's net assets or changes in net assets for the years ended June 30, 2008 and 2007.

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 are 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. Certain securities may be valued on a basis of a price provided by a single source.

Investments include private equities, absolute return funds and real estate. Private equities include venture capital partnerships, buyout and international funds. 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. Interests in certain direct investments in real estate are estimated based upon independent appraisals. The University believes the carrying amount of these financial instruments and real estate is a reasonable estimate of fair value at June 30. Because the private equity, real estate and absolute return partnerships, along with direct investments in real estate, 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.

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 the 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 laboratories. The University operates and manages LBNL under a contract directly with the DOE. Specific assets and liabilities and all revenues and expenses associated with LBNL are included in the financial statements. Other assets, such as cash, property and equipment and other liabilities of LBNL 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 cash flows excludes the cash flows associated with LBNL other than reimbursements, primarily related to pension and health benefits, since all other cash transactions are recorded in bank accounts owned by the DOE.

The University is a member in two separate joint ventures, Los Alamos National Security, LLC (LANS) and Lawrence Livermore National Security, LLC (LLNS) that operate and manage two other DOE laboratories. LANS, effective as of June 1, 2006, and LLNS, effective as of October 1, 2007, operate and manage Los Alamos National Laboratory (LANL) and Lawrence Livermore National Laboratory (LLNL), respectively, under contracts directly with the DOE.

The University has an ongoing financial interest and financial responsibility in these separate entities, along with the other members, and the organizations are jointly controlled by the University and another member. The assets and liabilities and revenues and expenses of these joint ventures are not included in the University's financial statements. The University's investment in LANS and LLNS is accounted for using the equity method. Accordingly, subsequent to the applicable effective dates of the transition of laboratory management to LANS and LLNS, the University's statement of net assets includes its equity interest in LANS and LLNS, adjusted for the equity in undistributed earnings or losses and the statement of revenues, expenses and changes in net assets includes its equity in the current earnings or losses of LANS and LLNS.

Prior to the effective date of these joint ventures, the University operated and managed LANL and LLNL under contracts directly with the DOE. During that time, specific assets and liabilities and all revenues and expenses associated with these two laboratories were included in the financial statements. Other assets, such as cash, property and equipment and other liabilities were owned by the United States government rather than the University and, therefore, were not included in the statement of net assets. The statement of cash flows excluded their cash flows other than reimbursements, primarily pension and health benefit costs, since all cash transactions were recorded in bank accounts owned by the DOE.

The DOE is financially responsible for substantially all of the current and future costs incurred at any of the national laboratories, including pension and retiree health benefit costs. Accordingly, to the extent there is a liability on the University’s statement of net assets for pension or retiree health obligations related to these laboratories, the University records a receivable from the DOE. The University’s statement of cash flows includes the cash flows related to DOE reimbursements for pension and/or health benefits attributable to any of these laboratories.

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 and LLNS 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, 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, 2008, the facilities and administrative cost recovery totaled \$778.6 million, \$602.4 million from federally-sponsored programs and \$176.2 million from other sponsors. 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.

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, 2008 and 2007:

<i>(in thousands of dollars)</i>		
	2008	2007
Student tuition and fees	\$ 506,582	\$ 460,693
Auxiliary enterprises	127,382	119,102
Other operating revenues	7,349	7,279
Scholarship allowances	\$641,313	\$587,074

UCRP benefits and obligation to UCRP. The University's cost for campus and medical center UCRP benefits expense, if any, is based upon the annual required contribution to the UCRP, as actuarially determined. Campus and medical center contributions, if any, toward UCRP benefits, at rates determined by the University, are made to the UCRP and reduce the University's obligation to UCRP in the statement of net assets.

Both current employees and retirees at LBNL participate in the UCRP. Current employees at both LANL and LLNL are no longer accruing benefits in the UCRP. However, the UCRP retains the obligation for retirees and terminated vested members at these locations as of the date these contracts were terminated. The annual required contribution for the combined DOE laboratories is actuarially determined, independently from the campuses and medical centers, and included with DOE laboratory expense in the statement of revenues, expenses and changes in net assets.

The University makes contributions to the UCRP on behalf of LBNL employees and is reimbursed by the DOE, based upon rates that are identical to those authorized by The Regents for campus and medical center employees. The University also makes contributions to the UCRP on behalf of LANL and LLNL retirees and terminated vested members,

whose benefits were retained in the UCRP, based upon a contractual arrangement with the DOE that incorporates a formula targeted to maintain the LANL and LLNL segments within the UCRP for these retirees and terminated vested members at a 100 percent funded level. These contributions reduce the University's obligation to UCRP in the statement of net assets. These University contributions are also reimbursed by the DOE. The reimbursement from the DOE is included as DOE laboratory revenue in the statement of revenues, expenses and changes in net assets.

The University records a receivable from the DOE for the portion of the University's obligation to UCRP attributable to the DOE laboratories.

Campus and medical center contributions to the UCRP, University contributions to the UCRP on behalf of the DOE national laboratories, and the corresponding reimbursements from the DOE are operating activities in the statement of cash flows.

Retiree health benefits and obligation for retiree health benefits. The University's cost for campus and medical center retiree health benefits expense is based upon the annual required contribution to the retiree health plan, as actuarially determined. Campus and medical center contributions toward retiree health benefits, at rates determined by the University, are made to the UCRHBT and reduce the obligation for retiree health benefits in the statement of net assets.

LBNL participates in the University's retiree health plans. The annual required contribution for LBNL is actuarially determined independently from the University's campuses and medical centers, and included with DOE laboratory expense in the statement of revenues, expenses and changes in net assets. The University directly pays health care insurers and administrators amounts currently due under the University's retiree health benefit plans for retirees who previously worked at LBNL, and is reimbursed by the DOE. These contributions, in the form of direct payments, also reduce the University's obligation for retiree health benefits in the statement of net assets. The reimbursement from the DOE is included as DOE laboratory revenue in the statement of revenues, expenses and changes in net assets.

The University records a receivable from the DOE for the DOE's portion of the University's obligation for retiree health benefits attributable to LBNL. The University does not have any obligation for LANL or LLNL retiree health benefit costs since they do not participate in the University's retiree health plans.

Campus and medical center contributions toward retiree health costs made to the UCRHBT, the University's LBNL-related payments made directly to health care insurers and administrators, and the corresponding reimbursements from the DOE are operating activities in the statement of cash flows. Cash flows resulting from retiree health contributions from retirees are shown as noncapital financing activities in the statement of cash flows.

University of California Retiree Health Benefit Trust. The UCRHBT receives the University's contributions toward retiree health benefits from campuses, medical centers and University affiliates. The University receives retiree health contributions from University affiliates and campus and medical center retirees that are deducted from their UCRP benefit payments. The University also remits these retiree contributions to the UCRHBT.

The University acts as a third-party administrator on behalf of the UCRHBT and pays health care insurers and administrators amounts currently due under the University's retiree health benefit plans for retirees who previously worked at a campus or medical center. The UCRHBT reimburses the University for these amounts.

LBNL does not participate in the UCRHBT; therefore, the DOE has no interest in the Trust's assets.

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. The UCRHBT is tax-exempt under Section 115 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 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.

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, also effective for the University's fiscal year beginning July 1, 2009. This Statement requires the University to report its derivative instruments at fair value. Changes in fair value for effective hedges that are achieved with derivative instruments are to be reported as deferrals in the statement of net assets. Derivative instruments that either do not meet the criteria for an effective hedge or are associated with investments that are already reported at fair value are to be classified as investment derivative instruments. Changes in fair value of those derivative instruments are to be reported as investment revenue.

The University is evaluating the effect that Statements No. 49, 51 and 53 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, 2008 and 2007, the carrying amount of the University's demand deposits, held in nationally recognized banking institutions, was \$108.0 million and \$147.2 million, respectively, compared to bank balances of \$72.2 million and \$113.7 million, respectively. Deposits in transit are the primary difference. Bank balances of \$11.2 million and \$24.4 million at June 30, 2008 and 2007, 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 \$3.7 million and \$1.1 million at June 30, 2008 and 2007, respectively.

The carrying amount of the campus foundations' cash and cash equivalents at June 30, 2008 and 2007 was \$150.7 million and \$161.5 million, respectively, compared to bank balances of \$83.1 million and \$101.3 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 \$54.9 million and \$44.4 million at June 30, 2008 and 2007, 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, UCRS' and UCRHBT's 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, UCRHBT, 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 and UCRS. 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 \$3.77 billion and \$3.79 billion at June 30, 2008 and 2007, respectively.

Investments authorized by The Regents for the UCRHBT are restricted to a portfolio of high-quality money market instruments in a commingled fund that is managed externally. The average credit quality of the portfolio is A-1/P-1 with an average maturity of 40 days. The fair value of UCRHBT's investment in this portfolio was \$19.8 million at June 30, 2008.

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 financial markets, both domestically and internationally, are currently demonstrating significant volatility on a daily basis that affect the valuation of investments. As a result, the fair value of investments held by the University, UCRS and campus foundations has declined subsequent to June 30, 2008. The Regents of the University of California and the Boards of Trustees for the campus foundations utilize asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and at acceptable levels of risk.

The composition of investments, by investment type, at June 30, 2008 and 2007 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2008	2007	2008	2007	2008	2007
Equity securities:						
Domestic	\$ 1,209,086	\$ 1,934,651	\$ 245,463	\$ 366,036	\$ 19,868,126	\$ 26,321,714
Foreign	1,117,811	1,330,630	97,456	124,746	7,803,550	8,999,241
Equity securities	2,326,897	3,265,281	342,919	490,782	27,671,676	35,320,955
Fixed or variable income securities:						
U.S. government guaranteed:						
U.S. Treasury bills, notes and bonds	946,865	1,379,320	130,345	132,579	1,577,392	1,182,113
U.S. Treasury strips	29,659	16,916			1,204,670	1,386,969
U.S. TIPS	424,552	404,913			2,754,366	3,095,649
U.S. government-backed securities	3,637	3,577	4,406	5,529	14,158	13,926
U.S. government-backed–asset-backed securities			2,240	15		
U.S. government guaranteed	1,404,713	1,804,726	136,991	138,123	5,550,586	5,678,657
Other U.S. dollar denominated:						
Corporate bonds	3,259,085	2,620,866	61,324	47,703	3,060,306	2,985,787
Commercial paper	2,937,981	1,245,777			127,983	464,027
U.S. agencies	1,398,261	2,335,213	82,836	84,693	2,887,262	3,156,931
U.S. agencies–asset-backed securities	137,200	170,956	2,101	2,450	1,248,427	1,635,579
Corporate–asset-backed securities	241,409	92,603	11,947	10,868	1,731,551	1,078,925
Supranational/foreign	828,033	917,248	620	622	1,510,699	1,434,561
Other	15	205		815		
Other U.S. dollar denominated	8,801,984	7,382,868	158,828	147,151	10,566,228	10,755,810
Foreign currency denominated:						
Government/sovereign	189,068	165,557			1,125,748	1,314,611
Corporate	5,072	6,405			52,591	83,729
Foreign currency denominated	194,140	171,962			1,178,339	1,398,340
Commingled funds:						
Absolute return funds	1,355,318	1,082,248	412,024	298,691	648,683	
Balanced funds			767,550	724,387		
U.S. equity funds	29,946	31,838	420,782	429,853	309,890	337,051
Non-U.S. equity funds	431,595	501,657	584,586	579,511	2,259,199	2,446,242
U.S. bond funds	40,243	36,887	168,668	207,542		
Non-U.S. bond funds			49,544	7,879		
Real estate investment trusts	104		73,877	16,074	44,586	31,948
Money market funds	26,895	25,187	357,418	395,711	508,340	493,826
Commingled funds	1,884,101	1,677,817	2,834,449	2,659,648	3,770,698	3,309,067
Private equity	503,322	358,006	317,587	228,923	1,859,887	1,315,246
Mortgage loans	586,387	395,791	10,532	7,893		
Insurance contracts					824,201	745,468
Real estate	288,078	208,630	139,720	146,519	1,110,554	633,081
Equitized market neutral investments		54,642		5,796		528,843
Externally held irrevocable trusts	256,057	238,642	27,001	63,732		
Other investments	6,368	6,446	190,884	147,922		
Campus foundations' investments with the University	(1,031,751)	(1,130,817)				
UCRS investment in the STIP	(392,273)	(223,959)				
Total investments	14,828,023	14,210,035	4,158,911	4,036,489	\$52,532,169	\$59,685,467
Less: Current portion	(4,068,848)	(2,574,989)	(346,492)	(376,666)		
Noncurrent portion	\$10,759,175	\$11,635,046	\$3,812,419	\$3,659,823		

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. Alternative investment strategies and their underlying assets and rights are subject to an array of economic and market vagaries that can limit or erode value.

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 is 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, 2008 and 2007 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2008	2007	2008	2007	2008	2007
Fixed or variable income securities:						
U.S. government guaranteed	\$1,404,713	\$1,804,726	\$136,991	\$138,123	\$5,550,586	\$5,678,657
Other U.S. dollar denominated:						
AAA	2,040,336	2,944,380	96,884	98,623	5,919,687	5,950,651
AA	829,005	885,069	14,406	5,791	201,343	254,508
A	1,261,356	906,378	13,318	9,574	937,490	778,789
BBB	1,504,620	1,127,045	14,878	13,406	1,675,129	1,452,401
BB	102,045	144,042	6,025	8,723	651,869	918,892
B	121,800	127,643	3,240	97	965,527	932,309
CCC	408	559			2,979	4,233
A-1 / P-1 / F-1	2,937,981	1,245,777			127,983	464,027
Not rated	4,433	1,975	10,077	10,937	84,221	
Foreign currency denominated:						
AA	189,068	165,557			1,125,748	1,314,611
A					5,946	25,824
BBB		2,566				25,527
B	5,072	3,839			46,645	32,378
Commingled funds:						
U.S. bond funds: Not rated	40,243	36,887	168,668	207,542		
Non-U.S. bond funds: Not rated			49,544	7,879		
Money market funds: Not rated	26,895	25,187	357,418	395,711	508,340	493,826
Mortgage loans: Not rated	586,387	395,791	10,532	7,893		
Insurance contracts: Not rated					824,201	745,468

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	
	2008	2007
Equity securities:		
Domestic	\$ 91,941	\$ 173,916
Foreign	1,212	20,397
Fixed or variable income securities:		
U.S. government guaranteed:		
U.S. Treasury bills, notes and bonds	92,801	98,041
U.S. government-backed–asset-backed securities	2,226	
Other U.S. dollar denominated:		
U.S. agencies	2,224	3,625
Custodial credit risk exposure	\$190,404	\$295,979

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, 2008 and 2007 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2008	2007	2008	2007
Fannie Mae	\$ 783,608	\$ 1,292,560	\$ 62,897	\$ 67,061
Freddie Mac		1,226,887		
Vanguard S&P 500 Index Fund				30,215
Silchester International Value Equity Trust			29,309	28,947
Gryphon International EAFE Growth Fund			28,613	29,414
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, 2008 and 2007 are as follows:

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2008	2007	2008	2007	2008	2007
Fixed or variable income securities:						
U.S. government guaranteed:						
U.S. Treasury bills, notes and bonds	1.0	1.6	4.5	4.4	0.7	1.2
U.S. Treasury strips	8.0	13.6			11.4	12.3
U.S. TIPS	5.3	5.4			5.3	5.4
U.S. government-backed securities	6.3	6.3	3.8	3.6	6.3	6.3
U.S. government-backed–asset-backed securities			3.9	3.3		
Other U.S. dollar denominated:						
Corporate bonds	2.6	2.3	4.0	4.4	7.6	7.1
Commercial paper	0.0	0.0			0.0	0.0
U.S. agencies	1.4	1.3	2.5	2.6	2.5	1.7
U.S. agencies–asset-backed securities	4.4	5.3	3.3	3.9	4.6	5.3
Corporate–asset-backed securities	3.8	1.7	0.6	0.6	4.1	1.8
Supranational / foreign	2.8	2.5	0.0	1.0	7.2	7.0
Other	0.6	0.9		3.0		
Foreign currency denominated:						
Government/sovereign	6.6	6.3			6.6	6.3
Corporate	3.9	12.4			6.1	10.0
Commingled funds:						
U.S. bond funds	4.7	4.7	4.6	4.9		
Non-U.S. bond funds			5.1	5.7		
Money market funds	0.0	0.0	1.8	1.2	1.8	1.2
Mortgage loans	0.0	0.0	5.4			
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, 2008 and 2007, 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	
	2008	2007	2008	2007	2008	2007
Mortgage-backed securities	\$ 339,991	\$ 263,559	\$ 72,953	\$ 69,504	\$ 2,289,645	\$ 2,660,065
Collateralized mortgage obligations			8,048	12,185	46,824	54,439
Other asset-backed securities	4,139		11,947	10,868	24,183	
Variable-rate securities	609,359	566,833			67,771	30,898
Callable bonds	1,500,966	1,992,692	506	798	2,770,965	2,432,952
Total	\$2,454,455	\$2,823,084	\$93,454	\$93,355	\$5,199,388	\$5,178,354

Mortgage-Backed Securities. These securities are issued primarily by Fannie Mae, Ginnie Mae and 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, 2008 and 2007, the effective durations for these securities are as follows:

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2008	2007	2008	2007	2008	2007
Mortgage-backed securities	4.3	4.0	2.5	2.7	5.0	3.9
Collateralized mortgage obligations			1.7	1.9	5.2	5.9
Other asset-backed securities	3.2		0.6	0.7	4.0	
Variable-rate securities	0.2	0.5			5.2	2.6
Callable bonds	1.6	1.7		4.6	2.7	3.0

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, 2008 and 2007, 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	
	2008	2007	2008	2007	2008	2007
Equity securities:						
Euro	\$ 390,493	\$ 463,157	\$ 27,057	\$ 30,296	\$ 2,647,165	\$ 3,074,584
British Pound	211,126	285,180	13,065	23,012	1,489,215	1,916,670
Japanese Yen	208,201	245,627	16,069	25,421	1,473,375	1,700,580
Canadian Dollar	79,614	70,258	3,447	2,895	615,458	547,320
Swiss Franc	79,823	96,028	9,216	10,169	539,707	612,655
Australian Dollar	59,037	63,433	3,538	2,736	437,870	461,674
Hong Kong Dollar	25,676	30,466	4,179	3,947	170,512	183,220
Swedish Krona	19,661	28,604			143,274	200,654
Singapore Dollar	14,990	14,905	1,810	1,201	96,803	96,989
Norwegian Krone	9,120	11,280	597	845	70,487	80,199
Danish Krone	9,342	8,502	1,253	1,007	68,424	62,915
South Korean Won	2,943	4,826	502	1,434	13,532	20,452
Thai Baht	2,309	2,017		533	10,617	8,547
South African Rand	1,879	1,677	527		8,639	7,105
New Zealand Dollar	741	2,637			5,341	17,062
Other	2,856	2,033	16,196	21,250	13,131	8,615
Subtotal	1,117,811	1,330,630	97,456	124,746	7,803,550	8,999,241
Fixed income securities:						
Euro	99,699	88,094			609,937	701,342
Japanese Yen	67,240	56,438			400,358	448,145
British Pound	13,685	12,609			81,620	100,204
Canadian Dollar	4,261	6,759			31,316	84,637
Polish Zloty	2,011	1,683			11,977	13,362
Danish Krone	1,527	1,528			9,094	12,132
Swedish Krona	1,381	1,467			8,225	11,646
Swiss Franc	1,371	1,499			8,161	11,904
Malaysian Ringgit	854				5,086	
Australian Dollar	808	713			4,811	5,660
Singapore Dollar	729	627			4,338	4,977
Norwegian Krone	574	545			3,416	4,331
Subtotal	194,140	171,962			1,178,339	1,398,340
Commingled funds:						
Various currency denominations:						
Balanced funds			204,990	198,684		
Non-U.S. equity funds	431,595	501,657	494,624	523,261	2,259,199	2,446,242
Non-U.S. bond funds			29,683	2,999		
Real estate investment trusts			21,526	3,391		
Subtotal	431,595	501,657	750,823	728,335	2,259,199	2,446,242
Private equity:						
Euro	1,425				20,114	
Subtotal	1,425				20,114	
Total exposure to foreign currency risk	\$1,744,971	\$2,004,249	\$848,279	\$853,081	\$11,261,202	\$12,843,823

Alternative Investment Risks

Alternative investments are defined as marketable alternatives (hedge funds), limited partnerships, private equity and venture capital funds. Alternative investments include ownership interests in a wide variety of vehicles including partnerships and corporations that may be domiciled in the United States or off-shore. Generally, there is little or no regulation of these investment vehicles by the Securities and Exchange Commission or the applicable state agencies. Managers of these investments employ a wide variety of strategies and have areas of concentration including absolute return, venture capital or early stage investing, private equity or later stage investing and the underlying investments may be leveraged to enhance the total investment return. Each asset class has guidelines and policies regarding the use of leverage. Such underlying investments may include financial assets such as marketable securities, non-marketable securities, derivatives and other synthetic and structured investments as well as tangible and intangible assets. Generally, these alternative investments do not have a ready market and ownership interests in these investment vehicles may not be traded without the approval of the general partner or fund management. These investments are subject to the risks generally associated with equities and fixed income instruments with additional risks due to leverage and the lack of a ready market for acquisition or disposition of ownership interests.

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, 2008 or June 30, 2007.

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 for investment purposes at June 30, 2008 or June 30, 2007. However, the University did enter into interest rate swap agreements in connection with its variable rate bonds.

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, 2008, by investment pool, is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA			TOTAL
	STIP	GEP	OTHER	
Equity securities:				
Domestic		\$ 1,117,778	\$ 91,308	\$ 1,209,086
Foreign		1,099,429	18,382	1,117,811
Fixed or variable income securities:				
U.S. government guaranteed	\$ 893,497	469,334	41,882	1,404,713
Other U.S. dollar denominated	7,807,148	938,931	55,905	8,801,984
Foreign currency denominated		194,140		194,140
Commingled funds		1,801,253	82,848	1,884,101
Private equity		491,339	11,983	503,322
Mortgage loans	585,608		779	586,387
Real estate		272,669	15,409	288,078
Externally held irrevocable trusts			256,057	256,057
Other investments			6,368	6,368
Subtotal	9,286,253	6,384,873	580,921	16,252,047
Campus foundations' investments with the University	(364,872)	(539,591)	(127,288)	(1,031,751)
UCRS investment in the STIP	(392,273)			(392,273)
Total investments	\$8,529,108	\$5,845,282	\$453,633	\$14,828,023

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, 2008 was (1.5) percent for the GEP and (5.1) 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.

The UCRS

The UCRS had \$392.3 million and \$224.0 million invested in the STIP at June 30, 2008 and 2007, 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. They are 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 \$13.8 million and \$6.6 million for the years ended June 30, 2008 and 2007, respectively.

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, 2008 and 2007 is as follows:

<i>(in thousands of dollars)</i>		
	2008	2007
STIP	\$ 364,872	\$ 415,116
GEP	539,591	606,513
Other investment pools	127,288	109,188
Campus foundations' investments with the University	1,031,751	1,130,817
Classified as cash and cash equivalents by campus foundations	(56,470)	(44,416)
Classified as investments by campus foundations	\$ 975,281	\$1,086,401

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 \$34.0 million and \$33.9 million for the years ended June 30, 2008 and 2007, 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, 2008 and 2007 are as follows:

<i>(in thousands of dollars)</i>		
	2008	2007
Short-term investments:		
STIP	\$ 104,291	\$ 101,122
GEP	144,963	152,781
Other investment pools	20,864	23,042
Total agency assets	\$270,118	\$276,945
Funds held for others	\$270,118	\$276,945

The composition of the net assets at June 30, 2008 and 2007 for the STIP and GEP is as follows:

(in thousands of dollars)

	STIP		GEP	
	2008	2007	2008	2007
Investments	\$ 9,286,253	\$ 8,217,471	\$ 6,384,873	\$ 6,782,321
Investment of cash collateral	2,363,731	3,452,672	992,888	1,352,127
Securities lending collateral	(2,374,038)	(3,452,720)	(998,108)	(1,352,193)
Other assets (liabilities), net	117,676	154,211	18,110	(28,898)
Net assets	\$9,393,622	\$8,371,634	\$6,397,763	\$6,753,357

The changes in net assets for the STIP and GEP for the years ending June 30, 2008 and 2007 are as follows:

(in thousands of dollars)

	STIP		GEP	
	2008	2007	2008	2007
Net assets, beginning of year	\$ 8,371,634	\$ 8,186,889	\$ 6,753,357	\$ 5,664,777
Investment income	415,226	390,815	167,688	167,916
Net appreciation (depreciation) in fair value of investments	44,102	56,586	(396,382)	891,003
Participant contributions (withdrawals), net	562,660	(262,656)	(126,900)	29,661
Net assets, end of year	\$9,393,622	\$8,371,634	\$6,397,763	\$6,753,357

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 the 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 lent 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, 2008 and 2007, the securities in these pools had a weighted average maturity of 27 and 62 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, 2008, 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, 2008 and 2007 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2008	2007	2008	2007	2008	2007
SECURITIES LENT						
<i>For cash collateral:</i>						
Equity securities:						
Domestic	\$ 219,975	\$ 440,475	\$ 77,990	\$ 45,812	\$ 2,575,061	\$ 5,234,310
Foreign	165,410	350,787			1,254,829	2,377,126
Fixed income securities:						
U.S. government guaranteed	1,268,540	1,680,926			4,866,707	5,131,402
Other U.S. dollar denominated	1,700,774	2,298,331			3,194,168	3,370,627
Foreign currency denominated	1,300				7,743	354,387
Campus foundations' share	(199,248)	(319,553)	199,248	319,553		
Lent for cash collateral	3,156,751	4,450,966	277,238	365,365	11,898,508	16,467,852
<i>For securities collateral:</i>						
Equity securities:						
Domestic	4,784	8,058			114,551	124,118
Foreign	46,604	23,988			219,714	116,892
Fixed income securities:						
U.S. government guaranteed	126,604	103,125			617,248	274,306
Other U.S. dollar denominated	98	9,377			11,230	595
Foreign currency denominated	1,040				6,191	7,431
Lent for securities collateral	179,130	144,548			968,934	523,342
Total securities lent	\$3,335,881	\$4,595,514	\$277,238	\$365,365	\$12,867,442	\$16,991,194
COLLATERAL RECEIVED						
Cash	\$ 3,432,762	\$ 4,873,507	\$ 80,429	\$ 47,600	\$ 12,223,854	\$ 16,884,510
Campus foundations' share	(199,248)	(319,553)	199,248	319,553		
Total cash collateral received	3,233,514	4,553,954	279,677	367,153	12,223,854	16,884,510
Securities	186,032	166,633			1,006,268	615,356
Total collateral received	\$3,419,546	\$4,720,587	\$279,677	\$367,153	\$13,230,122	\$17,499,866
INVESTMENT OF CASH COLLATERAL						
Fixed income securities:						
Other U.S. dollar denominated:						
Corporate bonds	\$ 706,651	\$ 739,151	\$ 9,524	\$ 11,583	\$ 2,633,406	\$ 2,589,606
Commercial paper	2,267	1,095,415			22,670	3,265,950
Repurchase agreements	637,381	987,675	22,064	175	2,369,817	4,656,318
Corporate-asset-backed securities	994,968	712,550	2,250	3,226	3,472,835	2,368,214
Certificates of deposit/time deposits	845,886	822,400	15,017	24,074	2,879,335	2,451,964
Supranational/foreign	221,218	502,293			712,008	1,497,572
Other			7,018	8,542		
Commingled funds-money market funds	7,132	2,754	24,556		67,942	26,810
Other assets, net	1,468	11,154			4,059	27,373
Campus foundations' share	(199,248)	(319,553)	199,248	319,553		
Investment of cash collateral	3,217,723	4,553,839	279,677	367,153	\$12,162,072	\$16,883,807
Less: Current portion	(2,096,106)	(3,042,293)	(210,224)	(261,084)		
Noncurrent portion	\$1,121,617	\$1,511,546	\$ 69,453	\$106,069		

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, 2008 and 2007 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2008	2007	2008	2007	2008	2007
Securities lending income	\$ 175,262	\$ 193,341	\$ 13,626	\$ 17,074	\$ 685,910	\$ 914,913
Securities lending fees and rebates	(150,026)	(187,003)	(11,793)	(16,509)	(588,787)	(882,466)
Securities lending investment income, net	\$ 25,236	\$ 6,338	\$ 1,833	\$ 565	\$ 97,123	\$ 32,447

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, 2008 and 2007 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2008	2007	2008	2007	2008	2007
Fixed or variable income securities:						
Other U.S. dollar denominated:						
AAA	\$ 1,169,199	\$ 745,939	\$ 7,272	\$ 8,270	\$ 4,038,265	\$ 2,543,895
AA+	58,995				189,881	
AA	163,931	88,165	7,502	23,085	714,324	324,384
AA-	337,617	137,924			1,195,790	430,222
A+	166,445	429,445			624,847	1,409,690
A	35,195	61,685	19,034	16,070	141,149	241,678
A-	1,746				17,458	
BBB	5,564	6,122			55,073	60,359
A-1 / P-1 / F-1	1,456,841	3,285,040			4,984,924	10,782,629
Not rated	12,838	105,164	22,065	175	128,360	1,036,767
Commingled funds:						
Money market funds: Not rated	7,132	2,754	24,556		67,942	26,810
Other assets (liabilities), net: Not rated	1,468	11,154			4,059	27,373
Campus foundations' share	(199,248)	(319,553)	199,248	319,553		

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. Campus foundations that directly participate in a securities lending program do not have specific investment policies related to concentration of credit risk, although the lending agreements with the agents establish 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, 2008 and 2007 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2008	2007	2008	2007	2008	2007
JP Morgan Chase	\$310,406				\$1,008,099	
Lehman Brothers	208,779				681,221	
Bank of America		\$236,973				
Daiwa Securities America, Inc.			\$22,065			
Bank of New York			14,537			
Goldman Sachs			10,019			
General Electric Capital Corporation				\$3,039		
Nordea Bank				3,011		
Deutsche Bank Securities				3,009		
Bank of Ireland				3,008		
Calyon (CIB)				3,007		
Campus foundations' share	(30,475)	(15,539)	30,475	15,539		

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, 2008 and 2007 is as follows:

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS		UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM	
	2008	2007	2008	2007	2008	2007
Fixed or variable income securities:						
Other U.S. dollar denominated:						
Corporate bonds	45	53	43	25	48	75
Commercial paper	35	141			35	141
Repurchase agreements	1	3	1	2	1	2
Corporate–asset-backed securities	28	39	15	25	39	67
Certificates of deposit/time deposits	37	84	15	15	38	84
Supranational/foreign	83	60			83	60
Other			23	32		
Commingled funds:						
Money market funds	1	2	1		1	2

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, 2008 and 2007, 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	
	2008	2007	2008	2007	2008	2007
Other asset-backed securities	\$ 994,968	\$ 712,546	\$ 2,250	\$ 3,226	\$ 3,472,835	\$ 2,368,218
Variable-rate investments	915,801	826,951			3,230,422	2,723,356
Campus foundations' share	(112,157)	(100,946)	112,157	100,946		
Total	\$1,798,612	\$1,438,551	\$114,407	\$104,172	\$6,703,257	\$5,091,574

At June 30, 2008 and 2007, the weighted average maturity expressed in days for asset-backed securities was 58 days and 56 days, respectively, and for variable-rate investments was 22 days and 26 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 \$790.4 million and \$793.7 million at June 30, 2008 and 2007, 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, 2008 and 2007, respectively, is as follows:

(in thousands of dollars)

	INVESTMENTS AT FAIR VALUE		EFFECTIVE DURATION	
	2008	2007	2008	2007
Cash	\$ 4,001	\$ 2,371	0.0	0.0
U.S. government guaranteed:				
U.S. government-backed-asset-backed securities	29,206	35,609	3.5	3.6
Other U.S. dollar denominated:				
Corporate-asset-backed securities	164,650	86,031	1.6	1.7
U.S. agencies-asset-backed securities	350,839	404,541	3.8	3.4
Commingled funds-money market funds	20,266	6,704	0.0	0.0
Total	\$568,962	\$535,256		

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 \$84.7 million and \$89.4 million at June 30, 2008 and 2007, 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 \$77.9 million and \$77.0 million at June 30, 2008 and 2007, 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 \$6.8 million and \$12.4 million at June 30, 2008 and 2007, respectively.

Capital Projects

Investments held by trustees to be used for capital projects totaled \$135.5 million and \$168.3 million at June 30, 2008 and 2007, 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 \$120.2 million and \$138.9 million at June 30, 2008 and 2007, 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 \$15.3 million and \$29.4 million at June 30, 2008 and 2007, 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, 2008 and 2007 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, 2008						
Accounts receivable	\$ 621,849	\$ 1,107,696	\$ 87,707	\$ 818,488	\$ 2,635,740	\$ 12,343
Allowance for uncollectible amounts	(1,982)	(161,342)		(45,909)	(209,233)	
Accounts receivable, net	\$ 619,867	\$ 946,354	\$ 87,707	\$ 772,579	\$ 2,426,507	\$ 12,343
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

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

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, 2008 and 2007:

(in thousands of dollars)

	2008	2007
Student tuition and fees	\$ (370)	\$ (2,358)
Grants and contracts:		
Federal	(366)	(177)
State	(789)	(84)
Private	(135)	(873)
Local	(48)	13
Medical centers	(118,939)	(173,732)
Educational activities	(13,830)	(35,793)
Auxiliary enterprises	97	(1,052)
Other operating revenues	108	(1,270)

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, 2008 and 2007, 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, 2008 and 2007, the remaining amounts owed to the UCRP by the state were \$63.3 million and \$68.9 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, 2008 and 2007 is summarized as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA		UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS	
	2008	2007	2008	2007
Total pledges receivable outstanding	\$ 116,287	\$ 135,894	\$ 516,058	\$ 552,597
Less: Unamortized discount to present value	(5,335)	(8,173)	(75,719)	(83,042)
Allowance for uncollectible pledges	(4,794)	(5,666)	(19,594)	(19,213)
Total pledges receivable, net	106,158	122,055	420,745	450,342
Less: Current portion of pledges receivable	(55,759)	(56,418)	(88,942)	(94,939)
Noncurrent portion of pledges receivable	\$ 50,399	\$ 65,637	\$331,803	\$355,403

Future receipts under pledge agreements for each of the five fiscal years subsequent to June 30, 2008 and thereafter are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA	UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS
<i>Year Ending June 30</i>		
2009	\$ 59,393	\$ 60,762
2010	21,786	83,144
2011	18,068	80,014
2012	10,305	59,711
2013	3,286	135,933
2014-2018	3,249	52,915
Beyond 2018	200	43,579
Total payments on pledges receivable	\$116,287	\$516,058

Adjustments to the allowance for doubtful accounts associated with pledges have either increased or (decreased) the following revenues for the years ended June 30, 2008 and 2007:

(in thousands of dollars)

	2008	2007
Private gifts	\$149	\$(1,089)
Capital gifts and grants	34	969

7. NOTES AND MORTGAGES RECEIVABLE

Notes and mortgages receivable at June 30, 2008 and 2007, 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
At June 30, 2008							
Notes and mortgages receivable	\$ 36,948	\$ 275,725	\$ 22,971	\$ 298,696	\$ 32	\$ 502	\$ 534
Allowance for uncollectible amounts	(4,742)	(11,447)	(142)	(11,589)			
Notes and mortgages receivable, net	\$32,206	\$264,278	\$22,829	\$287,107	\$32	\$502	\$534

At June 30, 2007

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

8. DOE NATIONAL LABORATORY CONTRACTS

The University records a receivable from the DOE to the extent there is a liability on the University's statement of net assets related to a DOE laboratory. These receivables are attributable to operating liabilities associated with LBNL, and LLNL prior to October 1, 2007, such as third-party vendor and employee-related liabilities. In addition, the University records a receivable from the DOE for services the University may perform directly for the national laboratories, costs incurred in conjunction with the transition of the LANL and LLNL contracts to the successor contractor, the DOE's continuing financial obligation to the University for LANLs, LLNLs and LBNLs current and future pension costs, and the DOE's continuing financial obligation to the University for LBNLs current and future retiree health benefit costs.

Receivables from the DOE at June 30, 2008 and 2007 are as follows:

(in thousands of dollars)

	2008	2007
Vendor and employee-related operating costs	\$ 66,374	\$ 178,899
Performance of services and transition costs	16,178	13,823
Pension costs		17,440
Current portion of DOE receivable	\$82,552	\$210,162
Employee-related operating costs		\$ 27,080
Retiree health costs	\$ 31,494	
Noncurrent portion of DOE receivable	\$31,494	\$ 27,080

Los Alamos National Security, LLC (LANS)

LANS operates and manages 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 years ended June 30, 2008 and June 30, 2007, the University recorded \$15.3 million and \$15.9 million, respectively, as its equity in the current earnings of LANS and received \$14.8 million and \$6.7 million in cash distributions, respectively.

Lawrence Livermore National Security, LLC (LLNS)

As of October 1, 2007, LLNS became the operator and manager of the DOE's LLNL. LLNS' 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 LLNS, its equity in the current earnings or losses is 36.3 percent. For the nine-month period ended June 30, 2008, the University recorded \$10.0 million as its equity in the current earnings of LLNS and received \$5.5 million in cash distributions.

9. CAPITAL ASSETS

The University's capital asset activity for the years ended June 30, 2008 and 2007 is as follows:

(in thousands of dollars)

	2006	ADDITIONS	DISPOSALS	2007	ADDITIONS	DISPOSALS	2008
ORIGINAL COST							
Land	\$ 549,225	\$ 68,278	\$ (2,488)	\$ 615,015	\$ 51,681	\$ (2,390)	\$ 664,306
Infrastructure	395,331	30,848		426,179	28,284	(336)	454,127
Buildings and improvements	15,977,178	1,171,249	(23,395)	17,125,032	2,719,712	(33,876)	19,810,868
Equipment	4,379,353	460,961	(336,777)	4,503,537	490,571	(296,124)	4,697,984
Libraries and collections	2,911,341	134,169		3,045,510	135,222		3,180,732
Special collections	254,550	11,966	(363)	266,153	18,722		284,875
Construction in progress	3,176,433	659,645		3,836,078	(835,527)		3,000,551
Capital assets, at original cost	\$27,643,411	\$2,537,116	\$(363,023)	\$29,817,504	\$2,608,665	\$(332,726)	\$32,093,443
ACCUMULATED DEPRECIATION AND AMORTIZATION							
	2006	DEPRECIATION AND AMORTIZATION	DISPOSALS	2007	DEPRECIATION AND AMORTIZATION	DISPOSALS	2008
Infrastructure	\$ 170,123	\$ 14,687		\$ 184,810	\$ 15,895	\$ (397)	\$ 200,308
Buildings and improvements	5,898,780	537,332	\$ (18,385)	6,417,727	581,529	(19,301)	6,979,955
Equipment	2,858,010	410,856	(296,861)	2,972,005	404,223	(285,866)	3,090,362
Libraries and collections	2,051,497	86,133		2,137,630	91,974		2,229,604
Accumulated depreciation and amortization	\$10,978,410	\$1,049,008	\$(315,246)	\$11,712,172	\$ 1,093,621	\$(305,564)	\$12,500,229
Capital assets, net	\$16,665,001			\$18,105,332			\$19,593,214

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, 2008 and 2007 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA				UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS			
	2008		2007		2008		2007	
	CURRENT	NONCURRENT	CURRENT	NONCURRENT	CURRENT	NONCURRENT	CURRENT	NONCURRENT
Self-insurance programs	\$ 147,394	<u>\$449,347</u>	\$ 156,724	<u>\$402,857</u>				
Obligations under life income agreements	916	<u>\$ 31,074</u>	965	<u>\$ 31,962</u>	\$ 23,688	<u>\$156,911</u>	\$ 24,043	<u>\$157,107</u>
Other liabilities:								
Compensated absences	380,543	\$ 208,763	376,482	\$ 202,606				
UCRP		57,303	5,559	63,316				
Accrued interest	60,637		53,597					
Other	249,463	107,780	235,038	85,861	851	\$ 14,134	903	\$ 34,488
Total	\$838,953	\$373,846	\$828,365	\$351,783	\$24,539	\$ 14,134	\$24,946	\$ 34,488

The UCRP has an equivalent amount 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, 2008 and 2007 are as follows:

(in thousands of dollars)

	MEDICAL MALPRACTICE	WORKERS' COMPENSATION	EMPLOYEE HEALTH CARE	GENERAL LIABILITY	TOTAL
Year Ended June 30, 2008					
Liabilities at June 30, 2007	\$ 179,589	\$ 316,222	\$ 4,158	\$ 59,612	\$ 559,581
Claims incurred and changes in estimates	42,790	77,699	39,042	44,751	191,819
Claim payments	(33,719)	(71,613)	(36,427)	(25,363)	(154,659)
Liabilities at June 30, 2008	\$188,660	\$322,308	\$ 6,773	\$79,000	\$596,741
Discount rate	5.5%	5.0%	Undiscounted	5.0%	
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%	

The University increased the probability level for general liability claims at June 30, 2008 due to an increasing degree of uncertainty. As a result, the liability for these claims at June 30, 2008 increased by \$5.8 million and is included in the \$44.8 million of claims incurred and changes in estimates shown above.

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, 2008 and 2007 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, 2008</i>				
Current portion at June 30, 2007	\$ 372	\$ 593	\$ 7,476	\$ 16,567
Reclassification from noncurrent	1,455	2,117	7,440	16,042
Payments to beneficiaries	(1,424)	(2,197)	(7,426)	(16,411)
Current portion at June 30, 2008	\$ 403	\$ 513	\$ 7,490	\$ 16,198
Noncurrent portion at June 30, 2007	\$ 10,004	\$ 21,958	\$ 43,074	\$ 114,033
New obligations to beneficiaries	1,994	690	13,045	10,241
Reclassification to current	(1,455)	(2,117)	(7,440)	(16,042)
Noncurrent portion at June 30, 2008	\$10,543	\$20,531	\$48,679	\$108,232
<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

Other Noncurrent Liabilities

Changes in other noncurrent liabilities for the years ended June 30, 2008 and 2007 are as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA				UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS
	COMPENSATED ABSENCES	UCRP	OTHER	TOTAL	
Year Ended June 30, 2008					
Liabilities at June 30, 2007	\$ 202,606	\$ 63,316	\$ 85,861	\$ 351,783	\$ 34,488
New obligations	354,202		33,536	387,738	(17,464)
Reclassification to current	(348,045)	(6,013)	(11,617)	(365,675)	(2,890)
Liabilities at June 30, 2008	\$ 208,763	\$ 57,303	\$ 107,780	\$ 373,846	\$ 14,134
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

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, 2008 and 2007 is as follows:

(in thousands of dollars)

	WEIGHTED AVERAGE INTEREST RATE	INTEREST RATE RANGE	MATURITY YEARS	2008	2007
INTERIM FINANCING:					
Commercial paper		1.2–2.3%	2008	\$ 550,000	\$ 550,000
LONG-TERM FINANCING:					
University of California General Revenue Bonds	4.8%	3.0–5.3%	2009–2040	3,839,995	3,673,090
University of California Limited Project Revenue Bonds	4.9%	2.5–5.0%	2009–2041	1,397,200	988,040
University of California Multiple Purpose Projects Revenue Bonds	4.8%	3.0–5.8%	2008–2027	263,455	306,340
University of California Medical Center Pooled Revenue Bonds	4.5%	2.5–5.3%	2009–2047	1,054,910	537,325
University of California Medical Center Revenue Bonds	5.2%	2.8–5.5%	2008–2039	142,905	672,130
University of California Research Facilities Revenue Bonds	4.8%	4.0–5.0%	2008–2013	17,775	20,335
Adjusted by: Unamortized deferred financing costs				(89,396)	(85,747)
Unamortized bond premium				181,590	162,649
University of California revenue bonds	4.8%			6,808,434	6,274,162
Certificates of participation	4.2%	4.0–4.3%	2008–2010	4,445	8,465
Capital lease obligations		0.0–10.0%	2009–2019	2,242,549	2,009,498
Other University borrowings		Various	2009–2018	309,704	411,358
Student housing LLC revenue bonds, net	5.0%	4.0–5.8%	2009–2038	109,850	110,247
Total outstanding debt				10,024,982	9,363,730
Less: Commercial paper				(550,000)	(550,000)
Current portion of outstanding debt				(546,461)	(629,713)
Noncurrent portion of outstanding debt				\$ 8,928,521	\$8,184,017

Interest expense associated with financing projects during construction, along with any investment income earned on bond proceeds during construction, is capitalized. Total interest expense during the years ended June 30, 2008 and 2007 was \$425.7 million and \$419.1 million, respectively. Interest expense totaling \$25.3 million and \$33.9 million was capitalized during the years ended June 30, 2008 and 2007, respectively. The remaining \$400.4 million in 2008 and \$385.2 million in 2007 are reported as interest expense in the statement of revenues, expenses and changes in net assets. Investment income totaling \$10.0 million and \$12.1 million was capitalized during the years ended June 30, 2008 and 2007, respectively.

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, 2008 and 2007 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, 2008</i>						
Current portion at June 30, 2007	\$ 160,763	\$ 4,020	\$ 125,321	\$ 398	\$ 339,211	\$ 629,713
Reclassification from noncurrent	690,832	2,175	146,571	662	310,455	1,150,695
Refinancing or prepayment of outstanding debt	(512,465)				(357,529)	(869,994)
Scheduled principal payments	(152,780)	(4,020)	(128,134)	(580)	(73,882)	(359,396)
Amortization of bond premium	(11,690)			(80)		(11,770)
Amortization of deferred financing costs	6,950			263		7,213
Current portion at June 30, 2008	\$ 181,610	\$ 2,175	\$ 143,758	\$ 663	\$218,255	\$ 546,461
<i>Year Ended June 30, 2007</i>						
Noncurrent portion at June 30, 2007	\$ 6,113,399	\$ 4,445	\$ 1,884,177	\$ 109,849	\$ 72,147	\$ 8,184,017
New obligations	1,184,225		361,185		329,757	1,875,167
Bond premium	30,631					30,631
Deferred financing costs	(10,599)					(10,599)
Reclassification to current	(690,832)	(2,175)	(146,571)	(662)	(310,455)	(1,150,695)
Noncurrent portion at June 30, 2008	\$6,626,824	\$ 2,270	\$2,098,791	\$109,187	\$ 91,449	\$8,928,521
<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
<i>Year Ended June 30, 2006</i>						
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

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, 2008 and 2007 is as follows:

(in thousands of dollars)

	2008		2007	
	INTEREST RATES	OUTSTANDING	INTEREST RATES	OUTSTANDING
Tax-exempt	1.2–1.9%	\$ 430,000	3.5–3.7%	\$ 430,000
Taxable	2.2–2.3%	120,000	5.2–5.3%	120,000
Total outstanding		\$550,000		\$550,000

In July 2008, The Regents authorized an increase in the University's Commercial Paper Program from \$550.0 million currently to \$2.0 billion in order to reduce the number of bank line commitments, provide greater access to tax-exempt financing and preserve flexibility for future interim financing needs. Commercial paper is issued in two series. The first series of up to \$1.5 billion, consisting of both tax-exempt and taxable components, may be issued for interim financing for capital projects, interim financing of equipment, financing of working capital for the medical centers and other working capital needs. The second series of up to \$500 million of taxable commercial paper may be issued for standby or interim financing for gift financed projects.

The expectation is that the University will continue to utilize legally available investments for liquidity support for the Commercial Paper Program. Alternatively, the University may utilize a line of credit from an external bank.

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, 2008 and 2007 were \$6.72 billion and \$6.11 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, 2008 and 2007 were \$337.2 million and \$302.0 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, 2008 and 2007 were \$501.4 million and \$546.0 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, 2008 and 2007 were \$4.98 billion and \$4.59 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.

2008 Activity

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, Limited Project Revenue Bonds totaling \$415.4 million were issued to finance and refinance certain auxiliary enterprises of the University. Proceeds, including a bond premium of \$18.0 million, are available 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 \$333.0 million. The bonds mature at various dates through 2041 and have a weighted average interest rate of 5.0 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds.

In January 2008, General Revenue Bonds totaling \$248.9 million were issued to finance and refinance certain facilities and projects of the University. Proceeds, including a bond premium of \$12.7 million, are available 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 of \$219.5 million. The bonds mature at various dates through 2040 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.

In April 2008, Medical Center Pooled Revenue Bonds totaling \$323.0 million, plus a bond premium of \$10.6 million, were issued to refinance certain improvements to another of its medical centers. Proceeds were used to refund \$324.3 million of Medical Center Revenue Bonds and for a swap termination payment of \$6.8 million. The bonds mature at various dates through 2027 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. Additional deferred costs of financing totaling \$11.8 million will be amortized as interest expense over the term of the bonds.

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 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 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 18 years and the University was able to achieve an economic gain of \$15.2 million.

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 has entered into interest rate swap agreements in connection with certain variable-rate 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 the outstanding swaps and their fair values at June 30, 2008 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 Pooled Revenue Bonds	\$ 93,730	2007	2032	Pay fixed; receive variable	3.5897%	58% of 1-Month LIBOR* + 0.48%	\$ (3,315)
Medical Center Pooled Revenue Bonds	189,775	2007	2047	Pay fixed; receive variable	4.6868%	67% of 3-Month LIBOR* + 0.73%**	(20,848)
Total	\$283,505						\$(24,163)

* London Interbank Offered Rate (LIBOR)

** Weighted average spread

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, 2008.

The swaps may 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. However, there is no basis or tax risk related to the \$189.8 million notional amount associated with certain Medical Center Pooled Revenue Bonds since the variable rate the University pays to the bond holders matches the variable rate payments received from the swap counterparty.

Although the University has entered into the interest rate swaps with creditworthy 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, 2008, 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				
2009	\$ 2,515	\$ 6,075	\$ 5,668	\$ 14,258
2010	2,605	6,040	5,626	14,271
2011	2,695	6,003	5,582	14,280
2012	2,800	5,966	5,537	14,303
2013	2,895	5,926	5,490	14,311
2014–2018	16,145	28,989	26,683	71,817
2019–2023	22,680	27,769	25,222	75,671
2024–2028	42,350	25,025	22,324	89,699
2029–2033	45,745	20,751	17,978	84,474
2034–2038	30,175	16,762	14,154	61,091
2039–2043	55,030	11,989	10,105	77,124
2044–2047	57,870	3,819	3,199	64,888
Total	\$283,505	\$165,114	\$147,568	\$596,187

The University's counterparty in the interest rate swap agreement entered into in connection with Medical Center Pooled Revenue Bonds with a notional amount of \$189.8 million is Lehman Brothers Special Financing Inc. The guarantor is Lehman Brothers Holdings Inc. On September 14, 2008, Lehman Brothers Holdings Inc. filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. On October 3, 2008, Lehman Brothers Special Financing Inc. filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. The University is exploring various options, including terminating the existing swap agreement and substituting a new interest rate swap agreement with a new counterparty, to reduce the credit risk resulting from these bankruptcy filings and to provide funds to pay the cost of terminating the existing swap agreement. On October 10, 2008, this interest rate swap has an estimated negative fair value of \$37.3 million.

The University's counterparty in the interest rate swap agreement entered into in connection with Medical Center Pooled Revenue Bonds with a notional amount of \$93.7 million is Merrill Lynch Capital Services, Inc. On September 15, 2008, Bank of America Corporation announced that it had agreed to acquire Merrill Lynch & Co. and that it expects the transaction to close in the first quarter of calendar year 2009, subject to shareholder and standard regulatory approvals. On October 10, 2008, this interest rate swap has an estimated negative fair value of \$5.9 million.

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 \$3.8 million and \$4.6 million for the years ended June 30, 2008 and 2007, respectively. 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 \$302.6 million and \$79.9 million during the years ended June 30, 2008 and 2007, 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, 2008 and 2007 was \$160.0 million and \$152.3 million, respectively. The scheduled principal and interest, including accrued interest, reported in the University's financial statements for the years ended June 30, 2008 and 2007 contain amounts related to these lease-purchase agreements with the state of California as follows:

<i>(in thousands of dollars)</i>		
	2008	2007
Capital lease principal	\$ 77,987	\$ 70,387
Capital lease interest	88,983	91,353
Total	\$166,970	\$161,740

Capital leases entered into with other lessors, typically for equipment, totaled \$58.6 million and \$55.7 million for the years ended June 30, 2008 and 2007, respectively.

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, 2013, totaled \$1.12 billion at June 30, 2008. Outstanding borrowings under these bank lines totaled \$115.3 million and \$146.9 million at June 30, 2008 and 2007, 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 \$102.2 million and \$202.7 million at June 30, 2008 and 2007, respectively.

Student Housing LLC Revenue Bonds

The University has a ground lease with a legally separate, non-profit corporation that 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 LLC. 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, 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.

During the year ended June 30, 2007, interest expense, net of interest income, totaling \$1.3 million related to the student housing revenue bonds was capitalized during the construction phase of the project.

In July 2008, the University entered into another ground lease with the same legally separate, non-profit corporation to develop and own an additional student housing project and related amenities and improvements. The LLC, through its conduit issuer, issued additional Student Housing LLC Revenue Bonds totaling \$220.9 million. Proceeds, including a bond premium of \$500 thousand, are available to finance the construction of the student housing project. The bonds mature at various dates through 2040 and have a weighted average interest rate of 5.9 percent. They 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.

Future Debt Service

Future debt service payments for each of the five fiscal years subsequent to June 30, 2008 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					
Year Ending June 30										
2009	\$ 551,064	\$ 498,045	\$ 2,333	\$ 195,667	\$ 53,927	\$ 225,594	\$ 6,568	\$ 1,533,198	\$ 1,091,103	\$ 442,095
2010		500,229	2,337	182,805	41,130	56,767	6,769	790,037	369,492	420,545
2011		501,511		184,815	31,898	16,468	6,982	741,674	337,738	403,936
2012		510,316		184,781	22,816	14,775	7,210	739,898	350,919	388,979
2013		508,418		184,845	14,823	8,006	7,427	723,519	350,019	373,500
2014–2018		2,417,329		829,312	62,407	896	37,784	3,347,728	1,739,959	1,607,769
2019–2023		2,133,633		717,816	4,796		37,784	2,894,029	1,697,919	1,196,110
2024–2028		1,805,690		416,666	3,299		37,784	2,263,439	1,455,864	807,575
2029–2033		1,469,827		245,219			37,785	1,752,831	1,280,526	472,305
2034–2038		1,018,358					37,788	1,056,146	846,000	210,146
2039–2043		333,984						333,984	268,340	65,644
2044–2048		165,548						165,548	148,150	17,398
Total future debt service	551,064	11,862,888	4,670	3,141,926	235,096	322,506	223,881	16,342,031	9,936,029	\$6,406,002
Less: Interest component of future payments	(1,064)	(5,146,648)	(225)	(1,105,533)	(28,940)	(12,802)	(110,790)	(6,406,002)		
Principal portion of future payments	550,000	6,716,240	4,445	2,036,393	206,156	309,704	113,091	9,936,029		
Adjusted by:										
Unamortized deferred financing costs		(89,396)					(5,627)	(95,023)		
Unamortized bond premium		181,590					2,386	183,976		
Total debt	\$550,000	\$ 6,808,434	\$4,445	\$2,036,393	\$206,156	\$309,704	\$109,850	\$10,024,982		

Long-term debt does not include \$1.75 billion and \$2.01 billion of defeased liabilities at June 30, 2008 and 2007, 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. 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. The Regents has the authority to establish or amend the benefit plans.

Condensed financial information related to each plan in the UCRS for the years ended June 30, 2008 and 2007 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA RETIREMENT PLAN		UNIVERSITY OF CALIFORNIA RETIREMENT SAVINGS PLAN		UNIVERSITY OF CALIFORNIA PERS-VOLUNTARY EARLY RETIREMENT INCENTIVE PLAN		TOTAL	
	2008	2007	2008	2007	2008	2007	2008	2007
CONDENSED STATEMENT OF PLANS' FIDUCIARY NET ASSETS								
Investments at fair value	\$ 42,092,691	\$ 48,835,961	\$ 10,362,657	\$ 10,761,897	\$ 76,821	\$ 87,609	\$ 52,532,169	\$ 59,685,467
Participants' interest in external mutual funds			3,772,901	3,794,050			3,772,901	3,794,050
Investment of cash collateral	7,985,216	12,641,611	4,162,266	4,219,458	14,590	22,738	12,162,072	16,883,807
Other assets	742,520	214,694	145,543	138,881	1,109	218	889,172	353,793
Total assets	50,820,427	61,692,266	18,443,367	18,914,286	92,520	110,565	69,356,314	80,717,117
Collateral held for securities lending	8,028,770	12,642,256	4,180,415	4,219,515	14,669	22,739	12,223,854	16,884,510
Other liabilities	768,495	944,662	178,908	241,291	1,515	1,677	948,918	1,187,630
Total liabilities	8,797,265	13,586,918	4,359,323	4,460,806	16,184	24,416	13,172,772	18,072,140
Net assets held in trust	\$ 42,023,162	\$ 48,105,348	\$ 14,084,044	\$ 14,453,480	\$ 76,336	\$ 86,149	\$ 56,183,542	\$ 62,644,977
CONDENSED STATEMENT OF CHANGES IN PLANS' FIDUCIARY NET ASSETS								
Contributions	\$ 4,048	\$ 25,340	\$ 1,033,850	\$ 1,036,628			\$ 1,037,898	\$ 1,061,968
Net appreciation (depreciation) in fair value of investments	(3,996,828)	6,616,576	(975,920)	1,234,233	\$ (7,207)	\$ 13,066	(4,979,955)	7,863,875
Investment and other income, net	1,403,039	1,299,364	482,030	567,048	2,515	552	1,887,584	1,866,964
Total additions (reductions)	(2,589,741)	7,941,280	539,960	2,837,909	(4,692)	13,618	(2,054,473)	10,792,807
Benefit payment and participant withdrawals	1,888,679	1,714,782	910,365	849,939	5,114	5,291	2,804,158	2,570,012
Plan expense (surplus)	36,557	38,914	(969)	7,010	7	8	35,595	45,932
Transfer of assets to the LANS defined benefit plan		1,444,460						1,444,460
Transfer of assets to the LLNS defined benefit plan	1,567,209						1,567,209	
Total deductions	3,492,445	3,198,156	909,396	856,949	5,121	5,299	4,406,962	4,060,404
Increase (decrease) in net assets held in trust	(6,082,186)	4,743,124	(369,436)	1,980,960	(9,813)	8,319	(6,461,435)	6,732,403
Net assets held in trust:								
Beginning of year	48,105,348	43,362,224	14,453,480	12,472,520	86,149	77,830	62,644,977	55,912,574
End of year	\$ 42,023,162	\$ 48,105,348	\$ 14,084,044	\$ 14,453,480	\$ 76,336	\$ 86,149	\$ 56,183,542	\$ 62,644,977

Additional information on the retirement plans can be obtained from the 2007-2008 annual reports of the University of California Retirement Plan, the University of California Retirement Savings Plans and the University of California PERS-VERIP.

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 an indefinite period or for a definite period of 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.

The University's membership in the UCRP consisted of the following at July 1, 2007, the date of the latest actuarial valuation:

	CAMPUSES AND MEDICAL CENTERS	DOE NATIONAL LABORATORIES	UNIVERSITY OF CALIFORNIA
Retirees and beneficiaries receiving benefits	36,117	11,458	47,575
Inactive members entitled to, but not yet receiving benefits	48,520	10,447	58,967
Active members:			
Vested	60,689	7,148	67,837
Nonvested	48,484	2,362	50,846
Total active members	109,173	9,510	118,683
Total membership	193,810	31,415	225,225

Contribution Policy

The Regents' contribution 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' contribution policy and based on recommendations of the consulting actuary. In addition, the DOE is required to reimburse the University for contributions made on behalf of UCRP members at LANL and LLNL who retired or became inactive members before the laboratory management contracts were terminated. As a result of the funded status of the UCRP, during the years ended June 30, 2008 and 2007, the UCRP had no required employer contributions other than for service credit buybacks, or those resulting from agreements with the DOE.

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, 2008 and 2007, the UCRP had no required employee contributions, although there were service credit buybacks.

LBNL is required to make employer and employee contributions in conformity with The Regents' funding policy. In addition, under certain circumstances the University makes contributions to the UCRP on behalf of LANL and LLNL retirees based upon a contractual arrangement with the DOE designed to maintain the 100 percent funded status of the LANL and LLNL segments within the UCRP, and is reimbursed by the DOE.

Employee 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 monthly retirement income or a lump sum equal to the present value of their accrued benefits.

UCRP Benefits and Obligation to UCRP

The University's annual UCRP benefit expense is independently calculated for the campuses and medical centers and the DOE laboratories based upon the actuarially determined annual required contributions. The annual required contribution represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities or surplus over a period of up to 30 years.

The University's annual UCRP benefit expense for the year and related information for the years ended June 30, 2008 and 2007, segregated between the University and DOE responsibility, is as follows:

(in thousands of dollars)

	CAMPUSES AND MEDICAL CENTERS		DOE NATIONAL LABORATORIES		UNIVERSITY OF CALIFORNIA	
	2008	2007	2008	2007	2008	2007
Actuarial valuation date	July 1, 2007	July 1, 2006	July 1, 2007	July 1, 2006	July 1, 2007	July 1, 2006
Annual required contribution	\$ 2,622	\$ 6,359	\$ 11	\$ 17,575	\$ 2,633	\$ 23,934
Interest on obligation to UCRP						
Adjustment to annual required contribution						
Annual UCRP cost	2,622	6,359	11	17,575	2,633	23,934
University contributions to UCRP	(2,622)	(6,359)	(11)	(17,575)	(2,633)	(23,934)
Increase in obligation to UCRP						
Obligation to UCRP						
Beginning of year	Zero	Zero	Zero	Zero	Zero	Zero
End of year	Zero	Zero	Zero	Zero	Zero	Zero
UCRP benefit reimbursement by DOE during the year			\$ 11	\$17,575	\$ 11	\$17,575
DOE receivable for obligation to UCRP:						
Current				\$ 17,440		\$ 17,440
Total				\$17,440		\$17,440

The annual UCRP benefit cost, percentage of the annual UCRP benefit cost contributed to UCRP, and the net obligation to UCRP for the University for the year ended June 30, 2008 and the preceding years are as follows:

	CAMPUSES AND MEDICAL CENTERS	DOE NATIONAL LABORATORIES	UNIVERSITY OF CALIFORNIA
Annual UCRP benefit cost:			
June 30, 2008	\$2,622	\$ 11	\$ 2,633
June 30, 2007	6,359	17,575	23,934
June 30, 2006	Zero	Zero	Zero
Percentage of annual cost contributed:			
June 30, 2008	100%	100%	100%
June 30, 2007	100%	100%	100%
June 30, 2006	100%	100%	100%
Net obligation to the UCRP:			
June 30, 2008	Zero	Zero	Zero
June 30, 2007	Zero	Zero	Zero
June 30, 2006	Zero	Zero	Zero

Funded Status

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.

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 segments of the UCRP.

The funded status of the UCRP as of July 1, 2007 was as follows:

(in thousands of dollars)

	CAMPUSES AND MEDICAL CENTERS	DOE NATIONAL LABORATORIES	UNIVERSITY OF CALIFORNIA
Actuarial value of plan assets	\$ 33,581,431	\$ 9,746,619	\$ 43,328,050
Actuarial accrued liability	(31,917,954)	(9,417,981)	(41,335,935)
Excess actuarial value of assets	\$ 1,663,477	\$ 328,638	\$ 1,992,115
Funded ratio	105.2%	103.5%	104.8%
Covered payroll	\$ 6,720,789	\$ 874,632	\$ 7,595,421
Excess actuarial value of assets as a percentage of covered payroll	24.8%	37.6%	26.2%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, includes multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based upon the plan as understood by the University and plan members, and include the types of benefits provided at the time of each valuation and the historical cost pattern of sharing of benefit costs between the University and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant actuarial methods and 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 June 30, 2006);
- projected inflation at 3.5 percent (4.0 percent for June 30, 2006);
- Entry Age Normal actuarial cost method;
- 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 for campuses, medical centers and LBNL.

The actuarial value of assets was determined by smoothing 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 at July 1, 2007 for campuses and medical centers, DOE national laboratories and total UCRP was one, two and two years, respectively.

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 employee 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 \$5.8 million and \$8.7 million for the years ended June 30, 2008 and 2007, respectively.

Tax Deferred 403(b) Plan

The University's Tax Deferred 403(b) Plan (the 403(b) Plan) accepts pretax employee contributions. The University may also make contributions in behalf of certain members of management. Employer contributions to the 403(b) Plan were \$2.3 million and \$3.8 million for the years ended June 30, 2008 and 2007, respectively.

457(b) Deferred Compensation Plan

The University has also established a 457(b) Deferred Compensation Plan (the 457(b) Plan) to accept pretax employee contributions. The University may also make contributions in behalf of certain members of management. Employer contributions to the 457(b) Plan were \$0.1 million and \$0.6 million for the years ended June 30, 2008 and 2007, 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 Employees' Retirement System in behalf of these UC–PERS members. At June 30, 2008 there are 733 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. The annual required contribution, net obligation to PERS–VERIP and any changes or adjustments to that obligation are all zero for the years ending June 30, 2008, 2007 and 2006.

13. RETIREE HEALTH BENEFIT COSTS AND OBLIGATIONS

The University administers single-employer health and welfare plans to provide health and welfare benefits, primarily medical, dental and vision, to eligible retirees and their families and survivors (retirees) of the University of California and its affiliates. The Regents has the authority to establish or amend the plans. Additional information can be obtained from the 2007–2008 annual report of the University of California Health and Welfare Plans.

Membership in the UCRP is required to become eligible for retiree health benefits. Participation in the retiree health benefit plans consisted of the following at July 1, 2007, the date of the latest actuarial valuation:

	CAMPUSES AND MEDICAL CENTERS	LBNL	UNIVERSITY OF CALIFORNIA*
Retirees who are currently receiving benefits	31,247	1,685	32,932
Employees who are eligible to receive retiree health benefits	109,983	2,586	112,569
Total membership	141,230	4,271	145,501

* Excludes LLNL retirees who participated in the retiree health plan on July 1, 2007, although their participation terminated as of September 30, 2007.

Contribution Policy

The contribution requirements of the University and eligible retirees are established and may be amended by the University. The contribution requirements are based upon projected pay-as-you-go financing. University and retiree contributions of premiums made under purchased plan arrangements are determined by applying the health plan contract rates across the number of participants in the respective plans. Premium rates for the self-insured plan contributions are set by the University based upon a trend analysis of the historic cost, utilization, demographics and administrative expenses to provide for the claims incurred and the actuarially determined level of incurred but not reported liability.

Contributions toward medical and dental benefits are shared between the University and the retiree. The University does not contribute toward the cost of other benefits available to retirees. Retirees employed by the University prior to 1990 and not rehired after that date are eligible for the University's maximum contribution if they retire before age 55 and have at least 10 years of service, or if they retire at age 55 or later and have at least five years of service. Retirees employed by the University after 1989 are subject to graduated eligibility provisions that generally require 10 years of service before becoming eligible for 50 percent of the maximum University contribution, increasing to 100 percent after 20 years of service.

Active employees do not make any contributions toward the retiree health benefit plans. Retirees pay the excess, if any, of the premium over the applicable portion of the University's maximum contribution.

In addition to the explicit University contribution provided to retirees, there is an "implicit subsidy". The gross premiums for members that are not currently eligible for Medicare benefits are the same for active employees and retirees, based on a blend of their health costs. Retirees, on average, are expected to have higher health care costs than active employees. This is primarily due to the older average age of retirees. Since the same gross premiums apply to both groups, the premiums paid for active employees by the University are subsidizing the premiums for retirees. This effect is called the implicit subsidy. The implicit subsidy associated with retiree health costs paid during the past year is also considered to be a contribution from the University.

Retiree Health Benefit Expense and Obligation for Retiree Health Benefits

Beginning July 1, 2007, the University's retiree health benefit expense is independently calculated for the campuses and medical centers and LLNL based upon the actuarially determined annual required contribution. The annual required contribution represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period of up to 30 years.

The University's annual retiree health benefit expense and related information for the year ended June 30, 2008, segregated between the University and DOE responsibility, is as follows:

(in thousands of dollars)

	CAMPUSES AND MEDICAL CENTERS	LLNL	UNIVERSITY OF CALIFORNIA
Actuarial valuation date	July 1, 2007	July 1, 2007	July 1, 2007
Annual required contribution	\$ 1,355,362	\$ 44,426	\$ 1,399,788
Interest on obligations for retiree health benefits			
Adjustment to annual required contribution			
Annual retiree health benefit cost	1,355,362	44,426	1,399,788
University contributions:			
To UCRHBT	(225,066)		(225,066)
To healthcare insurers and administrators		(10,548)	(10,548)
Implicit subsidy	(43,036)	(2,384)	(45,420)
Total contributions	(268,102)	(12,932)	(281,034)
Increase in obligations for retiree health benefits	1,087,260	31,494	1,118,754
Obligations for retiree health benefits			
Beginning of year			
End of year	\$1,087,260	\$31,494	\$1,118,754
Retiree health care reimbursement by DOE during the year		\$10,548	\$ 10,548
DOE receivable for obligations for retiree health benefits:			
Noncurrent		\$ 31,494	\$ 31,494
Total		\$31,494	\$ 31,494

GASB Statement No. 45 was not applicable for the prior year and the cost of retiree health and welfare coverage was recognized when paid. The cost of retiree health and welfare benefits for the year ended June 30, 2007 was \$215.9 million; \$174.5 for campus and medical center retirees; \$31.7 million for LLNL retirees; and \$9.7 million for LLNL retirees.

University payments directly to health care insurers and administrators under the University's retiree health plans for retirees who previously worked at LLNL were \$12.0 million for the period from July 1, 2007 through September 30, 2007, the date the University's contract to manage and operate LLNL expired. The DOE reimbursed the University for these payments. As of June 30, 2008, the University has no remaining obligation for LLNL retiree health benefit costs.

Excluding the activity for the period from July 1, 2007 through September 30, 2007 related to LLNL, the annual retiree health benefit cost, percentage of the annual retiree health benefit cost contributed to the retiree health benefit plan, and the net obligation for retiree health benefits for the University for the year ended June 30, 2008 are as follows:

(in thousands of dollars)

	CAMPUSES AND MEDICAL CENTERS	LBNL	UNIVERSITY OF CALIFORNIA
Annual retiree health benefit cost	\$1,355,362	\$44,426	\$1,399,788
Percentage of annual cost contributed	19.8%	29.1%	20.1%
Net obligation to the retiree health benefit plan	\$1,087,260	\$31,494	\$1,118,754

Funded Status

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. Examples include assumptions about future employment, mortality, investment return and health care cost trends. 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 rates are compared with past expectations and new estimates are made about the future.

The funded status of the plan as of July 1, 2007 was as follows:

(in thousands of dollars)

	CAMPUSES AND MEDICAL CENTERS	LBNL	UNIVERSITY OF CALIFORNIA
Actuarial accrued liability	\$ 12,074,689	\$ 459,779	\$ 12,534,468
Actuarial value of plan assets	Zero	Zero	Zero
Deficit—actuarial accrued liability	\$(12,074,689)	\$(459,779)	\$(12,534,468)
Value of the implicit subsidy included in the actuarial accrued liability	\$ 1,792,229	\$ 74,918	\$ 1,867,147
Funded ratio	Zero	Zero	Zero
Covered payroll	\$ 6,720,789	\$ 192,678	\$ 6,913,467
Unfunded actuarial accrued liability as a percentage of covered payroll	(179.7%)	(238.6%)	(181.3%)

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, includes multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based upon the plan as understood by the University and plan members, and include the types of benefits provided at the time of each valuation and the historical cost pattern of sharing of benefit costs between the University and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant actuarial methods and assumptions used in the valuation were:

- assumed return on investment of 5.5 percent per year, representing the return on the University's assets expected to be used to finance benefits;
- health care cost trend rate ranging from 10 to 12 percent initially, depending on the type of plan, reduced by increments to an ultimate rate of 5 percent over nine years;
- projected inflation at 3.0 percent;
- amortization of the initial unfunded actuarial liability over 30 years as a flat dollar amount on a closed basis;

- amortization of future actuarial gains and losses over 15 years as a flat dollar amount on a closed basis;
- amortization of the effects of changes in the plan design, or changes in assumptions, over 30 years as a flat dollar amount on a closed basis;
- Entry Age Normal actuarial cost method;
- 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.

14. 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, 2008 and 2007 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA			
	RESTRICTED NONEXPENDABLE	RESTRICTED EXPENDABLE	UNRESTRICTED	TOTAL
<i>At June 30, 2008</i>				
Endowments	\$ 939,680	\$ 1,737,257	\$ 35,558	\$ 2,712,495
Funds functioning as endowments		2,249,318	1,234,456	3,483,774
Annuity and life income	12,822	8,243		21,065
Gifts		911,102	13,455	924,557
University endowments and gifts	\$952,502	\$4,905,920	\$1,283,469	\$7,141,891
<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

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 \$1.74 billion and \$1.89 billion at June 30, 2008 and 2007, 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 \$210.3 million and \$193.3 million for the years ended June 30, 2008 and 2007, 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 \$89.9 million and \$69.9 million for the years ended June 30, 2008 and 2007, respectively. Accumulated endowment income available for spending in the future, including the annual income distribution, was \$497.5 million and \$480.8 million at June 30, 2008 and 2007, 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, 2008 and 2007 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS			
	RESTRICTED NONEXPENDABLE	RESTRICTED EXPENDABLE	UNRESTRICTED	TOTAL
<i>At June 30, 2008</i>				
Endowments	\$ 1,820,279	\$ 837,531		\$ 2,657,810
Funds functioning as endowments		873,031		873,031
Annuity and life income	95,550	94,417		189,967
Gifts		722,917	\$ 27,106	750,023
Campus foundations' endowments and gifts	\$1,915,829	\$2,527,896	\$27,106	\$4,470,831
<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

The campus foundations provided grants to the University's campuses totaling \$527.6 million and \$451.3 million, respectively, during the years ended June 30, 2008 and 2007.

15. SEGMENT INFORMATION

The University's significant identifiable activities for which revenue bonds may be outstanding where 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, 2008 and 2007 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA MEDICAL CENTERS				
	DAVIS	IRVINE	LOS ANGELES	SAN DIEGO	SAN FRANCISCO
Year Ended June 30, 2008					
Revenue bonds outstanding	\$ 387,980	\$ 62,920	\$ 538,740	\$ 70,425	\$ 137,750
Related debt service payments	\$ 24,481	\$ 2,897	\$ 24,835	\$ 6,613	\$ 7,855
Bonds due serially through	2047	2047	2047	2047	2047

CONDENSED STATEMENT OF NET ASSETS

Current assets	\$ 403,624	\$ 191,009	\$ 393,910	\$ 313,957	\$ 435,359
Capital assets, net	916,211	513,933	1,567,561	362,821	682,856
Other assets	19,192	14,495	60,022	4,819	12,811
Total assets	1,339,027	719,437	2,021,493	681,597	1,131,026
Current liabilities	188,207	91,554	191,397	104,508	165,220
Long-term debt	402,501	88,222	639,485	91,149	229,490
Other noncurrent liabilities					27,531
Total liabilities	590,708	179,776	830,882	195,657	422,241
Invested in capital assets, net of debt	464,101	409,689	988,051	258,570	426,809
Restricted	848	13,643	51,822		7,705
Unrestricted	283,370	116,329	150,738	227,370	274,271
Total net assets	\$ 748,319	\$539,661	\$1,190,611	\$485,940	\$ 708,785

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Operating revenues	\$ 1,029,175	\$ 526,443	\$ 1,227,118	\$ 716,609	\$ 1,482,838
Operating expenses	(919,204)	(461,029)	(1,117,580)	(627,911)	(1,377,549)
Depreciation expense	(57,562)	(20,877)	(51,680)	(27,598)	(60,711)
Operating income	52,409	44,537	57,858	61,100	44,578
Nonoperating revenues (expenses)	(7,441)	2,537	(24,564)	173	(3,014)
Income before other changes in net assets	44,968	47,074	33,294	61,273	41,564
State and federal capital appropriations			2,092	3,453	10,818
Health systems support	(10,557)	(35,292)	(33,125)	(31,297)	(20,065)
Transfers (to) from University, net	33,608	85,957	(21,885)	9,286	
Other, including donated assets			117,524	13,707	1,327
Increase in net assets	68,019	97,739	97,900	56,422	33,644
Net assets—June 30, 2007	680,300	441,922	1,092,711	429,518	675,141
Net assets—June 30, 2008	\$ 748,319	\$539,661	\$1,190,611	\$485,940	\$ 708,785

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:

Operating activities	\$ 90,778	\$ 68,979	\$ 100,687	\$ 82,031	\$ 85,808
Noncapital financing activities	(8,344)	(35,292)	(55,007)	(31,297)	(20,065)
Capital and related financing activities	(132,943)	(57,620)	(111,550)	(50,242)	(127,321)
Investing activities	73,677	19,064	69,488	4,173	7,581
Net increase (decrease) in cash and cash equivalents	23,168	(4,869)	3,618	4,665	(53,997)
Cash and cash equivalents—June 30, 2007	153,305	100,823	120,978	127,683	182,839
Cash and cash equivalents—June 30, 2008	\$ 176,473	\$ 95,954	\$ 124,596	\$132,348	\$ 128,842

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA MEDICAL CENTERS				
	DAVIS	IRVINE	LOS ANGELES	SAN DIEGO	SAN FRANCISCO
Year Ended June 30, 2007					
Revenue 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	286,892	866,283	218,243	366,727
Restricted	1,819	28,677	114,464		7,124
Unrestricted	236,754	126,353	111,964	211,275	301,290
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)	(429,809)	(1,039,515)	(549,394)	(1,217,876)
Depreciation expense	(55,377)	(17,884)	(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	\$ 56,684	\$ 77,049	\$ 80,224	\$ 129,964
Noncapital financing activities	(12,742)	(37,731)	(35,185)	(30,308)	(22,232)
Capital and related financing activities	(38,654)	(11,893)	(11,392)	(45,053)	(88,519)
Investing activities	(51,335)	(23,615)	(39,655)	3,798	8,071
Net increase (decrease) in cash and cash equivalents	10,453	(16,555)	(9,183)	8,661	27,284
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	\$ 182,839

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, 2008 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, 2008 and 2007 is as follows:

(in thousands of dollars)

	UNIVERSITY OF CALIFORNIA CAMPUS FOUNDATIONS				
	BERKELEY	SAN FRANCISCO	LOS ANGELES	ALL OTHER	TOTAL
<i>Year Ended June 30, 2008</i>					
CONDENSED STATEMENT OF NET ASSETS					
Current assets	\$ 100,624	\$ 99,964	\$ 305,082	\$ 305,393	\$ 811,063
Noncurrent assets	1,068,285	623,330	1,345,929	1,198,156	4,235,700
Total assets	1,168,909	723,294	1,651,011	1,503,549	5,046,763
Current liabilities	46,335	18,764	204,732	135,056	404,887
Noncurrent liabilities	62,543	14,539	45,408	48,555	171,045
Total liabilities	108,878	33,303	250,140	183,611	575,932
Restricted	1,058,801	689,756	1,386,822	1,308,346	4,443,725
Unrestricted	1,230	235	14,049	11,592	27,106
Total net assets	\$1,060,031	\$689,991	\$1,400,871	\$1,319,938	\$4,470,831

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Operating revenues	\$ 86,620	\$ 113,211	\$ 185,470	\$ 151,189	\$ 536,490
Operating expenses	(124,364)	(125,203)	(141,589)	(148,500)	(539,656)
Operating income (loss)	(37,744)	(11,992)	43,881	2,689	(3,166)
Nonoperating expenses	(22,086)	(34,768)	(4,229)	(15,623)	(76,706)
Income (loss) before other changes in net assets	(59,830)	(46,760)	39,652	(12,934)	(79,872)
Permanent endowments	55,327	14,328	61,662	47,891	179,208
Increase (decrease) in net assets	(4,503)	(32,432)	101,314	34,957	99,336
Net assets—June 30, 2007	1,064,534	722,423	1,299,557	1,284,981	4,371,495
Net assets—June 30, 2008	\$1,060,031	\$689,991	\$1,400,871	\$1,319,938	\$4,470,831

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:

Operating activities	\$ (31,308)	\$ 21,768	\$ 48,209	\$ (26,410)	\$ 12,259
Noncapital financing activities	46,767	14,328	61,662	40,603	163,360
Investing activities	(11,898)	(60,342)	(109,882)	(4,380)	(186,502)
Net increase (decrease) in cash and cash equivalents	3,561	(24,246)	(11)	9,813	(10,883)
Cash and cash equivalents—June 30, 2007	1,246	101,282	731	58,284	161,543
Cash and cash equivalents—June 30, 2008	\$ 4,807	\$ 77,036	\$ 720	\$ 68,097	\$ 150,660

(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

17. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

Amounts committed but unexpended for construction projects totaled \$3.33 billion and \$2.42 billion at June 30, 2008 and 2007, 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, 2008 totaled \$3.89 billion: \$429.0 million and \$3.46 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, 2008 and 2007 were \$147.8 million and \$142.6 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>	
2009	\$ 104,619
2010	83,609
2011	63,166
2012	142,670
2013	27,365
2014–2018	51,886
2019–2023	3,456
2024–2028	3,766
2029–2033	4,297
2034–2038	4,894
2039	1,652
Total	\$491,380

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.

REQUIRED SUPPLEMENTARY INFORMATION

The University's schedule of funding progress for the UCRP and the retiree health plan is presented below.

UCRP

(in thousands of dollars)

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY	EXCESS	FUNDED RATIO	ANNUAL COVERED PAYROLL	EXCESS/COVERED PAYROLL
University of California						
July 1, 2007	\$ 43,328,050	\$ 41,335,935	\$ 1,992,115	104.8 %	\$ 7,595,421	26.2 %
July 1, 2006	41,872,844	40,207,322	1,665,522	104.1	8,241,706	20.2
July 1, 2005	40,993,301	37,170,862	3,822,439	110.3	8,133,183	47.0
Campuses and Medical Centers						
July 1, 2007	33,581,431	31,917,954	1,663,477	105.2	6,720,789	24.8
July 1, 2006	31,380,900	29,728,524	1,652,376	105.6	6,731,201	24.5
July 1, 2005	30,662,348	27,300,357	3,361,991	112.3	6,346,933	53.0
DOE National Laboratories						
July 1, 2007	9,746,619	9,417,981	328,638	103.5	874,632	37.6
July 1, 2006	10,491,944	10,478,798	13,146	100.1	1,510,505	0.9
July 1, 2005	10,330,953	9,870,505	460,448	104.7	1,786,250	25.8

Factors significantly affecting trends

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 July 1, 2007 actuarial accrued liability and annual covered payroll as follows:

(in thousands of dollars)

	CAMPUSES AND MEDICAL CENTERS	DOE NATIONAL LABORATORIES	UNIVERSITY OF CALIFORNIA
Actuarial accrued liability	\$ 481,130	\$ 52,068	\$ 533,198
Annual covered payroll	726,004	86,220	812,224

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. The actuarial value of assets and actuarial value of liabilities at June 1, 2006 related to these transitioning employees, calculated under the terms of the University's contract with the DOE, were \$1.23 billion and \$1.39 billion, respectively. For reporting purposes, the supplemental schedule of funding progress includes both assets and liabilities associated with these transitioning employees through the July 1, 2006 actuarial valuation. 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 LLNL effective October 1, 2007, assets and liabilities attributable to the UCRP benefits of the approximately 3,900 LLNL employees who accepted employment with LLNS and elected to participate in the defined benefit plan established by LLNS were transferred to the LLNS plan as of March 31, 2008. The actuarial value of assets and actuarial value of liabilities at October 1, 2007 related to these transitioning employees, calculated under the terms of the University's contract with the DOE, were \$1.52 billion and \$1.16 billion, respectively. For reporting purposes, the supplemental schedule of funding progress includes both assets and liabilities associated with these transitioning employees through the July 1, 2007 actuarial valuation. The market value of assets transferred as of March 31, 2008 to the LLNS plan associated with the transitioning employees who are not retained in the UCRP was \$1.57 billion. The market value of the assets as of March 31, 2008 retained in the UCRP for LLNL members who have retired or are inactive was \$3.45 billion.

Retiree Health Plan

(in thousands of dollars)

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY	(DEFICIT)	FUNDED RATIO	ANNUAL COVERED PAYROLL	(DEFICIT)/ COVERED PAYROLL	IMPLICIT SUBSIDY INCLUDED IN ACTUARIAL ACCRUED LIABILITY
University of California							
July 1, 2007	None	\$12,534,468	\$(12,534,468)	Zero	\$6,913,467	(181.3%)	\$1,867,147
Campuses and Medical Centers							
July 1, 2007	None	12,074,689	(12,074,689)	Zero	6,720,789	(179.7%)	1,792,229
LBNL							
July 1, 2007	None	459,779	(459,779)	Zero	192,678	(238.6%)	74,918

University of California
Summary Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2008

	<u>Direct Expenditures</u>	<u>Indirect Expenditures</u>	<u>Total</u>
Summary of Expenditures			
Student Financial Aid Cluster	\$ 220,831,138	\$ -	\$ 220,831,138
Research and Development			
Federal Agency Awards Expended	1,910,801,194	592,725,037	2,503,526,231
Pass-Through Agency Awards Expended	222,815,662	70,895,892	293,711,554
Partial Pass-Through Agency Awards Expended	<u>37,964,736</u>	<u>3,856,162</u>	<u>41,820,898</u>
Total Research and Development	2,171,581,592	667,477,091	2,839,058,683
Federal Agency Awards Expended	161,542,504	11,173,611	172,716,115
Pass-Through Agency Awards Expended	28,794,459	3,640,004	32,434,463
Partial Pass-Through Agency Awards Expended	<u>10,489,971</u>	<u>807,112</u>	<u>11,297,083</u>
Total Federal Awards	<u>\$ 2,593,239,664</u>	<u>\$ 683,097,818</u>	<u>\$ 3,276,337,482</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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Student Financial Aid Cluster				
Department of Education				
Federal Supplemental Educational Opportunities Grant	84 007	\$ 9,796,682		\$ 9,796,682
Federal Work-Study Program	84 033	14,202,709		14,202,709
Federal Pell Grants	84 063	170,464,623		170,464,623
Federal Perkins Loan Program	84 038	1,413,218		1,413,218
Academic Competitiveness Grant	84 375	10,107,376		10,107,376
National SMART Grants	84 376	13,038,246		13,038,246
Total Department of Education		219,022,854	-	219,022,854
Department of Health and Human Services				
Scholarships for Students from Disadvantaged Background	93 925	1,808,284		1,808,284
Total Department of Health and Human Services		1,808,284	-	1,808,284
Total Student Financial Aid Cluster		220,831,138	-	220,831,138
Research and Development Cluster Direct				
Federal Agency Awards Expended Direct				
Department of Agriculture	10 RD	33,798,598	\$ 2,872,248	36,670,846
Department of Commerce	11 RD	20,061,453	3,479,869	23,541,322
Department of Defense				
Department of Air Force	12 RD	17,519,260	4,954,886	22,474,146
Department of Army	12 RD	45,250,500	13,822,816	59,073,316
Department of Navy	12 RD	51,221,560	12,052,773	63,274,333
Advanced Research Projects	12 RD	6,594,117	2,181,911	8,776,028
Separate Agencies	12 RD	16,090,191	3,364,614	19,454,805
Total Department of Defense		136,675,628	36,377,000	173,052,628
Department of Education	84 RD	16,702,732	2,522,757	19,225,489
Department of Energy	81 RD	68,145,317	19,729,331	87,874,648
Department of Homeland Security	97 RD	407,159	83,847	491,006
Department of Interior	15 RD	9,970,078	2,576,681	12,546,759
Department of Justice	16 RD	1,575,884	475,414	2,051,298
Department of Labor	17 RD	89,999	18,765	108,764
Department of State	19 RD	5,864,080	352,051	6,216,131
Department of Transport	20 RD	2,721,652	638,568	3,360,220
Environmental Protection Agency	66 RD	7,108,581	2,344,256	9,452,837
General Services Administration	39 RD	155,275	69,778	225,053
Department of Health and Human Services				
Office of Human Development Services	93 RD	1,833,497	379,405	2,212,902
PHS/Adamha	93 RD	4,618,296	455,804	5,074,100
PHS/Centers Disease Control	93 RD	24,740,337	5,042,717	29,783,054
PHS/Food & Drug Administration	93 RD	505,547	236,773	742,320
PHS/Health Care Policy & Research	93 RD	2,707,330	878,921	3,586,251
PHS/Health Resources & Services Admin	93 RD	9,339,739	1,262,356	10,602,095
PHS/National Institutes of Health	93 RD	1,150,641,841	403,004,392	1,553,646,233
PHS/Other	93 RD	753,661	134,379	888,040
Total Department of Health and Human Services		1,195,140,248	411,394,747	1,606,534,995

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development Direct (Continued)					
Federal Agency Awards Expended Direct (Continued)					
Housing & Urban Development	14	RD	\$ 160,073	\$ 72,185	\$ 232,258
Institute of Peace	91	RD	11,152	-	11,152
National Archives & Records	89	RD	248,283	-	248,283
National Aeronautics & Space Administration	43	RD	65,010,361	17,876,201	82,886,562
National Foundation Arts & Humanities	45	RD	2,199,269	343,785	2,543,054
National Science Foundation	47	RD	331,034,364	90,954,262	421,988,626
Nuclear Regulatory Commission	77	RD	63,148	32,844	95,992
Other Agencies	99	RD	(18,067)	45,715	27,648
Smithsonian Institute	85	RD	517,452	168,970	686,422
Veterans Affairs	64	RD	13,158,475	295,763	13,454,238
Total Federal Agency Awards Expended			1,910,801,194	592,725,037	2,503,526,231
Pass Through Agency Awards Expended					
3D Technology Laboratories, Inc.	93	RD	28,080	13,338	41,418
Aaron Diamond Aids Research Center	93	856	19,836	10,810	30,646
Academy for Educational Development (incl Pakistan Training Prog)	10	RD	20,658	7,024	27,682
Academy for Educational Development (incl Pakistan Training Prog)	99	RD	57,140	30,856	87,996
Actelion (incl Hesperion Ltd.) (Switzerland)	99	RD	5,161	1,161	6,322
Active Pass Pharmaceuticals (Canada)	93	856	47	24	71
Aculight Corporation	12	300	51,400	8,961	60,361
Adler Planetarium & Astronomy Museum	47	RD	3,477	591	4,068
Advanced Ceramics Research	12	300	126,855	53,752	180,607
Advanced Ceramics Research	99	RD	(39,033)	(20,883)	(59,916)
Advanced Power Solutions, Inc.	43	RD	67,583	28,613	96,196
Aero Institute (dba Aerospace Education Research Operations)	99	RD	13,844	5,104	18,948
Aerosol Dynamics, Inc.	81	RD	90,773	23,601	114,374
Afya, Inc.	93	RD	441	132	573
Agile Materials and Technologies, Inc.	12	630	85	40	125
Agiltron, Inc.	81	049	17,329	6,807	24,136
Agiltron, Inc.	97	002	20,236	11,028	31,264
Aguila Technologies, Inc.	12	300	17,310	3,690	21,000
Aguila Technologies, Inc.	93	286	11,466	2,796	14,262
Aguila Technologies, Inc.	93	RD	70,798	36,521	107,319
Aguila Technologies, Inc.	97	065	54,530	24,090	78,620
Aguila Technologies, Inc.	97	077	32,362	17,638	50,000
Akeso Health Sciences LLC	93	213	39,647	20,815	60,462
Akron, University of	12	800	13,249	7,221	20,470
Alaska, State of	15	RD	9,685	1,340	11,025
Almen Laboratories, Inc.	93	395	56,078	30,562	86,640
Altair Nanotechnologies Inc. (altairmano)	81	RD	150,165	70,578	220,743
Altermune LLC	12	RD	48,067	24,995	73,062
Ambulatory Monitoring Inc.	93	242	28,260	7,226	35,486
American Assn for The Advancement of Science	15	RD	39,308	1,965	41,273
American Cncl of Learned Societies (ACLS)	45	RD	19,817	-	19,817
American Cncl on Education	99	RD	108,628	7,342	115,970
American Col of Gastroenterology	99	RD	(581)	-	(581)
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	93	394	599,981	155,184	755,165
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	93	395	141,535	44,988	186,523
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	93	396	7,447	2,203	9,650
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	93	RD	80,317	20,287	100,604
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	99	RD	18,330	4,583	22,913
American Col of Surgeons	93	395	3,572	1,003	4,575
American Educational Research Association	47	RD	20,178	-	20,178
American Educational Research Association	84	305	13,205	1,056	14,261
American Inst of Biological Sciences	47	074	149,802	59,623	209,425
American Life Science Pharmaceuticals, Inc.	93	866	120,807	65,840	186,647

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
American Museum of Natural History	47	RD	\$ 9,460	\$ 2,460	\$ 11,920
American Psychological Association (incl Amer Psychological Foundation	93	960	15,791	-	15,791
American Sociological Association	47	RD	5,500	-	5,500
Americaview, Inc. (consortia of Univ on Satellite Remote Sensing Data)	15	808	38,929	5,839	44,768
Amyris Biotechnologies	93	RD	2,077	(2,077)	-
Analog Devices, Inc.	12	RD	4,772	2,481	7,253
Analytical Technologies Application Corporation (ATAC)	43	RD	1,709	861	2,570
Ao-stiftung-asif Fdn(incl Ao North Amer & Ao Research)(Switzerland)	99	RD	56,827	-	56,827
Applied Microbiology, Inc.	93	262	110,346	28,690	139,036
Archcom Technology, Inc. (incl Shenzhen Archcom)	12	630	53,710	20,178	73,888
ARD, Inc. (Association In Rural Development)	12	RD	1,581	411	1,992
ARD, Inc. (Association In Rural Development)	98	RD	12,155	2,674	14,829
Area 4 Agency on Aging (serv Ca, Nv,Placer,Sacto, Sierra, Sutter,etc.)	93	052	94,240	7,281	101,521
Argonne National Laboratory (DOE GOCO Lab Operated by Univ of Chicago)	81	RD	81,247	39,066	120,313
Arizona State University/Tempe	43	RD	467	234	701
Arizona State University/Tempe	47	070	1,586	866	2,452
Arizona State University/Tempe	47	074	8,908	2,853	11,761
Arizona State University/Tempe	47	075	19,170	10,160	29,330
Arizona State University/Tempe	47	076	7,128	1,739	8,867
Arizona State University/Tempe	93	846	15,847	8,557	24,404
Arizona State University/Tempe	93	853	4,464	2,411	6,875
Arizona State University/Tempe	93	856	3,754	2,501	6,255
Arizona State University/Tempe	93	865	54,711	29,544	84,255
Arizona State University/Tempe	93	866	6,120	3,305	9,425
Assn for Institutional Research	47	RD	29,738	-	29,738
Assn for Institutional Research	99	RD	6,440	-	6,440
Assn of American Medical Colleges	93	283	63,892	10,619	74,511
Assn of California Nurse Leaders	93	226	1,941	1,023	2,964
Assn of Maternal and Child Health Programs (AMCHP)	93	RD	(178)	(59)	(237)
Assn of Maternal and Child Health Programs (AMCHP)	99	RD	33,835	11,165	45,000
Assn of Occupational and Environmental Clinics	93	RD	54,545	3,818	58,363
Assn of Schools of Public Health	93	222	192	91	283
Assn of Schools of Public Health	93	RD	24,836	6,457	31,293
Assn of Teachers of Preventive Medicine	93	283	2,432	1,252	3,684
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	43	001	568,271	165,475	733,746
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	43	RD	800,900	246,181	1,047,081
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	47	RD	409,420	77,626	487,046
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	74	300	86,197	14,654	100,851
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	99	RD	498,648	247,115	745,763
Associated Universities,inc.(incl National Radio Astronomy Observatory	47	RD	69,200	17,667	86,867
Astrazeneca Plc (incl Future Forum) (Great Britain)	99	RD	19,778	12,761	32,539
Atk Space Systems, Inc. (aka Alliant Techsystems Inc.)	97	002	88,893	43,525	132,418
Atlas Scientific	47	RD	21,018	10,983	32,001
Australian Natl University, The (Australia)	93	855	10,771	5,547	16,318
Avaak, Inc.	12	300	24,318	(2,296)	22,022
Avaak, Inc.	12	431	(1,744)	(907)	(2,651)
Axio Research Corporation (Frmly Statistics & Epidemiology Res Corp.)	99	RD	4,358	1,268	5,626
Bae Systems	12	800	9,718	5,151	14,869
Bahr Management, Inc.	93	213	12,494	3,249	15,743
Bahr Management, Inc.	93	RD	37,402	9,628	47,030
Banyan Biomarkers	12	420	3,153	1,072	4,225
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	81	049	34,581	16,068	50,649
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	81	RD	131,426	27,577	159,003
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	93	226	333,826	112,803	446,629
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	93	RD	2,201	1,034	3,235
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	99	RD	262,996	125,769	388,765
Battelle Pacific Northwest Laboratories	81	049	102,443	26,635	129,078

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Battelle Pacific Northwest Laboratories	81 RD	\$ 115,324	\$ 57,252	\$ 172,576
Battelle Pacific Northwest Laboratories	99 RD	96,072	42,625	138,697
Bay Area Research Corporation	47 RD	18,174	6,906	25,080
Baylor College of Medicine (Houston, TX)	10 206	20,845	5,211	26,056
Baylor College of Medicine (Houston, TX)	47 074	31,413	12,920	44,333
Baylor College of Medicine (Houston, TX)	93 361	13,558	5,828	19,386
Baylor College of Medicine (Houston, TX)	93 389	84,307	35,926	120,233
Baylor College of Medicine (Houston, TX)	93 393	6,084	5,305	11,389
Baylor College of Medicine (Houston, TX)	93 399	(3,359)	(1,730)	(5,089)
Baylor College of Medicine (Houston, TX)	93 847	105,593	49,451	155,044
Baylor College of Medicine (Houston, TX)	93 867	124,386	47,966	172,352
Baylor University Medical Center (incl Baylor Research Institute)	11 431	30,304	7,879	38,183
Bbn Technologies Corp.	12 RD	173,383	5,568	178,951
Bbn Technologies Corp.	99 RD	60,197	26,329	86,526
Bechtel Corporation (incl Bechtel Nevada Corp.)	81 RD	16,986	7,983	24,969
Benaroya Research Institute at Virginia Mason	93 847	425	219	644
Berger/abam Engineers Inc.	12 300	253,431	43,161	296,592
Berkeley Bionics, Inc. (frmly Berkeley Exoworks)	99 RD	400	212	612
Beth Israel Deaconess Medical Center	93 393	8,036	4,219	12,255
Beth Israel Deaconess Medical Center	93 396	61,515	33,526	95,041
Beth Israel Deaconess Medical Center	93 853	(12,593)	(6,800)	(19,393)
Beth Israel Deaconess Medical Center	93 856	52,879	28,819	81,698
Beth Israel Deaconess Medical Center	93 RD	6,871	3,745	10,616
Biophan Technologies, Inc.	81 049	16,065	3,742	19,807
Biotium, Inc.	99 RD	9,366	4,964	14,330
Biotrue Inc.	93 371	(1,440)	(785)	(2,225)
Blood Systems, Inc. (inclu Res Inst & Blood Centers of The Pacific)	93 839	20,516	5,012	25,528
Blood Systems, Inc. (inclu Res Inst & Blood Centers of The Pacific)	93 RD	200,231	104,120	304,351
Boeing Company, The	12 630	71,918	39,196	111,114
Boeing Company, The	12 RD	67,984	35,521	103,505
Boeing Company, The	43 222	(135)	(70)	(205)
Boeing Company, The	99 RD	1,250	675	1,925
Boise State University	47 050	(2,067)	(1,013)	(3,080)
Boise State University	93 389	6,557	3,443	10,000
Booz Allen Hamilton Inc.	93 395	54,706	18,600	73,306
Booz Allen Hamilton Inc.	93 397	12,172	6,390	18,562
Booz Allen Hamilton Inc.	93 RD	(15,486)	(7,706)	(23,192)
Booz Allen Hamilton Inc.	99 RD	49,793	26,671	76,464
Bossa Nova Technologies LLC	99 RD	18,163	9,808	27,971
Boston College	43 RD	19,990	10,395	30,385
Boston University	12 630	113,084	37,632	150,716
Boston University	47 050	161,735	46,095	207,830
Boston University	81 RD	99,235	23,201	122,436
Boston University	93 394	17,125	8,905	26,030
Boston University	93 398	(389)	(31)	(420)
Boston University	93 846	42,420	10,219	52,639
Boston University	93 866	231,747	107,306	339,053
Bp Group (bp America, Bp Exploration, British Petroleum) (Gr Britain)	81 049	55,390	12,643	68,033
Brandeis University	93 RD	(56)	(27)	(83)
Brentwood Biomedical Research Institute (VA Foundation)	93 242	61,129	33,010	94,139
Brentwood Biomedical Research Institute (VA Foundation)	93 279	41,857	10,883	52,740
Brentwood Biomedical Research Institute (VA Foundation)	93 393	41,193	10,710	51,903
Brentwood Biomedical Research Institute (VA Foundation)	93 848	76,278	19,832	96,110
Brentwood Biomedical Research Institute (VA Foundation)	93 849	138,422	13,842	152,264
Brentwood Biomedical Research Institute (VA Foundation)	93 853	59,947	15,591	75,538
Brentwood Biomedical Research Institute (VA Foundation)	93 855	226,725	77,627	304,352
Brentwood Biomedical Research Institute (VA Foundation)	99 RD	7,256	1,887	9,143

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
Brigham Young University	10	206	\$ 23,075	\$ 5,769	\$ 28,844
Brigham Young University	47	070	14,150	7,429	21,579
Brigham and Women's Hospital	93	286	393,070	213,713	606,783
Brigham and Women's Hospital	93	395	50,960	27,554	78,514
Brigham and Women's Hospital	93	846	282,104	109,615	391,719
Brigham and Women's Hospital	93	855	225,524	104,692	330,216
Brigham and Women's Hospital	93	RD	29,157	15,745	44,902
Brigham and Women's Hospital	96	846	131,235	64,429	195,664
Broaddata Communications, Inc. (BCI)	99	RD	69,940	23,405	93,345
Brookhaven Science Associates, LLC (Brookhaven National Laboratory)	81	049	270,707	70,384	341,091
Brookhaven Science Associates, LLC (Brookhaven National Laboratory)	81	RD	189,324	67,417	256,741
Brookhaven Science Associates, LLC (Brookhaven National Laboratory)	93	RD	23,181	6,027	29,208
Brookhaven Science Associates, LLC (Brookhaven National Laboratory)	99	RD	42,521	11,056	53,577
Brown University	12	300	(17,549)	(8,223)	(25,772)
Brown University	12	431	109,164	38,943	148,107
Brown University	47	RD	6,335	3,193	9,528
Brown University	93	233	(936)	(243)	(1,179)
Brown University	93	938	66,539	34,600	101,139
Buck Institute for Age Research	93	856	17,320	8,920	26,240
Buck Institute for Age Research	93	866	39,549	20,368	59,917
Buck Institute for Age Research	99	RD	11,919	6,496	18,415
Burnham Institute, The	93	371	33,272	18,133	51,405
Burnham Institute, The	93	395	112,687	61,414	174,101
Burnham Institute, The	93	837	822,995	313,408	1,136,403
Burnham Institute, The	93	849	18,919	10,311	29,230
Burnham Institute, The	93	853	208,957	98,359	307,316
Burnham Institute, The	93	856	100,349	54,690	155,039
Burnham Institute, The	93	862	129,943	65,770	195,713
Burnham Institute, The	93	RD	12,427	6,400	18,827
Burnham Institute, The	99	RD	90,382	49,258	139,640
Burroughs Welcome Fund	99	RD	13,915	1,085	15,000
Butler University	93	RD	35,747	6,207	41,954
CSR, Incorporated (Consulting Service & Research)	16	RD	3,291	856	4,147
Caci Intl Inc. (incl Caci Dynamic Systems, Inc., Caci-iss, Inc.)	39	RD	228,811	85,501	314,312
Cal BTH Managed Health Care, Department of	93	006	161,925	24,289	186,214
Cal BTH Motor Vehicles, Department of	84	367	117	9	126
Cal BTH Office of Traffic Safety	20	600	728,362	100,953	829,315
Cal BTH Trans, Commission (Cal Transportation Commission)	20	RD	1,639,282	165,113	1,804,395
Cal BTH Trans, New Technology and Research, Division of	20	RD	617,670	53,098	670,768
Cal BTH Trans, New Technology and Research, Division of	99	RD	93,271	13,563	106,834
Cal BTH Trans, Operations, Division of	20	515	18,988	2,959	21,947
Cal BTH Trans,/miscellaneous	20	205	1,358	204	1,562
Cal BTH Trans,/miscellaneous	20	RD	3,794,185	293,678	4,087,863
Cal DE Curriculum Instruction & Assessment Division	84	367	163,626	12,557	176,183
Cal DE/miscellaneous Divisions or Bureaus	10	560	45,175	4,518	49,693
Cal DE/miscellaneous Divisions or Bureaus	10	RD	70,428	7,043	77,471
Cal DE/miscellaneous Divisions or Bureaus	84	367	95,428	7,634	103,062
Cal DE/miscellaneous Divisions or Bureaus	93	940	151,338	17,383	168,721
Cal DFA Food and Agriculture, Dept. of	10	156	590,593	43,831	634,424
Cal DFA Food and Agriculture, Dept. of	10	RD	356,485	27,901	384,386
Cal EPA Air Resources Board	66	RD	33,149	2,936	36,085
Cal EPA Air Resources Board	99	RD	(56,608)	(4,391)	(60,999)
Cal EPA Pesticide Regulation	66	RD	36,816	8,997	45,813
Cal EPA Water Control Board	66	RD	25,839	3,876	29,715
Cal Governor's Emergency Services, Office of	16	575	248,984	-	248,984
Cal Governor's Emergency Services, Office of	16	588	763,481	10,967	774,448
Cal Governor's Emergency Services, Office of	93	643	120,078	8,890	128,968

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Cal Governor's Emergency Services, Office of	97 008	\$ 2,941,010	\$ -	\$ 2,941,010
Cal Governor's Emergency Services, Office of	97 017	371,272	-	371,272
Cal Governor's Emergency Services, Office of	99 RD	126,354	-	126,354
Cal H&W Aging, Department of	93 778	1,422,306	23,916	1,446,222
Cal H&W Aging, Department of	93 RD	170	-	170
Cal H&W Alcohol & Drug Programs	93 275	208,267	44,736	253,003
Cal H&W Alcohol & Drug Programs	99 RD	482,399	115,376	597,775
Cal H&W Health Care Services, Department of (DHCS)	93 184	539	135	674
Cal H&W Health Care Services, Department of (DHCS)	93 283	2,673,423	259,680	2,933,103
Cal H&W Health Care Services, Department of (DHCS)	93 940	126,676	13,011	139,687
Cal H&W Health Care Services, Department of (DHCS)	93 991	65,268	5,222	70,490
Cal H&W Health Care Services, Department of (DHCS)	93 RD	4,362,465	413,817	4,776,282
Cal H&W Health Care Services, Department of (DHCS)	99 RD	1,892,275	302,391	2,194,666
Cal H&W Mental Health, Department of	93 003	482	(482)	-
Cal H&W Public Health, Department of (CDPH)	66 468	42,503	10,627	53,130
Cal H&W Rehabilitation, Department of	84 169	(5,466)	(492)	(5,958)
Cal H&W Social Services, Department of	10 561	416,242	89,912	506,154
Cal H&W Social Services, Department of	93 571	104,450	19,846	124,296
Cal H&W Social Services, Department of	93 RD	145,830	13,452	159,282
Cal H&W Social Services, Department of	99 RD	33,205	(705)	32,500
Cal H&W Statewide Health Planning & Development, Office of	93 RD	82,122	17,878	100,000
Cal H&W/miscellaneous Agencies	84 RD	(529)	(138)	(667)
Cal H&W/miscellaneous Agencies	93 RD	37,411	8,778	46,189
Cal Postsecondary Education Commission	84 367	312,500	19,236	331,736
Cal Postsecondary Education Commission	99 RD	225	18	243
Cal Ra Fish and Game, Department of	11 438	89,493	22,374	111,867
Cal Ra Fish and Game, Department of	15 RD	310,350	31,318	341,668
Cal Ra Forestry, Department of	10 RD	3,571	544	4,115
Cal Scs Consumer Affairs, Department of	99 RD	2,261	226	2,487
Cal Secretary of State	90 400	(649)	(162)	(811)
Cal State Universities Campuses	12 420	87,607	45,994	133,601
Cal State Universities Campuses	93 375	8,181	4,254	12,435
Calabazas Creek Research, Inc.	43 RD	188,139	81,717	269,856
Calif Assn for Research In Astronomy (dba W.M. Keck Observatory)(CARA)	47 049	679,263	1,810	681,073
Calif Assn for Research In Astronomy (dba W.M. Keck Observatory)(CARA)	99 RD	387,158	-	387,158
Calif Fire Safe Council, Inc.	15 228	27,200	6,770	33,970
Calif Hydro Systems, Inc.	43 RD	50,375	25,890	76,265
Calif Institute of Technology (incl Celt Development Corporation)	12 300	464,347	186,693	651,040
Calif Institute of Technology (incl Celt Development Corporation)	12 431	6,977	3,660	10,637
Calif Institute of Technology (incl Celt Development Corporation)	12 630	51,089	24,046	75,135
Calif Institute of Technology (incl Celt Development Corporation)	12 910	179,186	79,089	258,275
Calif Institute of Technology (incl Celt Development Corporation)	12 RD	21,531	5,598	27,129
Calif Institute of Technology (incl Celt Development Corporation)	43 001	119,053	57,498	176,551
Calif Institute of Technology (incl Celt Development Corporation)	43 002	139	40	179
Calif Institute of Technology (incl Celt Development Corporation)	43 RD	278,284	73,108	351,392
Calif Institute of Technology (incl Celt Development Corporation)	47 041	40,134	20,669	60,803
Calif Institute of Technology (incl Celt Development Corporation)	47 074	162,900	67,700	230,600
Calif Institute of Technology (incl Celt Development Corporation)	47 078	146,100	50,122	196,222
Calif Institute of Technology (incl Celt Development Corporation)	92 286	247,688	121,291	368,979
Calif Institute of Technology (incl Celt Development Corporation)	93 286	43,998	14,855	58,853
Calif Institute of Technology (incl Celt Development Corporation)	93 339	903,765	476,399	1,380,164
Calif Institute of Technology (incl Celt Development Corporation)	93 862	63,472	34,592	98,064
Calif Institute of Technology (incl Celt Development Corporation)	93 865	119,830	57,332	177,162
Calif Institute of Technology (incl Celt Development Corporation)	93 RD	228,795	117,829	346,624
Calif Institute of Technology (incl Celt Development Corporation)	99 RD	144,328	(4,658)	139,670
Calif Pacific Med Ctr Research Inst (formerly Med Res Inst of SF)	93 233	39,527	9,620	49,147
Calif Pacific Med Ctr Research Inst (formerly Med Res Inst of SF)	93 279	188	97	285

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
Calif Pacific Med Ctr Research Inst (formerly Med Res Inst of SF)	93	395	\$ 4,501	\$ 2,431	\$ 6,932
Calif Pacific Med Ctr Research Inst (formerly Med Res Inst of SF)	93	846	15,415	3,750	19,165
Calif Pacific Med Ctr Research Inst (formerly Med Res Inst of SF)	93	853	874	476	1,350
Calif Pacific Med Ctr Research Inst (formerly Med Res Inst of SF)	93	866	1,236,553	517,856	1,754,409
Calif Pacific Med Ctr Research Inst (formerly Med Res Inst of SF)	93	RD	19,098	8,568	27,666
Calif Space Grant Foundation (CSGF)	43	RD	(595)	(321)	(916)
Calif Space Grant Foundation (CSGF)	99	RD	33,468	15,988	49,456
Calif State Univ, Bakersfield Foundation	47	050	3,396	1,783	5,179
Calif State Univ, Cal Poly Corporation (Cal Poly Fdn, San Luis Obispo)	47	041	7,818	4,065	11,883
Calif State Univ, Long Beach Foundation	93	375	3,591	1,850	5,441
Calif State Univ, Monterey Bay Foundation	11	473	59	32	91
Calif State Univ, Sacramento Foundation	93	RD	19,859	1,589	21,448
Calif Sustainable Winegrowing Alliance	10	RD	7,203	720	7,923
Cambridge Research & Instrumentation, Inc. (CRI)	93	RD	3,666	1,906	5,572
Cancer and Leukemia Group B Foundation	93	395	18,404	3,738	22,142
Cancer and Leukemia Group B Foundation	93	399	(300,390)	(139,991)	(440,381)
Cancer and Leukemia Group B Foundation	99	RD	433,101	129,931	563,032
Carbon Solutions, Inc.	99	RD	52,461	23,399	75,860
Care International (Intl)	98	RD	128,187	32,809	160,996
Caritas Christi Health Care (incl Caritas St. Elizabeth's Medctr-Boston)	43	RD	111,847	55,670	167,517
Carnegie Institution	43	RD	29,592	14,338	43,930
Carnegie Institution	47	074	223,042	118,420	341,462
Carnegie Institution	47	RD	26,619	14,374	40,993
Carnegie Institution	84	RD	65,596	29,130	94,726
Carnegie Mellon University	12	910	124,272	32,804	157,076
Carnegie Mellon University	47	041	44,796	21,054	65,850
Carnegie Mellon University	47	075	12,105	5,689	17,794
Carnegie Mellon University	47	076	14,589	6,689	21,278
Carnegie Mellon University	47	080	36,753	20,030	56,783
Carnegie Mellon University	47	RD	141,571	41,889	183,460
Carnegie Mellon University	93	RD	61,874	17,965	79,839
Carollo Engineers	99	RD	(2,002)	(520)	(2,522)
Case Western Reserve University	47	041	11,931	6,459	18,390
Case Western Reserve University	47	049	215,629	74,451	290,080
Case Western Reserve University	47	079	14,957	503	15,460
Case Western Reserve University	47	RD	1,625	312	1,937
Case Western Reserve University	81	RD	47,029	22,275	69,304
Case Western Reserve University	93	393	60,657	31,238	91,895
Case Western Reserve University	93	837	79,956	43,176	123,132
Case Western Reserve University	93	853	126,145	62,476	188,621
Case Western Reserve University	93	856	181,370	46,657	228,027
Case Western Reserve University	93	867	170	85	255
Case Western Reserve University	93	RD	81,857	11,849	93,706
Case Western Reserve University	99	RD	157,500	81,251	238,751
Catholic Healthcare West (incl St. Francis Medical Center)	93	928	11,706	738	12,444
Cbrite Inc. (formerly Diode Solutions, Inc.)	12	910	78,705	40,533	119,238
Cdc Foundation (incl Natl Fdn for The Cdc & Prevention Inc.)	93	136	12,916	6,652	19,568
Cedars-Sinai Medical Center	93	846	7,038	7,654	14,692
Cedars-Sinai Medical Center	93	853	25,904	14,008	39,912
Cedars-Sinai Medical Center	93	837	21,069	11,061	32,130
Cedars-Sinai Medical Center	93	846	23,463	12,670	36,133
Cedars-Sinai Medical Center	93	848	160,427	86,669	247,096
Cedars-Sinai Medical Center	93	865	98,796	53,398	152,194
Cellular Materials International, Inc.	47	041	48,535	25,481	74,016
Centre Hospitalier Universitaire De Quebec (CHUQ) (Canada)	93	856	100,359	42,377	142,736
Centro Internacional De Agricultura Tropical (CIAT) (Intl)	10	RD	66,178	6,618	72,796
Cerus Corporation	93	RD	(5,482)	(2,851)	(8,333)

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
Cfd Research Corporation	99	RD	\$ 10,383	\$ -	\$ 10,383
Ch2m Hill	19	RD	282,357	38,452	320,809
Charles R. Drew University of Medicine and Science	12	420	25,886	13,979	39,865
Charles R. Drew University of Medicine and Science	93	242	(46,280)	(24,789)	(71,069)
Charles R. Drew University of Medicine and Science	93	307	53,841	6,250	60,091
Charles R. Drew University of Medicine and Science	93	389	302,937	162,059	464,996
Charles R. Drew University of Medicine and Science	93	865	50,494	27,318	77,812
Charles R. Drew University of Medicine and Science	93	867	2,430	1,316	3,746
Charles R. Drew University of Medicine and Science	93	890	667	173	840
Chemonics International Consulting Division	93	001	(10)	(2)	(12)
Chesapeake Research Consortium, Inc.	47	041	68,707	37,445	106,152
Chevrontexaco Corp.(incl Chem Co., Oil Fields Res., Chevron & Texaco)	89	089	96,157	46,149	142,306
Chicago Public Schools	84	RD	55,910	4,473	60,383
Chicago Public Schools	99	RD	234,187	18,735	252,922
Children's Hospital Corp. (the), Boston, Mass.	93	361	45,153	21,447	66,600
Children's Hospital Corp. (the), Boston, Mass.	93	583	48,185	26,020	74,205
Children's Hospital Corp. (the), Boston, Mass.	93	855	131,439	33,121	164,560
Children's Hospital Corp. (the), Boston, Mass.	93	867	16,323	7,888	24,211
Children's Hospital Corp. (the), Boston, Mass.	99	RD	11,001	880	11,881
Children's Hospital Medical Center of Cincinnati	93	853	110,400	32,064	142,464
Children's Hospital National Medical Center	12	420	337,900	182,587	520,487
Children's Hospital National Medical Center	93	389	120,800	64,204	185,004
Children's Hospital National Medical Center	93	865	72,158	36,170	108,328
Children's Hospital and Medical Center (Seattle, Wa)	93	846	321	106	427
Children's Hospital and Medical Center (Seattle, Wa)	99	RD	15,886	1,589	17,475
Children's Hospital and Medical Center (seattle, Wa)	93	399	7,703	2,003	9,706
Children's Hospital and Research Center at Oakland (incl CHORI)	93	837	(2,585)	4,616	2,031
Children's Hospital and Research Center at Oakland (incl CHORI)	93	838	37,674	20,344	58,018
Children's Hospital and Research Center at Oakland (incl CHORI)	93	839	173,049	88,201	261,250
Children's Hospital and Research Center at Oakland (incl CHORI)	93	855	8,019	4,170	12,189
Children's Hospital and Research Center at Oakland (incl CHORI)	93	865	46,235	23,811	70,046
Children's Hospital and Research Center at Oakland (incl CHORI)	93	867	5,881	3,088	8,969
Children's Hospital and Research Center at Oakland (incl CHORI)	96	396	6,683	3,475	10,158
Children's Hospital and Research Center at Oakland (incl CHORI)	99	RD	13,797	7,451	21,248
Children's Hospital of Denver	93	848	7,148	3,681	10,829
Children's Hospital of Los Angeles	93	110	37,330	2,986	40,316
Children's Hospital of Los Angeles	93	395	116,460	51,189	167,649
Children's Hospital of Los Angeles	93	838	225,948	116,363	342,311
Children's Hospital of Los Angeles	93	856	2,606	503	3,109
Children's Hospital of Los Angeles	93	865	98,566	49,254	147,820
Children's Hospital of Los Angeles	93	RD	116,179	59,536	175,715
Children's Hospital of Los Angeles	99	RD	23	11	34
Children's Hospital of Orange County	93	110	65,184	5,408	70,592
Children's Hospital of Orange County	93	283	96,120	7,690	103,810
Children's Hospital of Philadelphia	93	849	8,208	1,933	10,141
Children's Hospital of Philadelphia	93	853	6,672	3,603	10,275
Children's Hospital of Philadelphia	93	865	297,461	144,645	442,106
Children's Hospital of Pittsburgh	93	848	15,803	8,131	23,934
Children's Hospital of Pittsburgh	93	865	157,585	85,098	242,683
Children's Hospital of San Diego Research Center	84	324	31,007	4,942	35,949
Children's Hospital of San Diego Research Center	93	242	7,805	(238)	7,567
Children's Hospital of San Diego Research Center	93	853	(75,706)	(19,103)	(94,809)
Children's Memorial Hospital (il)	93	865	31,477	16,840	48,317
Children's Memorial Hospital (il)	93	RD	11,080	48	11,128
Children's Memorial Hospital (il)	99	RD	16	9	25
Children's Mercy Hospital (the) (Kansas City, Mo)	93	849	10,224	5,572	15,796
Children's Mercy Hospital (the) (Kansas City, Mo)	93	RD	280	78	358

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
Children's Mercy Hospital (the) (Kansas City, Mo)	99	RD	\$ 754	\$ 393	\$ 1,147
Children's Mercy Hospital (the) (kansas City, Mo)	93	849	13,667	3,317	16,984
Childrens Planning Council Foundation, Inc.	93	856	(39)	(11)	(50)
Chimerix, Inc.	99	RD	62,838	33,933	96,771
Chinese Academy of Sciences (incl Inst Electronics,parasite Dis-China)	93	RD	(3,166)	(1,646)	(4,812)
Chinese University Hong Kong,the(incl Prince of Wales Hosp)(Hong Kong)	93	846	62,898	16,090	78,988
Christopher and Dana Reeve Foundation (frmly Christopher Reeve Fdn)	12	420	1,200	120	1,320
Chromavision Medical Systems, Inc.	93	242	1,834	596	2,430
City University of New York (CUNY)	47	041	170,557	81,805	252,362
City of Hope	93	395	61,844	28,593	90,437
City of Hope	93	849	42,447	22,937	65,384
City of Hope	93	RD	92,751	48,295	141,046
Civil Engineering Research Foundation (CERF)	19	200	829	-	829
Clare Foundation, Inc.	93	243	77,068	18,999	96,067
Clarkson University	66	509	76,930	39,324	116,254
Clear Science Corporation	99	RD	4,361	2,355	6,716
Clearwater Instrumentation, Inc.	12	300	52,521	16,828	69,349
Clemson University (incl Clemson University Genomics Institute,CUGI)	11	113	1,060	551	1,611
Clemson University (incl Clemson University Genomics Institute,CUGI)	11	RD	381,002	159,918	540,920
Clemson University (incl Clemson University Genomics Institute,CUGI)	12	300	14,240	7,690	21,930
Clemson University (incl Clemson University Genomics Institute,CUGI)	47	041	12,699	6,921	19,620
Clemson University (incl Clemson University Genomics Institute,CUGI)	81	RD	42,765	15,874	58,639
Cleveland Clinic Foundation	93	286	2,515	1,358	3,873
Cleveland Clinic Foundation	93	389	109,212	57,201	166,413
Cleveland Clinic Foundation	99	RD	(625)	(337)	(962)
Clinical Trials & Surveys Corp.	93	RD	203,297	48,216	251,513
Coalescent Technologies Corporation	99	RD	1,388	751	2,139
Cold Spring Harbor Laboratory	93	172	114,322	58,304	172,626
Cold Spring Harbor Laboratory	93	859	49,624	26,301	75,925
Coley Pharmaceutical Group	93	001	275,368	86,097	361,465
College of William and Mary	11	460	38,259	8,414	46,673
College of William and Mary	47	050	25,527	10,515	36,042
College of William and Mary	47	078	103,590	26,520	130,110
College of William and Mary	99	RD	319,600	81,688	401,288
Colorado State University	10	RD	46,222	4,622	50,844
Colorado State University	45	149	8,284	2,485	10,769
Colorado State University	47	050	301,958	156,377	458,335
Colorado State University	47	074	115,900	54,852	170,752
Colorado State University	47	RD	693,655	279,158	972,813
Colorado State University	81	049	82,985	40,386	123,371
Colorado State University	81	115	70,297	14,612	84,909
Colorado State University	93	856	52,888	28,089	80,977
Colorado State University	99	RD	10,968	5,653	16,621
Columbia University (incl Columbia-Presbyterian Medical Center)	47	041	10,376	5,499	15,875
Columbia University (incl Columbia-Presbyterian Medical Center)	47	049	690,334	201,997	892,331
Columbia University (incl Columbia-Presbyterian Medical Center)	47	RD	8,111	2,003	10,114
Columbia University (incl Columbia-Presbyterian Medical Center)	93	115	28,816	14,840	43,656
Columbia University (incl Columbia-Presbyterian Medical Center)	93	242	19,427	10,852	30,279
Columbia University (incl Columbia-Presbyterian Medical Center)	93	837	234,492	51,775	286,267
Columbia University (incl Columbia-Presbyterian Medical Center)	93	838	19,925	2,321	22,246
Columbia University (incl Columbia-Presbyterian Medical Center)	93	846	45,608	18,736	64,344
Columbia University (incl Columbia-Presbyterian Medical Center)	93	853	51,340	26,676	78,016
Columbia University (incl Columbia-Presbyterian Medical Center)	93	RD	153,059	79,591	232,650
Columbia University (incl Columbia-Presbyterian Medical Center)	99	RD	6,884	1,790	8,674
Colusa County Resource Conservation District	15	231	26,316	-	26,316
Communications and Power Industries Inc.	12	RD	68,907	35,832	104,739
Computer Sciences Corporation	12	300	313,309	21,137	334,446

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Conceptual Mindworks, Inc.	12 800	\$ 19,839	\$ 5,161	\$ 25,000
Conceptual Mindworks, Inc.	99 RD	(1,776)	(959)	(2,735)
Consortium for Ocean Leadership (COL) (frmly Ocean Res & Education)	47 050	43,226	11,239	54,465
Consortium of Univ for Research In Earthquake Engineering (CUREE)	47 074	7,326	3,992	11,318
Consortium of Univ for The Advancement of Hydrologic Science, Inc.	47 041	18,052	9,026	27,078
Consortium of Univ for The Advancement of Hydrologic Science, Inc.	47 050	21,982	7,548	29,530
Cornell University	10 200	6,871	-	6,871
Cornell University	10 206	8,972	2,243	11,215
Cornell University	10 303	19,837	4,917	24,754
Cornell University	10 RD	100,438	23,054	123,492
Cornell University	12 300	37,662	13,861	51,523
Cornell University	12 630	14	7	21
Cornell University	47 041	929,935	219,857	1,149,792
Cornell University	47 070	3,060	1,377	4,437
Cornell University	47 074	75,515	25,744	101,259
Cornell University	47 RD	(32)	(16)	(48)
Cornell University	81 112	18,049	4,693	22,742
Cornell University	93 279	148,664	80,881	229,545
Cornell University	93 399	(296)	(154)	(450)
Cornell University	93 837	18,222	9,476	27,698
Cornell University	93 853	221,271	111,572	332,843
Corporation for Natl Research Initiatives	12 RD	(684)	60	(624)
Council for International Exchange/scholars	19 400	128,828	-	128,828
Creatv Microtech, Inc.	93 394	12,797	16,973	29,770
Cree Research, Inc.	12 300	30,410	11,576	41,986
Creighton University	93 848	88,522	23,016	111,538
Csa Engineering, Inc.	12 RD	20,300	9,794	30,094
Dana-farber Cancer Institute	93 396	206,282	106,387	312,669
Dana-farber Cancer Institute	93 853	132,943	71,789	204,732
Dartmouth College	10 206	32,603	8,151	40,754
Dartmouth College	10 RD	45,629	23,727	69,356
Dartmouth College	12 800	23,131	12,028	35,159
Dartmouth College	43 001	83,266	22,019	105,285
Dartmouth College	47 047	20,027	11,126	31,153
Dartmouth College	47 070	42,540	22,121	64,661
Dartmouth College	93 242	18,411	2,700	21,111
Dartmouth College	93 279	40,069	-	40,069
Dartmouth College	93 396	137,145	59,254	196,399
Dartmouth College	93 859	179,434	88,587	268,021
Dartmouth College	97 001	118,054	60,065	178,119
Dartmouth College	99 RD	11,401	6,157	17,558
Data and Analytic Solutions, Inc.	93 RD	123,352	67,227	190,579
Decode Genetics, Inc. (Iceland)	93 242	180,893	97,682	278,575
Delta Dental Plan Assn (incl Calif, Minn., Other State Plans)	99 RD	2,612	209	2,821
Desert Research Institute (Nevada System of Higher Education)	10 RD	17,913	-	17,913
Development Alternatives, Inc. (DAI)	98 RD	184,746	62,814	247,560
Directed Vapor Technologies International, Inc. (DVTI)	47 RD	8,148	4,196	12,344
Distributed Infinity	12 800	26,427	13,561	39,988
Donald Danforth Plant Science Center	47 074	11,828	3,641	15,469
Drexel University (incl College of Medicine, Mcp Hahnemann)	47 050	51,359	23,049	74,408
Drexel University (incl College of Medicine, Mcp Hahnemann)	93 RD	39,879	20,737	60,616
Droplet Measurement Technologies	47 041	10,456	4,933	15,389
Duke University (incl Duke Clinical Research Institute)	12 300	54,794	2,530	57,324
Duke University (incl Duke Clinical Research Institute)	12 RD	27,114	13,964	41,078
Duke University (incl Duke Clinical Research Institute)	81 049	5,552	2,915	8,467
Duke University (incl Duke Clinical Research Institute)	93 110	156,695	74,159	230,854
Duke University (incl Duke Clinical Research Institute)	93 172	28,446	10,925	39,371

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
Duke University (incl Duke Clinical Research Institute)	93	242	\$ 32,696	\$ 13,098	\$ 45,794
Duke University (incl Duke Clinical Research Institute)	93	279	(229)	923	694
Duke University (incl Duke Clinical Research Institute)	93	395	830	-	830
Duke University (incl Duke Clinical Research Institute)	93	837	1,990	-	1,990
Duke University (incl Duke Clinical Research Institute)	93	839	4,117	1,070	5,187
Duke University (incl Duke Clinical Research Institute)	93	856	10,000	5,250	15,250
Duke University (incl Duke Clinical Research Institute)	93	859	55,427	28,822	84,249
Duke University (incl Duke Clinical Research Institute)	93	866	314,100	122,246	436,346
Duke University (incl Duke Clinical Research Institute)	93	RD	126,280	61,335	187,615
Duke University (incl Duke Clinical Research Institute)	99	RD	87,138	44,835	131,973
Dxray, Inc.	93	286	64,942	18,596	83,538
Dynamic Clinical Systems, Inc.	93	RD	34,034	8,849	42,883
Dyncorp System & Solutions (incl Meridian Corporation)	12	300	136	65	201
E Beam Incorporated	12	RD	19,566	9,682	29,248
E.R.C., Inc. (Educational Resource Centers, Inc. c/o Univ of Alabama)	12	630	2,496	1,335	3,831
E.i. Du Pont De Nemours and Company (Dupont)	12	RD	20,096	10,350	30,446
Earth and Space Research (ESR)	43	RD	615	335	950
East Carolina University	93	173	6,397	3,443	9,840
Eastern Kentucky University	97	068	170,713	36,976	207,689
Eastern Virginia Medical School	19	RD	15,084	2,263	17,347
Eastern Virginia Medical School	98	RD	119,077	40,120	159,197
Edenspace Systems Corporation	93	011	4,405	2,401	6,806
Edison Welding Institute, Inc. (EWI)	81	RD	10,632	5,742	16,374
Education Development Center, Inc.	47	RD	58,936	9,791	68,727
Eidactics Visual Biosimulation	93	RD	22,640	11,999	34,639
Elekta Ab (Sweden) (incl E. Instrument, E.neuromag, Impac Med Sys Usa)	99	RD	137,968	-	137,968
Elintrix	12	420	55,277	22,843	78,120
Elizabeth Glaser Pediatric Aids Fdn (Glaser Pediatric Res Network)	93	941	822,857	246,814	1,069,671
Elizabeth Glaser Pediatric Aids Fdn (Glaser Pediatric Res Network)	98	RD	542	179	721
Eloret Corporation	99	RD	196,940	51,204	248,144
Eltron Research and Development Inc.	43	RD	5,235	1,467	6,702
Emmes Corporation, The	93	395	42,077	9,426	51,503
Emmes Corporation, The	93	848	12,149	3,888	16,037
Emmes Corporation, The	93	RD	95,758	49,533	145,291
Emory University	93	856	(2,292)	(1,586)	(3,878)
Emory University	93	RD	(9)	(5)	(14)
Emory University	99	RD	(87,796)	(45,215)	(133,011)
Entertainment Science, Inc. (joint Venture with Virtual Heroes Inc.)	99	RD	(2,476)	(1,321)	(3,797)
Epir Technologies, Inc.	99	RD	26,682	11,784	38,466
Erc, Incorporated	12	800	9,708	5,291	14,999
European Bioinformatics Institute	99	RD	299	152	451
Evergreen State College, The	47	RD	12,522	2,445	14,967
Exploratorium	47	076	160,157	22,164	182,321
Family Health International, North Carolina	93	855	32,759	6,115	38,874
Family Health International, North Carolina	93	856	3,222,697	77,219	3,299,916
Family Health International, North Carolina	93	RD	491,987	23,368	515,355
Family Health International, North Carolina	99	RD	57,451	9,612	67,063
Feather River Tribal Health, Inc.	93	RD	(5)	(2)	(7)
Fermi Research Alliance, LLC (FRA) (incl Fermilab-DOE GOCO)	47	049	19,837	5,158	24,995
First Point Scientific, Inc.	99	RD	(1,665)	(833)	(2,498)
Flora Family Foundation	99	RD	39,354	-	39,354
Florida Atlantic University	12	300	32,680	17,320	50,000
Florida International University	47	080	19,815	10,799	30,614
Florida International University	99	RD	10,287	824	11,111
Florida State University	10	206	379	70	449
Florida State University	47	049	(1,336)	(616)	(1,952)
Foundation for Research	99	RD	323,685	48,553	372,238

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Fox Chase Cancer Center	93 395	\$ 151,773	\$ 55,215	\$ 206,988
Fox Chase Cancer Center	93 399	104,915	38,743	143,658
Fox Chase Cancer Center	93 RD	60,024	14,943	74,967
Fred Hutchinson Cancer Research Center	93 172	(449)	(234)	(683)
Fred Hutchinson Cancer Research Center	93 855	2,046	1,109	3,155
Fred Hutchinson Cancer Research Center	93 856	94,054	24,454	118,508
Fred Hutchinson Cancer Research Center	93 999	183	47	230
Freedom Photonics LLC	12 RD	7,535	2,465	10,000
Friends of The Congressional Glaucoma Caucus Foundation, The	93 988	(1,291)	-	(1,291)
Functional Genetics, Inc.	99 RD	10,316	5,570	15,886
Gallaudet University	47 075	135,908	69,648	205,556
Gc-free, Inc.	93 RD	32,703	17,005	49,708
Gene Therapy Systems, Inc. (incl Genelantis)	93 856	93,545	36,460	130,005
General Atomics (frmly General Atomic Company)	12 300	21,942	11,959	33,901
General Atomics (frmly General Atomic Company)	12 550	44,831	24,433	69,264
General Atomics (frmly General Atomic Company)	81 049	556,544	129,541	686,085
General Atomics (frmly General Atomic Company)	81 RD	377,523	128,036	505,559
General Atomics (frmly General Atomic Company)	99 RD	404,132	103,245	507,377
General Dynamics Information Technology,inc.(frmly Anteon Corporation)	99 RD	(1,512)	(816)	(2,328)
General Technical Services LLC	12 431	75,016	36,123	111,139
General Technical Services LLC	12 RD	5,936	2,790	8,726
Genomatica, Inc.	93 RD	349	182	531
Geo-centers, Inc.	12 300	36,083	9,317	45,400
George Mason University	93 853	55,237	29,828	85,065
George Washington University	84 336	82,978	6,638	89,616
George Washington University	93 396	3,909	1,136	5,045
George Washington University	93 840	3,780	983	4,763
George Washington University	93 847	616,219	334,623	950,842
George Washington University	93 849	26,949	7,007	33,956
George Washington University	93 865	72,146	17,389	89,535
George Washington University	93 928	21,370	5,053	26,423
George Washington University	93 RD	10,577	2,460	13,037
Georgetown University	93 865	33,341	7,575	40,916
Georgetown University	93 866	25,922	12,190	38,112
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	12 300	126,598	61,706	188,304
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	12 630	63,931	24,241	88,172
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	12 800	8,352	2,598	10,950
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	12 RD	42,381	21,959	64,340
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	47 041	93,962	28,860	122,822
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	47 049	9,356	3,607	12,963
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	47 050	(5,217)	(190)	(5,407)
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	93 173	6,906	3,591	10,497
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	93 859	158,932	54,697	213,629
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	93 989	191,524	93,222	284,746
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	99 RD	57,450	26,444	83,894
Georgia State University	47 RD	11,775	3,827	15,602
Gladys Kriebel Delmas Foundation	93 856	(88)	(41)	(129)
Global Vaccines, Inc. (GVI)	93 RD	157,945	78,989	236,934
Gp Technologies, Inc. (incl Ghiocel Predictive Technologies)	12 RD	1,164	605	1,769
Group4 Labs, LLC	12 RD	50,322	14,918	65,240
Guam, Government of (incl Guam Public Schools)	84 RD	94,971	7,598	102,569
Gynecologic Oncology Group	92 RD	45,821	6,873	52,694
Gynecologic Oncology Group	93 395	359,035	46,106	405,141
H. Lee Moffitt Cancer Center & Research Institute, The	12 420	11,182	5,479	16,661
Harvard University (the President and Fellows of Harvard College)	12 300	18,406	9,464	27,870
Harvard University (the President and Fellows of Harvard College)	20 RD	2,729	1,419	4,148
Harvard University (the President and Fellows of Harvard College)	47 041	12,168	6,309	18,477

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Harvard University (the President and Fellows of Harvard College)	47 049	\$ 121,300	\$ 53,351	\$ 174,651
Harvard University (the President and Fellows of Harvard College)	47 050	67,037	11,895	78,932
Harvard University (the President and Fellows of Harvard College)	47 074	15,224	7,612	22,836
Harvard University (the President and Fellows of Harvard College)	47 RD	18,722	9,338	28,060
Harvard University (the President and Fellows of Harvard College)	93 115	25,328	20,166	45,494
Harvard University (the President and Fellows of Harvard College)	93 172	476,642	139,309	615,951
Harvard University (the President and Fellows of Harvard College)	93 242	15,335	8,281	23,616
Harvard University (the President and Fellows of Harvard College)	93 286	712	370	1,082
Harvard University (the President and Fellows of Harvard College)	93 393	4,998	2,699	7,697
Harvard University (the President and Fellows of Harvard College)	93 394	32,517	16,329	48,846
Harvard University (the President and Fellows of Harvard College)	93 855	93,177	48,452	141,629
Harvard University (the President and Fellows of Harvard College)	93 856	20,726	11,296	32,022
Harvard University (the President and Fellows of Harvard College)	93 859	55,720	29,253	84,973
Harvard University (the President and Fellows of Harvard College)	93 RD	14,038	3,307	17,345
Hauptman-woodward Medical Research Inst (frmly Med Fdtn of Buffalo)	93 859	146,426	76,874	223,300
Health Care Council of Orange County, Area Health Education Center	93 107	18,519	1,482	20,001
Health Effects Institute	66 500	68,786	14,867	83,653
Health Effects Institute	66 RD	539	(539)	-
Health Research, Inc.	93 395	97,606	48,116	145,722
Health Research, Inc.	93 866	8,113	4,422	12,535
Health Research, Inc.	93 977	(3,506)	(1,867)	(5,373)
Healthpartners Research Foundation	93 866	(3,664)	(1,905)	(5,569)
Henry Ford Health System	93 395	128,565	43,280	171,845
Henry Ford Health System	93 846	33,832	9,010	42,842
Henry M. Jackson Fdn for The Advancement of Military Medicine	12 RD	8,122	4,183	12,305
Henry M. Jackson Fdn for The Advancement of Military Medicine	99 RD	198,103	32,198	230,301
Hewlett-Packard	12 RD	357,186	69,064	426,250
Hewlett-Packard	99 RD	98,807	50,711	149,518
Hfta (Oakland, CA)	13 RD	7	4	11
Hi-z Technology, Inc.	81 RD	17,993	8,761	26,754
High Performance Technologies, Inc. (HPTI)	12 420	20,489	11,167	31,656
High Performance Technologies, Inc. (HPTI)	99 RD	40,946	19,164	60,110
Higher Education for Development (frmly Assn Liaison Ofc Univ Coop)	98 001	128,193	27,507	155,700
Hispanic-serving Health Professions Schools, Inc.	93 283	14,471	1,158	15,629
Honeywell, Inc. (includes Sperry Flight & Tetrattech Data Systems, Inc)	12 RD	51,577	20,154	71,731
Hospital for Sick Children Foundation (Canada)	93 847	81,890	35,272	117,162
Howard University	47 RD	77,360	40,227	117,587
Howard University	93 113	43,685	10,860	54,545
Hrl Laboratories, LLC	99 RD	49,988	26,994	76,982
Hudson Public Schools (Hudson, Ma)	47 RD	26,926	14,002	40,928
Idacorp (incl Idattech LLC)	81 RD	61,852	9,647	71,499
Idaho Natl Engineerng & Environmntl Lab (DOE GOCO Run by Bechtel Bwxt)	81 RD	44,693	23,519	68,212
Imagecat,inc.	47 041	13,115	6,885	20,000
Immpor Therapeutics, Inc.	93 855	78,891	41,418	120,309
Immpor Therapeutics, Inc.	93 856	165,367	81,024	246,391
Impact Technologies LLC	99 RD	4,921	1,279	6,200
Incorporated Research Institutions for Seismology (IRIS Consortium)	47 050	3,092,572	1,417,052	4,509,624
Incorporated Research Institutions for Seismology (IRIS Consortium)	47 RD	42,205	15,979	58,184
Incorporated Research Institutions for Seismology (IRIS Consortium)	99 RD	(3)	(2)	(5)
Indiana University	12 431	307,852	157,837	465,689
Indiana University	47 050	3,429	891	4,320
Indiana University	47 074	329,100	171,118	500,218
Indiana University	47 080	9,126	4,974	14,100
Indiana University	93 172	52,516	21,945	74,461
Indiana University	93 242	33,271	18,133	51,404
Indiana University	93 395	2,121	1,020	3,141
Indiana University	93 853	(13)	(3)	(16)

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
Indiana University	93	865	\$ 189,420	\$ 51,704	\$ 241,124
Indiana University	98	001	19,397	5,043	24,440
Infozen	93	RD	39,279	21,407	60,686
Infralase, Inc.	93	173	77,638	40,760	118,398
Inlustra Technologies, LLC	12	RD	12,518	5,883	18,401
Inlustra Technologies, LLC	47	041	4,784	2,249	7,033
Inlustra Technologies, LLC	81	087	75,466	38,865	114,331
Inst for Cancer Prevention (frmly American Health Foundation)	93	393	(12,636)	(6,737)	(19,373)
Inst for Genomic Research (tigr), The	47	074	5,036	2,619	7,655
Inst for Genomic Research (tigr), The	93	121	(2,140)	(1,102)	(3,242)
Inst for Genomic Research (tigr), The	93	856	(17,170)	(8,156)	(25,326)
Inst for Neurodegenerative Disorders, Inc. (IND)	12	420	3	1	4
Inst of Ecosystem Studies Inc.	47	074	4,226	2,197	6,423
Inst of Ecosystem Studies Inc.	47	RD	37,941	10,120	48,061
Inst of Global Environment and Society, Inc. (IGES)	43	001	839	218	1,057
Integral Molecular, Inc.	93	856	103,037	52,072	155,109
Integral Molecular, Inc.	93	RD	9,217	4,793	14,010
Integrated Ocean Drilling Program (IODP)	47	050	202,275	110,240	312,515
Intelligent Automation, Inc. (IAI)	12	RD	22,074	10,926	33,000
Intelligent Fiber Optic Systems	12	RD	110	57	167
Intelligent Optical Systems, Inc.	93	371	2,518	1,360	3,878
Internet Solutions for Kids, Inc. (ISK)	93	242	22,191	11,983	34,174
Intl Business Machines Corporation (IBM)	12	RD	200	(198)	2
Intl Business Machines Corporation (IBM)	99	RD	216,053	85,074	301,127
Intl Crops Research Inst for The Semi-arid Tropics (ICRISAT) (Intl)	98	RD	20,534	-	20,534
Intl Fdn for Science, Health and Environment, The	99	RD	35,062	9,116	44,178
Intl Fdn of Hope (US Based Non-govt Org Support Afghanistan)	98	RD	49,294	16,760	66,054
Intl Food Policy Research Institute (IFPRI) (Intl)	98	012	7,200	2,444	9,644
Intl Hiv/aids Alliance Usa Inc. (Intl)	98	RD	46,889	11,652	58,541
Intl Maize & Wheat Center (ctr Intl Demejora Maiz Y Trigo)	10	RD	42,811	11,236	54,047
Intl Maize & Wheat Center (ctr Intl Demejora Maiz Y Trigo)	98	RD	359,839	-	359,839
Intl Research & Exchanges Board (Intl)	19	300	18,322	-	18,322
Intl Rice Research Institute (IRRI) (Intl)	98	RD	386	(386)	-
Intl Rice Research Institute (IRRI) (Intl)	99	RD	21,565	3,882	25,447
Iowa State University (incl Iowa Energy Center)	10	200	25,568	-	25,568
Iowa State University (incl Iowa Energy Center)	10	352	835	284	1,119
Iowa State University (incl Iowa Energy Center)	47	074	840	(840)	-
Iowa State University (incl Iowa Energy Center)	93	242	178,675	36,255	214,930
Iowa State University (incl Iowa Energy Center)	93	821	2,029	1,065	3,094
Iowa State University (incl Iowa Energy Center)	93	846	61,931	14,414	76,345
Iowa State University (incl Iowa Energy Center)	93	865	99,509	23,204	122,713
Iowa State University (incl Iowa Energy Center)	99	RD	4,518	1,175	5,693
Ipitek Integrated Phontonic Technology (Carlsbad, Ca)	12	RD	41,528	21,802	63,330
Iris Ao, Inc.	12	RD	144	49	193
Irvine Sensors Corporation	12	RD	30,128	6,821	36,949
J. Craig Venter Institute	93	859	26,098	10,683	36,781
J. Craig Venter Institute	93	RD	1,787	982	2,769
J. David Gladstone Institutes	93	586	12,330	2,972	15,302
J. David Gladstone Institutes	93	838	(238)	(124)	(362)
J. David Gladstone Institutes	93	855	234,190	126,462	360,652
J. David Gladstone Institutes	93	856	630,734	318,158	948,892
J. David Gladstone Institutes	93	864	(1,043)	(495)	(1,538)
J. David Gladstone Institutes	93	866	322,239	157,718	479,957
J. Paul Getty Trust, The (incl The Getty Foundation)	99	RD	224	-	224
Jackson State University	47	049	121,372	41,147	162,519
Jackson State University	47	RD	87,071	40,291	127,362
Jackson State University	81	RD	16,784	4,364	21,148

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Jacksonville State University	93 206	\$ 33,585	\$ 17,632	\$ 51,217
Jaeb Center for Health Research, Inc.	93 867	29,774	16,785	46,559
Jaeb Center for Health Research, Inc.	93 RD	4,009	1,833	5,842
Jambayang Research	93 RD	20,726	5,023	25,749
Japan Aerospace Exploration Agency (JAXA)(frmly Nasda)(Japan)	99 RD	35,758	9,297	45,055
Jet Propulsion Laboratory	12 800	3,430	892	4,322
Jet Propulsion Laboratory	43 001	136,056	57,202	193,258
Jet Propulsion Laboratory	43 002	131,755	56,010	187,765
Jet Propulsion Laboratory	43 RD	2,634,339	1,122,697	3,757,036
Jet Propulsion Laboratory	47 RD	3,587	1,901	5,488
Jet Propulsion Laboratory	99 RD	1,459,645	460,482	1,920,127
Jewish Community Federation (SF, Peninsula, Marin & Sonoma Counties)	93 866	8,361	4,306	12,667
John Snow, Inc.	93 RD	(262)	(68)	(330)
John Wayne Institute for Cancer Treatment and Research	93 395	114	38	152
John Wayne Institute for Cancer Treatment and Research	93 398	291,210	157,253	448,463
Johns Hopkins University	12 RD	58,644	21,453	80,097
Johns Hopkins University	43 RD	320,449	151,932	472,381
Johns Hopkins University	47 049	10,798	2,733	13,531
Johns Hopkins University	47 070	(11)	(5)	(16)
Johns Hopkins University	47 075	40,263	10,469	50,732
Johns Hopkins University	93 121	14,930	8,062	22,992
Johns Hopkins University	93 213	11,088	5,821	16,909
Johns Hopkins University	93 242	258,782	130,865	389,647
Johns Hopkins University	93 286	107,971	55,175	163,146
Johns Hopkins University	93 397	102,259	55,225	157,484
Johns Hopkins University	93 399	336,967	179,897	516,864
Johns Hopkins University	93 837	6,871	10,082	16,953
Johns Hopkins University	93 839	250,687	136,624	387,311
Johns Hopkins University	93 848	91,002	21,447	112,449
Johns Hopkins University	93 855	48,452	12,337	60,789
Johns Hopkins University	93 856	1,502	(1,395)	107
Johns Hopkins University	93 859	21,244	5,208	26,452
Johns Hopkins University	93 865	36,646	15,257	51,903
Johns Hopkins University	93 866	33,295	17,979	51,274
Johns Hopkins University	93 867	952,666	381,859	1,334,525
Johns Hopkins University	93 943	41,742	17,338	59,080
Johns Hopkins University	93 RD	477,339	198,868	676,207
Johns Hopkins University	99 RD	53,382	18,836	72,218
Joint Oceanographic Institutions, Inc.	47 050	1,110,464	400,739	1,511,203
Juvaris Biotherapeutics, Inc.	10 RD	42,411	21,630	64,041
Juvaris Biotherapeutics, Inc.	93 850	346,250	173,900	520,150
Kab Laboratories Inc.	12 300	75,109	40,935	116,044
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	91 RD	30,175	13,338	43,513
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 226	90	46	136
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 271	12,676	3,051	15,727
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 273	25,260	13,641	38,901
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 283	18,905	4,601	23,506
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 379	9,422	5,183	14,605
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 393	470	(450)	20
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 395	1,557	405	1,962
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 399	9,248	4,994	14,242
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 837	24,638	6,192	30,830
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 849	3,290	1,695	4,985
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 859	36,234	9,160	45,394
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 864	1,418	730	2,148
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 945	8,117	4,383	12,500
Kaiser Fdn Research Inst (incl Hlth Plan, Med Grp, Hosp, Permanente)	93 RD	94,892	35,550	130,442

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Kansas State University	10 206	\$ 44,737	\$ 11,493	\$ 56,230
Kansas State University	93 866	113,369	58,952	172,321
Keck Graduate Institute of Applied Life Sciences	47 070	13,605	7,415	21,020
Keck Graduate Institute of Applied Life Sciences	47 074	64,450	35,125	99,575
Kent State University	12 800	67,584	35,205	102,789
Kent State University	93 866	12,836	6,739	19,575
Kinemed, Inc.	93 RD	223,805	59,308	283,113
Kinemed, Inc.	99 RD	8,899	4,801	13,700
Kovogen (Fremont, CA)	99 RD	114,484	54,097	168,581
Kuakini Medical Center	93 866	14,444	7,511	21,955
Kunitz and Associates, Inc. (KAI)	93 RD	24,432	9,043	33,475
L-3 Communications (incl Sycoleman Corporation)	12 RD	33,755	13,053	46,808
L-3 Communications (incl Sycoleman Corporation)	99 RD	60,379	21,185	81,564
LSST Corporation (Large Synoptic Survey Telescope)	43 RD	52,087	13,543	65,630
LSST Corporation (Large Synoptic Survey Telescope)	47 RD	7,455	2,833	10,288
La Jolla Institute for Allergy and Immunology	93 855	245,591	128,721	374,312
La Jolla Institute for Allergy and Immunology	93 856	255,000	132,600	387,600
La Jolla Institute for Allergy and Immunology	93 RD	23,615	6,612	30,227
Larkin Street Services	93 153	17,624	5,580	23,204
Lawrence Livermore National Security, LLC	12 RD	1,723	888	2,611
Lawrence Livermore National Security, LLC	81 049	9,090	2,363	11,453
Lawrence Livermore National Security, LLC	81 RD	462,979	75,531	538,510
Lawrence Livermore National Security, LLC	84 RD	221,728	20,795	242,523
Lawrence Livermore National Security, LLC	99 RD	67,443	32,236	99,679
Lewis & Clark College	12 630	3,204	320	3,524
Lgs Innovations (France) (Deactive Code)	99 RD	43,835	17,204	61,039
Lgs Innovations LLC (Alcatel-Lucent Subsidiary) (France)	99 RD	26,023	13,006	39,029
Life Sciences Research Foundation	81 RD	10,598	-	10,598
Living Planet, Inc. (incl Waterford Life Sciences)	93 279	10,898	5,286	16,184
Lockheed Martin Corporation (incl Orincon)	12 300	98,134	41,770	139,904
Lockheed Martin Corporation (incl Orincon)	12 630	22,401	11,985	34,386
Lockheed Martin Corporation (incl Orincon)	47 RD	41,297	21,887	63,184
Lodestar Research Corporation	81 RD	6,772	3,691	10,463
Loma Linda University (incl Natl Medical Technology Testbed, Inc.)	12 420	75,093	39,424	114,517
Loma Linda University (incl Natl Medical Technology Testbed, Inc.)	43 RD	60,639	31,229	91,868
Loma Linda University (incl Natl Medical Technology Testbed, Inc.)	99 RD	83,711	46,386	130,097
Los Alamos National Security, LLC	81 RD	1,776,957	562,837	2,339,794
Los Alamos National Security, LLC	93 RD	(1,705)	(895)	(2,600)
Los Alamos National Security, LLC	99 RD	357,885	141,011	498,896
Los Amigos Research & Ed Institute,inc.(Rancho Los Amigos Med Ctr)	84 133	(11,356)	5,385	(5,971)
Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Ctr	93 273	(1,191)	(643)	(1,834)
Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Ctr	93 283	(96)	(49)	(145)
Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Ctr	93 837	52,197	27,305	79,502
Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Ctr	93 849	(130)	(68)	(198)
Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Ctr	93 853	(15,766)	(6,024)	(21,790)
Los Angeles Community College District	43 RD	6,993	2,259	9,252
Los Angeles Health Dept, County of	93 959	357,921	88,082	446,003
Los Angeles Unified School District	93 243	90,792	49,056	139,848
Los Angeles, City of	99 RD	20,388	5,301	25,689
Louisiana State University	93 838	23,933	6,223	30,156
Lowy Medical Research Institute Limited (Australia)	99 RD	15,283	3,057	18,340
Loyola University of Chicago	93 396	225,166	117,206	342,372
Loyola University of Chicago	93 837	539,227	264,182	803,409
Loyola University of Chicago	93 879	30,401	6,751	37,152
Lucent Technologies Inc.	47 070	14,286	6,018	20,304
Ludwig Institute for Cancer Research (Switzerland)	93 172	19,363	10,965	30,328
Luna Innovations Incorporated	99 RD	42,783	19,931	62,714

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
Mack Truck, Inc.	99	RD	\$ 56,123	\$ 29,986	\$ 86,109
Magee-womens Health Corporation	93	855	69,186	16,515	85,701
Magee-womens Health Corporation	93	865	174,571	86,327	260,898
Magee-womens Hospital, Research Institute and Foundation	93	855	159,814	39,309	199,123
Magnesensors, Inc.	47	RD	336	169	505
Malcolm Pirnie	12	RD	6,537	1,701	8,238
Mandex, Inc.	12	300	159,888	25,582	185,470
Manila Consulting Group, Inc.	93	RD	97,382	23,246	120,628
Manpower Demonstration Research Corporation	93	865	23,113	12,597	35,710
Margaret E. Early Medical Research Trust	99	RD	(221)	(44)	(265)
Marin, County of	93	945	4,891	1,214	6,105
Marine Biological Laboratory (Woods Hole, Massachusetts)	12	999	5,505	2,573	8,078
Marine Mammal Center, The	11	460	27,639	13,543	41,182
Marshfield Clinic (incl Natl Farm Medicine Center)	66	509	37,609	9,778	47,387
Massachusetts Eye and Ear Infirmary	93	173	9,422	6,032	15,454
Massachusetts Institute of Technology	10	206	7,700	1,925	9,625
Massachusetts Institute of Technology	12	431	7,457	4,027	11,484
Massachusetts Institute of Technology	12	800	8,210	4,341	12,551
Massachusetts Institute of Technology	12	910	164,488	63,075	227,563
Massachusetts Institute of Technology	12	RD	932,603	149,188	1,081,791
Massachusetts Institute of Technology	47	041	11,976	6,184	18,160
Massachusetts Institute of Technology	47	050	4,910	2,187	7,097
Massachusetts Institute of Technology	47	070	249,947	106,427	356,374
Massachusetts Institute of Technology	81	049	236,276	102,247	338,523
Massachusetts Institute of Technology	93	394	204,621	89,845	294,466
Massachusetts Institute of Technology	93	395	20,632	10,729	31,361
Massachusetts Institute of Technology	93	396	314	149	463
Massachusetts Institute of Technology	93	837	43,812	24,943	68,755
Massachusetts Institute of Technology	93	855	79,369	32,539	111,908
Massachusetts Institute of Technology	93	RD	52,095	13,534	65,629
Massachusetts Institute of Technology	99	RD	64,722	33,423	98,145
Mathematica, Inc.(incl Math Plcy Res & Cntr for Studying Hlt Sys Chng)	84	RD	235,012	55,786	290,798
Maxentric Technologies LLC	12	300	66,381	35,503	101,884
Maxwell Sensors	93	226	14,931	7,839	22,770
Maxwell Sensors	93	856	3,788	1,989	5,777
Mayachitra, Inc.	93	859	29,095	14,989	44,084
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	226	45,908	24,790	70,698
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	281	4,550	2,479	7,029
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	393	5,071	2,766	7,837
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	394	195	93	288
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	395	38,032	20,727	58,759
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	399	7,046	1,685	8,731
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	848	23,049	12,439	35,488
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	849	(117)	417	300
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	853	6,265	3,892	10,157
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	856	112,483	42,579	155,062
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	866	46,071	14,977	61,048
Mayo Foundation for Medical Education & Research (incl Clinic&clin Tri	93	RD	162,115	78,684	240,799
Mclaughlin Research Institute for Biomedical Sciences	93	853	340,313	183,760	524,073
McLean Hospital	47	RD	28,196	14,662	42,858
Medical College of Georgia (incl Research Institute)	93	837	224	115	339
Medical College of Georgia (incl Research Institute)	93	865	14,392	7,772	22,164
Medical College of Wisconsin	93	127	18,811	9,782	28,593
Medical College of Wisconsin	93	242	33,818	7,915	41,733
Medical University of Ohio at Toledo (frmly Medical College of Ohio)	93	389	1,208	314	1,522
Medical University of Ohio at Toledo (frmly Medical College of Ohio)	93	RD	128,265	67,339	195,604
Menssana Research, Inc.	93	RD	34,816	9,052	43,868

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
Mental Health Systems, Inc. (MHS)	93	279	\$ 83,523	\$ 20,997	\$ 104,520
Mental Health Systems, Inc. (MHS)	93	RD	87,660	11,396	99,056
Methodist Hospital Research Institute, The (TMHRI)	99	RD	28,296	15,280	43,576
Metro Laser	12	300	21,227	6,702	27,929
Metro Laser	12	RD	79,274	32,508	111,782
Metropolitan Water Dist of So Calif	66	606	16,842	6,721	23,563
Metropolitan Water Dist of So Calif	99	RD	(204)	-	(204)
Michigan State University	10	RD	28,438	14,681	43,119
Michigan State University	47	041	175,578	74,467	250,045
Michigan State University	47	049	(2,756)	(797)	(3,553)
Michigan State University	47	074	85,413	40,571	125,984
Michigan State University	47	076	145,867	42,909	188,776
Michigan State University	66	509	105,528	43,580	149,108
Mickey Leland National Urban Air Toxics Research Center, The	66	RD	153,341	30,668	184,009
Microchip Biotechnologies, Inc.	43	RD	104,081	48,755	152,836
Microelectronics Advanced Research Corporation (MARCO)(src Subsidiary)	12	910	338,741	119,750	458,491
Microelectronics Advanced Research Corporation (MARCO)(src Subsidiary)	12	RD	5,812,673	504,513	6,317,186
Microislet, Inc.	93	RD	16,397	(16,427)	(30)
Micron Optics Inc.	93	867	45,823	15,061	60,884
Microsurgeon, Inc.	93	RD	16,046	-	16,046
Midwest Research Inst(Natl Renewable Energy Lab)(was Solar Enrgy Inst)	81	049	14,862	6,519	21,381
Midwest Research Inst(Natl Renewable Energy Lab)(was Solar Enrgy Inst)	81	RD	64,723	34,962	99,685
Minnesota Historical Society	89	003	28,754	-	28,754
Miriam Hospital, The (a Lifespan Partner)	93	848	15,773	8,360	24,133
Mississippi State University	10	206	6,593	3,428	10,021
Mississippi State University	47	041	28,817	10,499	39,316
Mississippi State University	81	049	8,007	4,164	12,171
Mitre Corporation, The (Bedford, Ma & Mclean, VA)	12	910	173,773	51,939	225,712
Molecular Express, Inc.	12	RD	60,022	31,512	91,534
Molecular Express, Inc.	93	394	43,272	20,843	64,115
Molecular Imaging Corporation	93	859	16,555	8,692	25,247
Molecular Insight Pharmaceuticals, Inc.	93	RD	768	399	1,167
Montana State University	15	224	2,249	225	2,474
Montana State University	15	RD	17,945	2,959	20,904
Montana State University	47	RD	111,593	13,274	124,867
Montana State University	81	049	31,365	7,265	38,630
Monterey Bay Aquarium Research Institute	11	473	29,846	14,625	44,471
Monterey Bay Aquarium Research Institute	47	078	4,147	2,260	6,407
Monterey Bay Sanctuary Foundation	11	429	18,449	1,845	20,294
Motorola, Inc. (incl Thoughtbeam)	12	RD	88,737	36,879	125,616
Mount Sinai Medical Center	93	RD	12,698	6,857	19,555
Mount Sinai School of Medicine (New York)	93	213	8,247	4,453	12,700
Mount Sinai School of Medicine (New York)	93	855	52,745	28,482	81,227
Mount Sinai School of Medicine (New York)	93	866	589,697	305,847	895,544
Multiplex, Inc.	12	RD	112	58	170
Museum of Sci & Indus-Tampa, Florida	47	076	141,137	69,157	210,294
NSABP Foundation, Inc. (Natl Surgical Adjuvant Breast & Bowel Project)	93	399	810	182	992
Nabi (formerly Univax)	93	399	15,637	8,444	24,081
Nanocomposix, Inc.	12	800	2,996	1,199	4,195
Nanogen, Inc.	93	856	16,101	8,453	24,554
Nanohmics, Inc.	93	RD	21,537	11,199	32,736
Nanomond	47	041	36,100	10,432	46,532
Nanosys, Inc.	12	RD	28,152	10,686	38,838
Nanotron	12	800	8,471	4,617	13,088
Nationwide Children's Hospital (incl Research Inst) (Columbus, Ohio)	93	173	96,873	44,595	141,468
Nationwide Children's Hospital (incl Research Inst) (Columbus, Ohio)	93	RD	44,289	23,111	67,400
Natl Academy of Sciences(incl Inst of Med,Natl Res Cncl,Natl Acd Engr)	47	074	21,498	7,976	29,474

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, 2008

	Federal		Direct		Indirect		Total	
	CFDA #		Expenditures		Expenditures		Expenditures	
Research and Development (Continued)								
Pass Through Agency Awards Expended (Continued)								
Natl Academy of Sciences(incl Inst of Med,Natl Res Cncl,Natl Acad Engr)	98	RD	\$	159,918	\$	40,116	\$	200,034
Natl Bureau of Economic Research, Inc.	43	RD		2,586		1,345		3,931
Natl Bureau of Economic Research, Inc.	47	RD		17,170		9,104		26,274
Natl Bureau of Economic Research, Inc.	93	RD		93,226		43,497		136,723
Natl Bureau of Economic Research, Inc.	99	RD		35,238		17,723		52,961
Natl Childhood Cancer Fdn (incl Children's Oncology Group, Curesearch)	93	395		212,202		60,742		272,944
Natl Council for Eurasian and East European Research (the)	19	300		10,072		757		10,829
Natl Development and Research Institutes, Inc.	93	279		79,883		20,180		100,063
Natl Fish and Wildlife Foundation	10	RD		28,733		-		28,733
Natl Fish and Wildlife Foundation	11	463		31,054		-		31,054
Natl Fish and Wildlife Foundation	11	470		60,884		15,221		76,105
Natl Fish and Wildlife Foundation	15	602		48,433		-		48,433
Natl Fish and Wildlife Foundation	15	608		9,683		-		9,683
Natl Fish and Wildlife Foundation	15	RD		19,078		-		19,078
Natl Honey Board	10	RD		7,528		-		7,528
Natl Jewish Medical & Research Cntr (cntr for Immunology & Resp Med)	93	233		60,729		7,770		68,499
Natl Jewish Medical & Research Cntr (cntr for Immunology & Resp Med)	93	839		7,909		4,311		12,220
Natl Jewish Medical & Research Cntr (cntr for Immunology & Resp Med)	93	855		289,274		55,471		344,745
Natl Marrow Donor Program	12	RD		10,306		2,680		12,986
Natl Marrow Donor Program	93	839		16,660		-		16,660
Natl Potato Promotion Board	10	RD		701		-		701
Natl Research Council	20	205		121,627		42,839		164,466
Natl Science Teachers Association	47	076		550,104		67,487		617,591
Natl Security Technologies, LLC (NSTEC) (GOCO for Nevada Test Site)	18	100		21,770		11,320		33,090
Natl Security Technologies, LLC (NSTEC) (GOCO for Nevada Test Site)	81	RD		16,588		8,543		25,131
Natl Space Biomedical Research Institute	43	RD		745,458		260,711		1,006,169
Natl Space Biomedical Research Institute	99	RD		93,251		29,565		122,816
Natl Writing Project Corporation	84	928		82,365		-		82,365
Natural Heritage Institute	99	RD		1,433		258		1,691
Nature Conservancy	15	RD		962		96		1,058
Nature Conservancy	99	RD		15,394		3,541		18,935
Nesher Technologies, Inc.	93	853		18,690		10,093		28,783
Network for Earthquake Engineering Simulation Consortium Inc. (NEES)	47	041		2,978,110		1,065,610		4,043,720
Network for Earthquake Engineering Simulation Consortium Inc. (NEES)	47	RD		1,544,420		451,921		1,996,341
Neuroindx, Inc.	99	RD		15,237		8,228		23,465
Neuropace, Inc.	11	609		599		3,305		3,904
Neuroscript, LLC	93	242		4,537		1,180		5,717
Nevada Tahoe Conservation District (NTCD)	66	RD		21,696		5,641		27,337
Nevada, State of (incl Nevada State Health Division)	99	RD		10,870		848		11,718
New England Medical Center, Inc.	93	242		14,434		7,803		22,237
New England Medical Center, Inc.	93	846		4,306		1,067		5,373
New England Research Institute, Inc.	93	RD		27,873		7,247		35,120
New Jersey Institute of Technology	47	041		56,500		20,286		76,786
New Jersey Institute of Technology	47	RD		39,437		14,986		54,423
New Media Studio, The	43	RD		23,661		7,643		31,304
New Mexico Institute of Mining & Technology	15	805		13,653		-		13,653
New Mexico State University	47	076		8,937		4,826		13,763
New Mexico State University	99	RD		45,100		-		45,100
New York University	47	049		41,293		22,505		63,798
New York University	47	074		122,060		67,117		189,177
Nichols Consulting Engineers, Chtd.	20	RD		(74)		(38)		(112)
Nimblegen Systems, Inc.	93	172		2,345		1,220		3,565
Normandeau Associates, Inc.	12	RD		463,694		106,360		570,054
Nortel (incl Pec Solutions,ac Tech,Bay Networks,North Telecom-Canada)	12	RD		76,941		20,034		96,975
Nortel (incl Pec Solutions,ac Tech,Bay Networks,North Telecom-Canada)	99	RD		36,073		9,379		45,452
North Carolina State University	10	206		73,630		14,724		88,354
North Carolina State University	10	500		50,657		2,394		53,051

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
North Carolina State University	10	RD	\$ 6,689	\$ 1,672	\$ 8,361
North Carolina State University	12	800	119,142	49,121	168,263
North Carolina State University	12	RD	(60,171)	(33,336)	(93,507)
North Carolina State University	43	RD	41,218	18,315	59,533
North Carolina State University	47	076	21,745	4,874	26,619
North Pacific Research Board (NPRB) (incl Alaska Sealife Center)	11	439	26,676	5,636	32,312
North Pacific Research Board (NPRB) (incl Alaska Sealife Center)	11	460	675	108	783
North Pacific Research Board (NPRB) (incl Alaska Sealife Center)	11	472	95,898	26,411	122,309
North Pacific Research Board (NPRB) (incl Alaska Sealife Center)	15	608	3,859	942	4,801
North Shore-long Island Jewish Health System	93	855	109,746	34,203	143,949
North Shore-long Island Jewish Health System	93	RD	66,891	29,128	96,019
Northeastern University	16	RD	3,197	1,663	4,860
Northeastern University	93	867	8,268	4,465	12,733
Northern Arizona University (incl Natl Inst for Climatic Change Res)	81	049	138,312	66,170	204,482
Northern Calif Cancer Center (formerly Program)	93	RD	11,228	2,876	14,104
Northern Calif Cancer Center (formerly Program)	99	RD	43,731	11,370	55,101
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93	837	152	64	216
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93	839	26,008	6,762	32,770
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93	853	99,833	25,957	125,790
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93	856	67,328	17,505	84,833
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93	859	76,067	19,777	95,844
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93	866	620,922	320,937	941,859
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93	929	28,139	7,316	35,455
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93	RD	5,937,255	462,925	6,400,180
Northern Illinois University	12	420	8,331	4,249	12,580
Northern Illinois University	47	078	48,293	18,587	66,880
Northern Illinois University	93	853	32,449	17,522	49,971
Northrop Grumman Corporation (incl Logicon Inc, Xetron Corporation)	12	RD	738	347	1,085
Northshore University Healthsystem Research Inst (frmly Evanston Nw)	93	846	152,598	33,302	185,900
Northshore University Healthsystem Research Inst (frmly Evanston Nw)	99	RD	37,455	20,226	57,681
Northwestern University	12	901	29,331	15,252	44,583
Northwestern University	12	910	8,332	4,541	12,873
Northwestern University	47	041	26,003	8,407	34,410
Northwestern University	81	049	66,104	24,356	90,460
Northwestern University	93	173	91,870	50,069	141,939
Northwestern University	93	242	211,898	104,944	316,842
Northwestern University	93	286	89,498	26,103	115,601
Northwestern University	93	837	43,320	18,995	62,315
Northwestern University	93	846	51,858	12,390	64,248
Northwestern University	93	853	103,799	46,674	150,473
Northwestern University	93	RD	32,379	17,642	50,021
Nova Engineering, Inc.	12	300	39,534	21,546	61,080
Nova Research Company (Bethesda, Maryland)	93	279	1,144	297	1,441
Nova Scientific, Inc.	81	RD	33,661	9,762	43,423
Novartis Ag (Incl Pharma,Animal Hlth,Med Nutritn,Ciba Visn-Switzerland)	93	856	186,651	94,827	281,478
Novartis Research Foundation (inc Genomics Institute)	93	RD	120,525	61,418	181,943
Novo Nordisk Co.(incl Entotech,novozymes, Biotech, Hagedorn)(Denmark)	93	847	53,481	28,077	81,558
Novomedix	93	849	56,546	26,998	83,544
Nsabp Foundation, Inc. (natl Surgical Adjuvant Breast & Bowel Project)	93	395	1,276	291	1,567
Numerex	99	RD	37,024	19,993	57,017
Oakridge Natl Lab (DOE GOCO Operated by UT-Battelle, LLC)	81	049	72,040	39,014	111,054
Oakridge Natl Lab (DOE GOCO Operated by UT-Battelle, LLC)	81	RD	369,736	139,887	509,623
Oakridge Natl Lab (DOE GOCO Operated by UT-Battelle, LLC)	99	RD	25,843	12,896	38,739
Ohio State University (includes Research Foundation)	10	206	28,203	7,051	35,254
Ohio State University (includes Research Foundation)	10	303	28,878	6,786	35,664
Ohio State University (includes Research Foundation)	12	630	151,899	82,785	234,684
Ohio State University (includes Research Foundation)	12	800	107,061	43,667	150,728

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Ohio State University (includes Research Foundation)	12 RD	\$ 243,300	\$ 129,114	\$ 372,414
Ohio State University (includes Research Foundation)	43 RD	10,873	5,111	15,984
Ohio State University (includes Research Foundation)	47 041	81,344	36,013	117,357
Ohio State University (includes Research Foundation)	47 049	1,801	936	2,737
Ohio State University (includes Research Foundation)	47 RD	53,501	25,331	78,832
Ohio State University (includes Research Foundation)	81 049	50	27	77
Ohio State University (includes Research Foundation)	84 305	123,802	62,032	185,834
Ohio State University (includes Research Foundation)	93 RD	(21)	(11)	(32)
Ohio State University (includes Research Foundation)	98 RD	4,096	1,048	5,144
Ohio State University (includes Research Foundation)	99 RD	1,335	236	1,571
Oklahoma, State of	99 RD	76,879	41,899	118,778
Omega-p, Inc.	81 RD	66,579	33,405	99,984
Open Biosystems, Inc.	93 242	(287)	(148)	(435)
Optimal Synthesis Inc.	12 RD	37,667	15,465	53,132
Oregon Health Sciences University	47 074	37,418	17,265	54,683
Oregon Health Sciences University	93 121	14,987	3,897	18,884
Oregon Health Sciences University	93 273	552	284	836
Oregon Health Sciences University	93 306	1,304	711	2,015
Oregon Health Sciences University	93 837	27,905	14,536	42,441
Oregon Health Sciences University	93 846	42,718	10,565	53,283
Oregon Health Sciences University	93 867	2,852	1,469	4,321
Oregon Health Sciences University	99 RD	(2,360)	(472)	(2,832)
Oregon State University	10 206	25,307	6,279	31,586
Oregon State University	11 440	40,942	16,750	57,692
Oregon State University	12 300	7,316	3,878	11,194
Oregon State University	43 002	7,417	4,042	11,459
Oregon State University	47 074	82,611	41,501	124,112
Oregon State University	47 078	43,549	13,311	56,860
Oregon State University	81 114	253,597	24,740	278,337
Oregon State University	93 242	45,686	11,878	57,564
Oregon State University	93 946	1,411	762	2,173
Osel Inc.	93 RD	7,567	1,898	9,465
Osiris Therapeutics, Inc.	12 630	3,287	(5,288)	(2,001)
Pacific Institute for Research & Eval (incl Prevention Resch Ctr)	93 273	48,691	12,660	61,351
Pacific Shellfish Institute	93 855	285,747	74,294	360,041
Packet Digital LLC	12 630	131,670	51,565	183,235
Palo Alto Institute for Research and Education, Inc. (VA Foundation)	12 420	21,790	5,632	27,422
Palo Alto Institute for Research and Education, Inc. (VA Foundation)	93 855	425	217	642
Parkinson's Institute (formerly Calif Parkinson's Foundation)	12 420	16,259	4,227	20,486
Parkinson's Institute (formerly Calif Parkinson's Foundation)	93 894	5,653	2,911	8,564
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 226	1,656	581	2,237
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 242	177,119	88,282	265,401
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 389	665,267	222,939	888,206
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 393	79,373	41,671	121,044
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 396	17,014	8,847	25,861
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 848	171,991	90,878	262,869
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 853	23,101	12,590	35,691
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 859	119,613	64,653	184,266
Partners Healthcare System, Inc.(incl Massachusetts General Hospital)	93 RD	398,870	205,351	604,221
Payne Environmental Consultants, Inc. (PECI)	11 419	110	18	128
Pennsylvania College of Optometry (PCO)	93 867	38,287	20,867	59,154
Pennsylvania State University (incl Penn State Research Foundation)	10 206	48,629	12,157	60,786
Pennsylvania State University (incl Penn State Research Foundation)	12 300	697,997	120,227	818,224
Pennsylvania State University (incl Penn State Research Foundation)	12 431	(357)	62	(295)
Pennsylvania State University (incl Penn State Research Foundation)	47 050	(325)	(111)	(436)
Pennsylvania State University (incl Penn State Research Foundation)	81 049	12,577	6,339	18,916
Pennsylvania State University (incl Penn State Research Foundation)	84 116	7,751	620	8,371

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Pennsylvania State University (incl Penn State Research Foundation)	93 865	\$ 47,965	\$ 19,818	\$ 67,783
Pennsylvania State University (incl Penn State Research Foundation)	93 RD	87,427	33,269	120,696
Pennsylvania State University (incl Penn State Research Foundation)	99 RD	45,825	19,092	64,917
People In Progress, Inc.	93 243	58,850	14,212	73,062
Peter H. Mattson & Co. Inc. (Aka Mattson)	93 135	21,729	5,155	26,884
Peter Pazmany Catholic University (Hungary)	99 RD	19,670	10,330	30,000
Pharad, LLC	99 RD	20,517	11,079	31,596
Photonic Systems, Inc.	12 630	2,009	1,095	3,104
Photonic Systems, Inc.	99 RD	17,592	9,500	27,092
Physical Optics Corporation	93 048	(963)	(505)	(1,468)
Physical Sciences Inc.	12 630	12,196	4,676	16,872
Pittsburgh Materials Technology, Inc.	12 RD	-	(59)	(59)
Planet Biotechnology, Inc.	93 859	25,695	13,490	39,185
Planetary Science Institute	43 RD	3,859	2,007	5,866
Plasma Processes Inc.	81 RD	3,614	1,717	5,331
Pohang University of Science and Technology (Korea)	99 RD	51,934	22,185	74,119
Polytechnic University (Brooklyn)	47 RD	60,408	21,144	81,552
Population Council - New York	99 RD	155,117	39,573	194,690
Portland State University	11 RD	16,335	4,225	20,560
Portland State University	93 866	43,635	19,158	62,793
Powerlight Corporation	81 RD	1,225	319	1,544
Powermems Technologies, LLC	99 RD	20,160	9,840	30,000
Ppd Inc. (incl Ppd Discovery, Ppd Development, Ppd Virtual)	93 RD	71,254	18,526	89,780
Praevium Research, Inc.	93 394	6,255	3,284	9,539
Praevium Research, Inc.	93 395	66,329	34,822	101,151
Precision Photonics Corporation	93 856	20,690	11,276	31,966
Preventive Medicine Research Institute	99 RD	(48)	-	(48)
Princeton Plasma Physics Laboratory (DOE GOCO Lab Oper. by Princeton)	81 RD	22,138	6,420	28,558
Princeton University	12 300	119,459	20,933	140,392
Princeton University	12 910	147,423	71,673	219,096
Princeton University	12 RD	70,477	39,144	109,621
Princeton University	43 RD	205,089	78,257	283,346
Princeton University	47 049	42,415	19,347	61,762
Princeton University	47 070	67,058	33,284	100,342
Princeton University	81 049	15,891	8,422	24,313
Princeton University	81 RD	16,023	4,166	20,189
Princeton University	99 RD	35,709	19,283	54,992
Public Health Foundation Enterprises, Inc.	93 279	67,273	16,903	84,176
Public Health Foundation Enterprises, Inc.	93 283	56,257	30,374	86,631
Public Health Foundation Enterprises, Inc.	93 943	12,360	3,086	15,446
Public Health Foundation Enterprises, Inc.	93 RD	87,218	26,373	113,591
Public Health Foundation Enterprises, Inc.	99 RD	3,042	1,644	4,686
Public Health Institute (formerly Calif Public Health Foundation)	10 RD	38,892	9,580	48,472
Public Health Institute (formerly Calif Public Health Foundation)	93 273	19,839	10,713	30,552
Public Health Institute (formerly Calif Public Health Foundation)	93 938	293,451	71,294	364,745
Public Health Institute (formerly Calif Public Health Foundation)	93 989	27,251	14,443	41,694
Public Health Institute (formerly Calif Public Health Foundation)	93 RD	245,087	60,668	305,755
Public Hospital Institute (PHI)	10 RD	45,013	11,110	56,123
Purdue Research Foundation	93 309	2,061	1,072	3,133
Purdue University	10 217	30,786	7,698	38,484
Purdue University	12 431	149,355	68,695	218,050
Purdue University	43 RD	26	14	40
Purdue University	47 041	80,908	37,586	118,494
Purdue University	47 076	1,102	275	1,377
Purdue University	47 RD	212,917	112,846	325,763
Purdue University	81 RD	21,009	10,062	31,071
Purdue University	93 393	155,729	78,353	234,082

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Purdue University	93 856	\$ (26,172)	\$ (14,263)	\$ (40,435)
Purdue University	93 867	19,982	10,730	30,712
Purdue University	99 RD	102,565	37,791	140,356
Q-chem, Inc.	93 RD	87,598	45,551	133,149
Quantum Magnetics	93 RD	285	74	359
Quartus Engineering Incorporated	12 431	9,291	2,416	11,707
Radiation Monitoring Devices, Inc. (RMD)	81 RD	33,642	16,201	49,843
Radiation Monitoring Devices, Inc. (RMD)	93 001	15,650	8,138	23,788
Radiation Monitoring Devices, Inc. (RMD)	93 395	77,050	40,066	117,116
Radiation Monitoring Devices, Inc. (RMD)	93 RD	44,679	23,233	67,912
Radiation Monitoring Devices, Inc. (RMD)	99 RD	(13,626)	94	(13,532)
Rainbow Communications	12 RD	31,617	12,100	43,717
Rand Corp	93 226	24,568	6,388	30,956
Rand Corp	93 242	70,405	38,019	108,424
Rand Corp	93 279	110,062	27,390	137,452
Rand Corp	93 307	27,749	2,535	30,284
Rand Corp	93 393	19,851	10,720	30,571
Rand Corp	93 399	250,187	58,596	308,783
Rand Corp	93 837	40,616	7,671	48,287
Rand Corp	93 865	8,897	4,671	13,568
Rand Corp	93 894	76,605	23,633	100,238
Rand Corp	99 RD	28,069	7,752	35,821
Raytheon	12 RD	119,330	50,509	169,839
Red Hill Studios	93 RD	38,277	20,670	58,947
Redxdefense	97 002	28,342	15,446	43,788
Rehabilitation Institute of Chicago	84 133	36,995	14,440	51,435
Rehabilitation Institute of Chicago	93 865	68,004	35,702	103,706
Rensselaer Polytechnic Institute	47 041	42,304	22,238	64,542
Rensselaer Polytechnic Institute	93 RD	127,322	31,073	158,395
Research Fdn of State University of New York (the)	47 041	87,304	44,398	131,702
Research Fdn of State University of New York (the)	47 070	43,906	18,744	62,650
Research Fdn of State University of New York (the)	47 079	8,230	4,033	12,263
Research Fdn of State University of New York (the)	47 RD	119,953	31,188	151,141
Research Fdn of State University of New York (the)	93 RD	265	74	339
Research Fdn of State University of New York (the)	99 RD	75	41	116
Research Triangle Institute (aka RTI International)	84 217	17,935	9,775	27,710
Research Triangle Institute (aka RTI International)	93 279	14,462	8,573	23,035
Research Triangle Institute (aka RTI International)	93 865	17,556	9,217	26,773
Research Triangle Institute (aka RTI International)	93 RD	41,873	22,718	64,591
Research Triangle Institute (aka RTI International)	99 RD	150,007	43,131	193,138
Research Works, Inc. (RWI)	93 173	11,929	6,501	18,430
Research and Development Solutions, LLC	81 117	229,542	71,039	300,581
Reservoir Labs, Inc.	99 RD	18,378	9,740	28,118
Resonant Microsystems, Inc.	47 041	20,078	9,838	29,916
Resources for The Future	66 RD	37,163	19,325	56,488
Rf Nano Corporation	12 RD	78,890	32,378	111,268
Rho, Inc. (incl Rho Federal Systems Division, Inc.)	93 RD	71,533	15,396	86,929
Rhode Island Hospital	93 399	12,790	3,326	16,116
Rhode Island Hospital	93 849	8,706	3,447	12,153
Rice University, Texas (William Marsh Rice)	47 049	1,692	888	2,580
Rice University, Texas (William Marsh Rice)	47 050	20,893	8,456	29,349
Rice University, Texas (William Marsh Rice)	47 070	178,537	71,662	250,199
Rincon Research Corporation	12 300	1,102	601	1,703
Riverside Community College District	10 223	49,146	12,287	61,433
Riverside, County Of	84 184	617	63	680
Robert Wood Johnson Foundation (the)	99 RD	2,020	182	2,202
Rochester Institute of Technology	12 300	80,130	40,386	120,516

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Rochester Institute of Technology	47 041	\$ 64,755	\$ 29,057	\$ 93,812
Rockefeller University	93 389	436,151	110,782	546,933
Rockefeller University	93 397	(1)	-	(1)
Rockefeller University	93 855	162,666	41,938	204,604
Rockwell Automation, Inc. (incl Rockwell Scientific Company)	12 910	96,282	2,788	99,070
Rockwell Automation, Inc. (incl Rockwell Scientific Company)	12 RD	23,194	8,419	31,613
Rockwell Collins, Inc.	12 910	156,756	56,806	213,562
Rodale Institute, The	10 RD	10,212	-	10,212
Rsoft Design Group, Inc.	12 RD	113,775	40,095	153,870
Rush University (incl Rush-Presbyterian-St. Luke's Medical Center)	93 866	41,514	(3,053)	38,461
Rutgers University	10 200	65,504	-	65,504
Rutgers University	10 303	1,248	293	1,541
Rutgers University	10 RD	182,457	-	182,457
Rutgers University	12 RD	243,257	105,369	348,626
Rutgers University	47 074	1,458,146	618,411	2,076,557
Rutgers University	81 003	65,175	33,891	99,066
Rutgers University	93 242	3,928	1,022	4,950
Rutgers University	93 855	26,668	14,400	41,068
Rx Biosciences, Ltd.	93 396	30,000	15,750	45,750
Sabre Systems, Inc.	11 RD	2,259	1,186	3,445
Sabre Systems, Inc.	78 RD	19,870	10,747	30,617
Salk Institute for Biological Studies	93 866	66,408	36,192	102,600
Salk Institute for Biological Studies	93 867	(228)	(119)	(347)
Samaritan Pharmaceuticals, Inc.	99 RD	56,098	30,573	86,671
Samsung Group(incl Samsung Heavy Industries, Electron Co. Ltd.)(Korea)	12 RD	64,550	13,508	78,058
San Diego Center for Health Interventions, LLC	93 395	27,433	14,684	42,117
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	12 300	70,909	18,436	89,345
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	12 910	90,374	23,497	113,871
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	12 RD	157	82	239
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	20 600	(2,421)	(363)	(2,784)
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	84 217	3,469	1,010	4,479
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	84 RD	260,241	8,839	269,080
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	92 273	158,112	86,171	244,283
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 030	19,406	10,576	29,982
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 135	18,598	9,671	28,269
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 173	6,127	3,339	9,466
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 242	12,493	3,248	15,741
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 273	2,957	1,538	4,495
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 375	2,254	180	2,434
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 837	52,127	28,409	80,536
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 RD	174,022	93,385	267,407
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	99 RD	621,919	292,952	914,871
San Diego, County of	93 914	26,766	(5,157)	21,609
San Diego, County of	99 RD	60,092	6,009	66,101
San Francisco State University Foundation, Inc.	11 419	16,673	7,836	24,509
San Francisco State University Foundation, Inc.	43 001	(30)	-	(30)
San Francisco State University Foundation, Inc.	47 049	12,488	6,369	18,857
San Francisco State University Foundation, Inc.	94 005	(6)	-	(6)
San Francisco, City and County	93 940	141,609	16,993	158,602
San Francisco, City and County	99 RD	15,740	1,779	17,519
San Jose State University Foundation	47 041	42,600	15,602	58,202
Sandia National Laboratories	43 RD	5,959	-	5,959
Sandia National Laboratories	81 RD	520,601	245,772	766,373
Sandia National Laboratories	93 RD	8,633	4,446	13,079
Sandia National Laboratories	99 RD	331,438	109,420	440,858
Santa Ana Unified School District	84 215	77,637	17,400	95,037
Santa Barbara, County of	93 243	121,224	23,132	144,356

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Santa Barbara, County of	93 RD	\$ 180	\$ 27	\$ 207
Santa Clara University	66 RD	11,279	-	11,279
Santa Clara University	99 RD	254,489	27,005	281,494
Santa Cruz, County of	93 RD	116,874	16,210	133,084
Santa Fe Institute	93 866	256,907	65,269	322,176
Sc Solutions, Inc.	12 300	32,655	12,591	45,246
Science Applications Intl Corp (SAIC)(incl Geo-cntr, Eai Corp)	10 RD	388	202	590
Science Applications Intl Corp (SAIC)(incl Geo-cntr, Eai Corp)	12 RD	46,581	24,222	70,803
Science Applications Intl Corp (SAIC)(incl Geo-cntr, Eai Corp)	43 RD	75,119	19,531	94,650
Science Applications Intl Corp (SAIC)(incl Geo-cntr, Eai Corp)	93 172	258,748	94,245	352,993
Science Applications Intl Corp (SAIC)(incl Geo-cntr, Eai Corp)	93 395	271,214	138,257	409,471
Science Applications Intl Corp (SAIC)(incl Geo-cntr, Eai Corp)	93 879	335	87	422
Science Applications Intl Corp (SAIC)(incl Geo-cntr, Eai Corp)	93 RD	99,343	47,379	146,722
Science Applications Intl Corp (SAIC)(incl Geo-cntr, Eai Corp)	99 RD	(902)	(197)	(1,099)
Science Systems and Applications, Inc. (SSAI)	43 RD	11,586	5,967	17,553
Science and Technology International, Inc.	12 420	96,156	36,632	132,788
Scientific Analysis Corporation (incl Inst for Scientific Analysis)	93 RD	576	150	726
Scientific Applications & Research Associates,(SARA) Inc.	12 630	1,120	610	1,730
Scientific Systems, Inc.	12 RD	127,997	67,763	195,760
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 085	12,389	4,136	16,525
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 242	284,393	136,300	420,693
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 270	11,830	6,447	18,277
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 273	14,696	8,009	22,705
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 395	148,248	79,487	227,735
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 839	195,810	106,716	302,526
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 853	47,314	-	47,314
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 855	113,264	61,162	174,426
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 859	1,003,429	546,869	1,550,298
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 862	64,021	33,551	97,572
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 866	316	164	480
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	93 RD	77,513	165,112	242,625
Scripps Clinic and Research Foundation (incl Scripps Research Instit.)	99 RD	615,887	320,635	936,522
Sea Run Holdings, Inc.	93 853	48,598	23,588	72,186
Seashell Technology LLC	12 630	55,019	26,728	81,747
Seattle Biomedical Research Institute	93 855	27,791	15,007	42,798
Seattle Institute for Biomedical and Clin Res (SIBCR) (VA Foundation)	93 866	4,739	317	5,056
Semiconductor Res Corp (SRC)	47 RD	24,838	12,404	37,242
Sendero Group LLC	84 133	641	295	936
Sepulveda Research Corporation (VA Foundation)	93 226	17,350	2,756	20,106
Sepulveda Research Corporation (VA Foundation)	93 866	31,372	8,157	39,529
Sepulveda Research Corporation (VA Foundation)	99 RD	(985)	(99)	(1,084)
Sgx Pharmaceuticals, Inc. (frmly Structural Genomix)	93 821	370,108	151,102	521,210
Shanbrom Technologies, LLC	93 853	26,875	14,109	40,984
Shape Change Technologies, LLC	99 RD	(1,285)	(700)	(1,985)
Shifa Biomedical Corporation	93 395	4,387	2,369	6,756
Sidney Kimmel Cancer Center (incl Sidney Kimmel Cancer Center Fdn)	93 395	155,464	84,652	240,116
Siemens (incl U.S. Subsidiaries) (Germany)	12 800	69,677	32,748	102,425
Siemens (incl U.S. Subsidiaries) (Germany)	12 RD	15,493	8,205	23,698
Signal Systems Corporation	12 300	12,719	2,035	14,754
Sloan Kettering Institute for Cancer Research	93 396	409,498	221,097	630,595
Smith-kettlewell Eye Research Institute	84 133	46,299	21,760	68,059
Smith-kettlewell Eye Research Institute	93 867	51,205	12,998	64,203
Smithsonian/miscellaneous Programs	43 RD	79,910	41,015	120,925
Smithsonian/miscellaneous Programs	47 049	91,338	-	91,338
Social & Scientific Systems, Inc.	93 855	692,049	226,769	918,818
Social & Scientific Systems, Inc.	93 856	690,470	375,823	1,066,293
Social & Scientific Systems, Inc.	93 999	311,090	102,659	413,749

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Social & Scientific Systems, Inc.	93 RD	\$ 400,404	\$ 113,727	\$ 514,131
Social & Scientific Systems, Inc.	99 RD	203,912	109,235	313,147
Solana Scientific Inc.	47 RD	1,957	744	2,701
Solexant Corporation	81 RD	25,325	8,675	34,000
Solidus Biosciences, Inc.	93 RD	59,406	25,910	85,316
Solidus Biosciences, Inc.	99 RD	12,442	6,594	19,036
Southeastern Center for Electrical Engineering Education (SCEEE)	12 RD	10,602	-	10,602
Southeastern Center for Electrical Engineering Education (SCEEE)	99 RD	4,362	-	4,362
Southern Methodist University	12 431	(22)	-	(22)
Southern Oregon University	47 RD	65,113	33,859	98,972
Southwest Clean Air Agency	66 606	(12,000)	(3,120)	(15,120)
Southwest Fdn for Biomedical Research	93 242	97,189	52,482	149,671
Southwest Oncology Group (admin by Ctrc Foundation)	93 395	96,580	48,086	144,666
Southwest Oncology Group (admin by Ctrc Foundation)	93 399	100,240	49,240	149,480
Southwest Oncology Group (admin by Ctrc Foundation)	93 RD	(21,208)	-	(21,208)
Southwest Research Institute	43 001	3,947	1,934	5,881
Southwest Research Institute	43 RD	76,397	27,426	103,823
Southwest Research Institute	99 RD	92,324	43,521	135,845
Southwest Sciences, Inc.	12 RD	13,697	6,704	20,401
Southwest Sciences, Inc.	43 RD	374	1,234	1,608
Sp3, Inc.	12 RD	2,652	1,379	4,031
Space Micro Inc.	99 RD	15,463	7,807	23,270
Special Services for Groups	93 243	32,991	7,954	40,945
Spectros Corporation	93 RD	58,576	30,460	89,036
Sri International (incl Sarnoff Corporation)	12 300	49,724	18,024	67,748
Sri International (incl Sarnoff Corporation)	12 431	93,797	49,342	143,139
Sri International (incl Sarnoff Corporation)	12 RD	42,812	15,611	58,423
Sri International (incl Sarnoff Corporation)	15 RD	43,040	11,273	54,313
Sri International (incl Sarnoff Corporation)	47 076	21,669	6,320	27,989
Sri International (incl Sarnoff Corporation)	81 RD	204,482	99,764	304,246
Sri International (incl Sarnoff Corporation)	99 RD	73,543	32,413	105,956
Srico Inc.	47 041	16,708	7,897	24,605
St. Jude Children's Research Hospital	93 395	144,977	58,726	203,703
St. Jude Children's Research Hospital	93 847	105,907	57,190	163,097
St. Jude Children's Research Hospital	93 855	75,940	41,008	116,948
St. Louis University	93 859	48,724	4,037	52,761
St. Louis University	99 RD	64,704	32,999	97,703
St. Olaf College	47 074	11,397	3,326	14,723
Stanford University	12 300	10,728	5,480	16,208
Stanford University	12 910	135,554	57,652	193,206
Stanford University	12 RD	212,833	112,167	325,000
Stanford University	43 RD	474,703	123,159	597,862
Stanford University	47 049	35,971	13,481	49,452
Stanford University	47 050	38,946	17,018	55,964
Stanford University	47 070	205,133	82,409	287,542
Stanford University	47 074	171,381	88,216	259,597
Stanford University	47 RD	697,682	309,980	1,007,662
Stanford University	93 172	344,437	172,929	517,366
Stanford University	93 242	281,071	137,792	418,863
Stanford University	93 279	85,970	46,387	132,357
Stanford University	93 390	66	(67)	(1)
Stanford University	93 394	53,661	27,661	81,322
Stanford University	93 399	143,149	77,301	220,450
Stanford University	93 837	76,429	41,272	117,701
Stanford University	93 853	231,527	124,618	356,145
Stanford University	93 855	26,840	(14,067)	12,773
Stanford University	93 859	22,675	12,244	34,919

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Stanford University	93 865	\$ 144,069	\$ 71,719	\$ 215,788
Stanford University	93 866	48,450	24,821	73,271
Stanford University	99 RD	574,885	249,849	824,734
State Historical Society of Wisconsin	93 839	1,908	973	2,881
State University System of Florida	12 431	107,821	51,087	158,908
State University System of Florida	93 286	23,963	11,263	35,226
State University System of Florida	93 856	35,663	19,258	54,921
State University of New York (SUNY)	12 RD	(86)	(43)	(129)
State University of New York (SUNY)	47 041	37,703	12,743	50,446
State University of New York (SUNY)	47 050	2,719	1,414	4,133
State University of New York (SUNY)	81 112	65,798	14,873	80,671
State University of New York (SUNY)	89 003	(1,312)	-	(1,312)
State University of New York (SUNY)	93 242	15,078	3,597	18,675
State University of New York (SUNY)	93 867	21,633	11,242	32,875
Steans Family Foundation	99 RD	56,886	6,826	63,712
Stony Brook University (a State University of New York (SUNY) Campus)	47 050	16,796	6,425	23,221
Suicide Prevention Center	99 RD	(2,784)	(334)	(3,118)
Superconductor Technologies, Inc. (Santa Barbara, CA)	99 RD	168,228	55,116	223,344
Surface Optics Corporation	12 800	9,300	5,068	14,368
Svt Associates, Inc.	99 RD	(26,165)	(13,977)	(40,142)
Symplectic Engineering Corporation	99 RD	19,163	10,156	29,319
Syracuse University	66 RD	60,685	23,038	83,723
Syracuse University	84 133	62,555	32,216	94,771
Syracuse University	93 865	5,363	2,789	8,152
Systems Technology, Inc.	93 242	183	48	231
TKC Integration Services, LLC (TKCIS)	93 RD	799	64	863
Techniscan Medical Systems, Inc. (TMS)	93 395	35,358	19,270	54,628
Telcordia Technologies, Inc.	12 999	180,774	80,847	261,621
Teledyne Technologies Inc (incl Rd Instruments,microwave,wireless,etc)	12 300	23	-	23
Teledyne Technologies Inc (incl Rd Instruments,microwave,wireless,etc)	12 910	112,435	51,252	163,687
Teledyne Technologies Inc (incl Rd Instruments,microwave,wireless,etc)	12 RD	381,529	133,563	515,092
Teledyne Technologies Inc (incl Rd Instruments,microwave,wireless,etc)	99 RD	198,680	99,549	298,229
Temple University	12 910	(1,483)	(806)	(2,289)
Temple University	47 079	4,132	413	4,545
Temple University	93 389	30,652	5,941	36,593
Tetra Tech, Inc.	99 RD	(12,860)	(3,344)	(16,204)
Texas A&M Research Foundation	47 050	15,268	7,940	23,208
Texas A&M Research Foundation	93 RD	374,106	174,915	549,021
Texas A&M Research Foundation	99 RD	17,494	4,549	22,043
Texas A&M University	12 300	486,563	250,745	737,308
Texas A&M University	12 431	36,439	17,883	54,322
Texas A&M University	47 050	6,841	3,489	10,330
Texas A&M University	81 089	81,180	35,227	116,407
Texas A&M University	93 855	301,726	148,443	450,169
Texas A&M University	93 856	52,948	27,540	80,488
Texas A&M University	97 061	119,133	62,028	181,161
Texas A&M University	99 RD	(7,216)	(3,897)	(11,113)
Tiax LLC	81 RD	14,168	7,367	21,535
Titanium Metals Corporation (timet)	12 RD	30,003	15,602	45,605
Tourette Syndrome Association, Inc.	93 252	78,359	42,286	120,645
Tourette Syndrome Association, Inc.	93 853	32,262	17,389	49,651
Touro College (incl Touro University)	99 RD	31,023	10,615	41,638
Toyon Research Corporation	12 300	2,439	1,100	3,539
Toyon Research Corporation	12 800	253,271	100,709	353,980
Translational Genomics Research Institute (TGEN)	93 837	(18)	(10)	(28)
Triton Systems, Inc.	12 RD	84,300	21,918	106,218
Trudeau Institute, Inc.	93 RD	3,030	1,561	4,591

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
Tufts University	12	800	\$ 5,775	\$ 3,003	\$ 8,778
Tufts University	93	853	244,537	60,015	304,552
Tulane University (incl Medical Center)	12	431	731,871	381,124	1,112,995
Tulane University (incl Medical Center)	93	865	12,718	6,803	19,521
Tulane University (incl Medical Center)	99	RD	12,151	608	12,759
Tulare District Healthcare System (incl Tulare District Hospital)	93	226	9,584	2,875	12,459
Turner Consulting Group, Inc.	93	RD	50,764	27,666	78,430
U.S. Civilian Research and Development Foundation (CRDF)	47	075	2,237	-	2,237
U.S. Civilian Research and Development Foundation (CRDF)	47	079	4,493	-	4,493
U.S. Civilian Research and Development Foundation (CRDF)	99	RD	156,992	-	156,992
U.S.-Israel Binat'L Agricultural Research and Dev Fund (Bard) (Intl)	99	RD	45,461	9,092	54,553
UNLV Research Foundation (University of Nevada, Las Vegas)	81	087	154,606	56,017	210,623
Ues, Inc.	47	041	(1,477)	(797)	(2,274)
Ultra Communications, Inc.	12	300	134,194	41,668	175,862
Unavco, Inc.	47	050	818,010	248,784	1,066,794
Unavco, Inc.	47	RD	91,186	47,416	138,602
Unavco, Inc.	99	RD	36,159	17,867	54,026
United Technologies Corp(intl Fuel Cells&United Tech Res Ctr,Sikorsky)	12	800	1,170,866	182,898	1,353,764
Universal Technology Corporation	12	RD	15,015	6,197	21,212
Universite Laval (Laval University) (France)	93	242	79,916	41,776	121,692
Universities Research Association (operates Fermilab)	81	022	19,017	3,345	22,362
Universities Research Association (operates Fermilab)	81	RD	139,000	37,697	176,697
Universities Research Association (operates Fermilab)	84	298	13,121	6,889	20,010
Universities Research Association (operates Fermilab)	99	RD	13,265	6,918	20,183
Universities Space Research Association	43	RD	173,289	59,103	232,392
Universities Space Research Association	99	RD	106,425	27,519	133,944
University Corp for Atmospheric Research	11	431	1,330	106	1,436
University Corp for Atmospheric Research	47	050	(360)	(187)	(547)
University Corp for Atmospheric Research	47	074	94,484	51,494	145,978
University and Community College System of Nevada (incl UNLV,Reno,DRI)	12	910	237	58	295
University and Community College System of Nevada (incl UNLV,Reno,DRI)	15	608	(233)	(35)	(268)
University and Community College System of Nevada (incl UNLV,Reno,DRI)	47	041	34,694	13,727	48,421
University and Community College System of Nevada (incl UNLV,Reno,DRI)	66	034	4,842	1,259	6,101
University and Community College System of Nevada (incl UNLV,Reno,DRI)	66	202	31,347	16,927	48,274
University and Community College System of Nevada (incl UNLV,Reno,DRI)	66	436	35,899	9,334	45,233
University and Community College System of Nevada (incl UNLV,Reno,DRI)	81	049	67,350	33,791	101,141
University and Community College System of Nevada (incl UNLV,Reno,DRI)	81	065	18,879	9,817	28,696
University and Community College System of Nevada (incl UNLV,Reno,DRI)	81	121	25,633	10,416	36,049
University and Community College System of Nevada (incl UNLV,Reno,DRI)	81	RD	17,782	10,192	27,974
University of Alabama (includes Birmingham and Huntsville)	93	242	120,630	55,640	176,270
University of Alabama (includes Birmingham and Huntsville)	93	395	5,954	3,067	9,021
University of Alabama (includes Birmingham and Huntsville)	93	855	292,113	75,956	368,069
University of Alabama (includes Birmingham and Huntsville)	93	865	15,721	7,744	23,465
University of Alabama (includes Birmingham and Huntsville)	93	866	141,985	62,149	204,134
University of Alabama (includes Birmingham and Huntsville)	93	RD	419,716	237,144	656,860
University of Alabama (includes Birmingham and Huntsville)	99	RD	(90)	(23)	(113)
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	11	430	131,908	9,226	141,134
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	47	078	59,433	14,106	73,539
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	93	242	(16,687)	23,697	7,010
University of Alaska (incl Anchorage, Fairbanks, & Southeast Campuses)	99	RD	74,511	40,236	114,747
University of Arizona	10	303	62,412	13,864	76,276
University of Arizona	10	RD	23,780	5,653	29,433
University of Arizona	11	478	29,667	16,168	45,835
University of Arizona	12	431	42,000	-	42,000
University of Arizona	12	630	131,245	53,897	185,142
University of Arizona	12	800	114,735	37,889	152,624
University of Arizona	43	RD	6,909	3,578	10,487

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
University of Arizona	47 041	\$ (269)	\$ (141)	\$ (410)
University of Arizona	47 050	123,508	44,603	168,111
University of Arizona	47 075	54,067	23,877	77,944
University of Arizona	47 076	353,129	126,053	479,182
University of Arizona	93 394	61,590	32,026	93,616
University of Arizona	93 866	246,680	54,971	301,651
University of Arizona	93 895	15,597	8,266	23,863
University of Arkansas	10 206	25,152	6,288	31,440
University of Arkansas	10 RD	27,224	6,534	33,758
University of Arkansas	93 856	3,429	343	3,772
University of Arkansas	99 RD	(2,557)	(256)	(2,813)
University of Central Florida	43 RD	7,749	2,247	9,996
University of Central Florida	47 049	47,408	14,936	62,344
University of Central Florida	93 850	5,250	2,861	8,111
University of Chicago	12 431	93,236	38,932	132,168
University of Chicago	43 RD	23,631	7,089	30,720
University of Chicago	47 049	(8,003)	-	(8,003)
University of Chicago	47 070	830,408	449,892	1,280,300
University of Chicago	47 078	497,638	130,033	627,671
University of Chicago	47 080	103,934	56,644	160,578
University of Chicago	84 229	3,500	-	3,500
University of Chicago	93 173	37,080	8,207	45,287
University of Chicago	93 393	203,201	103,205	306,406
University of Chicago	93 848	(1,340)	(690)	(2,030)
University of Chicago	93 851	58,197	31,717	89,914
University of Chicago	93 RD	931	215	1,146
University of Chicago	99 RD	114,351	56,427	170,778
University of Cincinnati (incl College of Medicine, Emcreg Intl)	47 041	1,740	905	2,645
University of Cincinnati (incl College of Medicine, Emcreg Intl)	93 837	(1,611)	(838)	(2,449)
University of Cincinnati (incl College of Medicine, Emcreg Intl)	93 853	26,763	8,884	35,647
University of Cincinnati (incl College of Medicine, Emcreg Intl)	93 855	48,056	24,749	72,805
University of Cincinnati (incl College of Medicine, Emcreg Intl)	99 RD	286	24	310
University of Colorado System	12 300	68,042	35,545	103,587
University of Colorado System	12 431	144,847	71,163	216,010
University of Colorado System	12 RD	1,992	2,648	4,640
University of Colorado System	43 002	39,155	21,339	60,494
University of Colorado System	43 RD	112,433	39,440	151,873
University of Colorado System	47 041	192,779	9,129	201,908
University of Colorado System	47 070	46,001	14,930	60,931
University of Colorado System	47 074	14,857	3,863	18,720
University of Colorado System	47 075	12,462	3,240	15,702
University of Colorado System	47 RD	44,011	23,106	67,117
University of Colorado System	93 242	64,893	34,069	98,962
University of Colorado System	93 399	156,239	84,369	240,608
University of Colorado System	93 838	12,411	6,330	18,741
University of Colorado System	93 853	109,687	59,577	169,264
University of Colorado System	93 855	103,200	55,728	158,928
University of Colorado System	93 RD	10,681	7,463	18,144
University of Colorado System	97 RD	22,840	11,991	34,831
University of Colorado System	99 RD	7,145	(1,219)	5,926
University of Connecticut	47 050	3,738	2,037	5,775
University of Connecticut	93 279	(2,107)	(548)	(2,655)
University of Delaware	12 RD	73,223	36,005	109,228
University of Delaware	43 RD	49,449	24,724	74,173
University of Delaware	47 074	141,936	76,645	218,581
University of Delaware	93 859	49,920	20,023	69,943
University of Florida	10 001	2,612	-	2,612

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
University of Florida	10	206	\$ 37,378	\$ 9,496	\$ 46,874
University of Florida	10	304	31,629	6,055	37,684
University of Florida	43	999	1,433	781	2,214
University of Florida	47	049	3,055	(820)	2,235
University of Florida	81	049	43,026	22,374	65,400
University of Florida	93	839	58	30	88
University of Florida	93	855	17,195	9,286	26,481
University of Florida	93	856	76,746	34,666	111,412
University of Florida	93	859	96,820	43,526	140,346
University of Florida	93	865	45,416	23,390	68,806
University of Florida	93	867	32,068	17,317	49,385
University of Florida	93	RD	391	197	588
University of Florida	96	867	56,256	30,378	86,634
University of Georgia (incl Skidaway Institute of Oceanography)	46	201	14,995	7,798	22,793
University of Georgia (incl Skidaway Institute of Oceanography)	47	074	215,523	74,169	289,692
University of Georgia (incl Skidaway Institute of Oceanography)	47	RD	19,820	10,405	30,225
University of Georgia (incl Skidaway Institute of Oceanography)	81	049	31,543	11,836	43,379
University of Georgia (incl Skidaway Institute of Oceanography)	81	RD	43,956	22,857	66,813
University of Georgia (incl Skidaway Institute of Oceanography)	93	279	190,521	88,143	278,664
University of Georgia (incl Skidaway Institute of Oceanography)	93	837	11,169	6,031	17,200
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	10	303	14,054	3,513	17,567
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	11	433	24,098	3,856	27,954
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	12	300	38,817	15,627	54,444
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	12	RD	44,308	10,648	54,956
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	43	RD	9,110	4,323	13,433
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	47	050	29,747	12,733	42,480
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	47	074	128,996	59,703	188,699
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	47	RD	(14,762)	(7,440)	(22,202)
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	93	393	23,358	12,029	35,387
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	93	853	9,732	5,304	15,036
University of Hawaii (incl Research Corporation of The Univ of Hawaii)	93	856	(326)	(165)	(491)
University of Houston	10	025	(256)	(26)	(282)
University of Houston	47	041	155	80	235
University of Houston	81	RD	23,790	12,371	36,161
University of Idaho	10	303	2,054	482	2,536
University of Idaho	10	902	14,434	1,443	15,877
University of Illinois	12	300	33,169	17,414	50,583
University of Illinois	12	800	104,851	48,670	153,521
University of Illinois	47	041	50,479	25,922	76,401
University of Illinois	47	049	12,750	3,315	16,065
University of Illinois	47	070	38,484	17,673	56,157
University of Illinois	47	RD	50,040	26,021	76,061
University of Illinois	81	409	39,516	13,582	53,098
University of Illinois	84	RD	1,755	913	2,668
University of Illinois	93	242	102,257	47,875	150,132
University of Illinois	93	394	88,093	41,404	129,497
University of Illinois	93	859	413,045	185,261	598,306
University of Illinois	93	867	218,745	79,955	298,700
University of Illinois	93	879	(1,892)	(1,030)	(2,922)
University of Illinois	96	007	(289)	(149)	(438)
University of Illinois	99	RD	1,159	551	1,710
University of Iowa	47	050	59,206	30,787	89,993
University of Iowa	93	172	150	39	189
University of Iowa	93	847	368,998	199,259	568,257
University of Iowa	93	853	116,864	34,882	151,746
University of Iowa	93	855	75,233	40,537	115,770
University of Iowa	93	856	(16)	(7)	(23)

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
University of Iowa	93 867	\$ 571,832	\$ 277,837	\$ 849,669
University of Kansas (incl Ku Medical Center)	47 074	269,946	128,494	398,440
University of Kansas (incl Ku Medical Center)	81 049	(2,662)	(1,451)	(4,113)
University of Kentucky Research Foundation	47 041	(530)	(289)	(819)
University of Kentucky Research Foundation	93 866	33,188	17,424	50,612
University of Louisville	93 866	1,464	791	2,255
University of Lowell Research Foundation, Massachusetts	47 050	837	394	1,231
University of Maine System	10 652	6,458	-	6,458
University of Maine System	43 001	3,399	1,852	5,251
University of Maryland	10 206	147,601	36,901	184,502
University of Maryland	10 652	23	-	23
University of Maryland	11 440	527	287	814
University of Maryland	12 300	82,398	37,271	119,669
University of Maryland	12 431	74,900	38,814	113,714
University of Maryland	12 800	26,348	10,185	36,533
University of Maryland	12 910	70,303	33,864	104,167
University of Maryland	43 001	15,570	8,408	23,978
University of Maryland	43 RD	499,269	149,720	648,989
University of Maryland	47 041	77,173	24,160	101,333
University of Maryland	47 049	154,807	53,070	207,877
University of Maryland	47 070	7,723	5,008	12,731
University of Maryland	93 286	27,370	9,697	37,067
University of Maryland	93 864	39,332	15,024	54,356
University of Maryland	93 865	61,371	10,122	71,493
University of Maryland	93 RD	12,678	6,593	19,271
University of Maryland	97 061	89,482	4,292	93,774
University of Maryland Foundation, Inc. (the)	99 RD	(135)	(64)	(199)
University of Massachusetts	43 001	14,077	7,601	21,678
University of Massachusetts	47 049	55,112	15,528	70,640
University of Massachusetts	47 076	82	65	147
University of Massachusetts	81 049	216,621	115,760	332,381
University of Massachusetts	93 856	24,175	6,794	30,969
University of Medicine and Dentistry of New Jersey	93 145	294,176	23,534	317,710
University of Medicine and Dentistry of New Jersey	93 242	48,958	12,729	61,687
University of Medicine and Dentistry of New Jersey	93 395	44,134	22,949	67,083
University of Medicine and Dentistry of New Jersey	93 837	102,064	48,987	151,051
University of Medicine and Dentistry of New Jersey	93 854	41,160	-	41,160
University of Medicine and Dentistry of New Jersey	93 855	45,466	23,870	69,336
University of Medicine and Dentistry of New Jersey	93 866	107,858	56,338	164,196
University of Medicine and Dentistry of New Jersey	93 RD	166,929	43,402	210,331
University of Melbourne (the) (Australia)	93 849	22,458	11,678	34,136
University of Memphis	47 075	22,465	11,794	34,259
University of Memphis	47 RD	1,272	153	1,425
University of Miami	43 050	5,203	2,445	7,648
University of Miami	47 050	121,037	15,129	136,166
University of Miami	93 286	97,386	51,003	148,389
University of Miami	93 853	5,711	1,485	7,196
University of Michigan (incl William Davidson Institute)	12 431	173,600	90,272	263,872
University of Michigan (incl William Davidson Institute)	12 800	190,678	37,855	228,533
University of Michigan (incl William Davidson Institute)	12 901	148,465	50,849	199,314
University of Michigan (incl William Davidson Institute)	20 RD	7,164	3,797	10,961
University of Michigan (incl William Davidson Institute)	47 049	105,971	51,476	157,447
University of Michigan (incl William Davidson Institute)	47 075	7,073	3,855	10,928
University of Michigan (incl William Davidson Institute)	47 076	74,723	15,277	90,000
University of Michigan (incl William Davidson Institute)	81 087	(15)	(8)	(23)
University of Michigan (incl William Davidson Institute)	81 117	37,058	19,272	56,330
University of Michigan (incl William Davidson Institute)	81 121	177,636	77,321	254,957

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
University of Michigan (incl William Davidson Institute)	93 242	\$ 4,490	\$ 1,526	\$ 6,016
University of Michigan (incl William Davidson Institute)	93 279	13,727	7,275	21,002
University of Michigan (incl William Davidson Institute)	93 389	83,899	40,767	124,666
University of Michigan (incl William Davidson Institute)	93 395	112,030	63,551	175,581
University of Michigan (incl William Davidson Institute)	93 399	5,656	2,913	8,569
University of Michigan (incl William Davidson Institute)	93 837	55,550	14,443	69,993
University of Michigan (incl William Davidson Institute)	93 846	6,143	3,195	9,338
University of Michigan (incl William Davidson Institute)	93 859	77,116	41,643	118,759
University of Michigan (incl William Davidson Institute)	93 865	174,099	70,351	244,450
University of Michigan (incl William Davidson Institute)	93 866	272,475	82,850	355,325
University of Michigan (incl William Davidson Institute)	93 RD	28,189	4,907	33,096
University of Michigan (incl William Davidson Institute)	96 007	12,789	4,293	17,082
University of Minnesota	10 206	241,999	58,520	300,519
University of Minnesota	12 431	71,213	32,947	104,160
University of Minnesota	43 RD	1,283,844	302,403	1,586,247
University of Minnesota	47 049	419	228	647
University of Minnesota	47 050	182,163	72,968	255,131
University of Minnesota	47 074	31,721	14,528	46,249
University of Minnesota	47 080	163,266	79,795	243,061
University of Minnesota	84 324	154,552	83,458	238,010
University of Minnesota	84 RD	68,344	33,422	101,766
University of Minnesota	93 279	30,336	9,340	39,676
University of Minnesota	93 361	8,061	2,096	10,157
University of Minnesota	93 821	28,749	15,524	44,273
University of Minnesota	93 846	3,256	1,677	4,933
University of Minnesota	93 847	91,534	47,140	138,674
University of Minnesota	93 855	271,372	117,962	389,334
University of Minnesota	93 856	76,667	12,771	89,438
University of Minnesota	93 RD	40,295	14,410	54,705
University of Minnesota	97 061	11,602	5,172	16,774
University of Minnesota	99 RD	3,883	2,116	5,999
University of Mississippi	12 431	492,711	237,242	729,953
University of Mississippi	93 185	22,401	12,096	34,497
University of Mississippi	93 283	30,685	15,803	46,488
University of Mississippi	93 395	27,481	14,290	41,771
University of Mississippi	99 RD	49,693	7,032	56,725
University of Missouri System (Columbia/Kansas City/Rolla/St.Louis)	10 217	22,758	5,689	28,447
University of Missouri System (Columbia/Kansas City/Rolla/St.Louis)	47 RD	4,217	2,045	6,262
University of Missouri System (Columbia/Kansas City/Rolla/St.Louis)	99 RD	6,045	3,053	9,098
University of Montana	47 050	10,450	1,672	12,122
University of Montana	93 856	624	121	745
University of Nebraska	43 RD	32,053	17,469	49,522
University of Nebraska	47 074	963	501	1,464
University of Nebraska	47 078	64,023	16,646	80,669
University of New Hampshire	11 419	96,184	50,058	146,242
University of New Hampshire	47 074	61,269	10,170	71,439
University of New Hampshire	99 RD	235,956	127,416	363,372
University of New Mexico	12 431	35,757	16,806	52,563
University of New Mexico	47 050	887	483	1,370
University of New Mexico	93 393	10,725	2,608	13,333
University of New Mexico	93 848	46,219	12,017	58,236
University of New Mexico	99 RD	22,452	12,124	34,576
University of New South Wales (Australia)	93 RD	8,556	2,225	10,781
University of North Carolina	12 420	33,684	17,684	51,368
University of North Carolina	47 074	11,783	2,875	14,658
University of North Carolina	47 075	18,268	9,591	27,859
University of North Carolina	47 RD	21,027	-	21,027

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
University of North Carolina	84 325	\$ 92,170	\$ 7,374	\$ 99,544
University of North Carolina	93 143	33,121	17,554	50,675
University of North Carolina	93 172	179,889	91,169	271,058
University of North Carolina	93 226	14,333	7,740	22,073
University of North Carolina	93 242	29,042	14,210	43,252
University of North Carolina	93 286	180,837	88,131	268,968
University of North Carolina	93 393	7,622	1,722	9,344
University of North Carolina	93 399	75,636	36,610	112,246
University of North Carolina	93 837	147,854	79,841	227,695
University of North Carolina	93 853	48,864	13,273	62,137
University of North Carolina	93 855	32,411	17,502	49,913
University of North Carolina	93 859	175,494	88,046	263,540
University of North Carolina	93 865	9,025	4,738	13,763
University of North Carolina	93 RD	131,792	72,420	204,212
University of Notre Dame (incl Gem)	12 300	313,335	153,312	466,647
University of Notre Dame (incl Gem)	47 049	24,209	-	24,209
University of Notre Dame (incl Gem)	93 856	69,225	34,613	103,838
University of Oklahoma	12 630	832,905	153,209	986,114
University of Oklahoma	99 RD	29,518	7,675	37,193
University of Oregon	20 108	5,398	2,780	8,178
University of Oregon	47 075	45,367	18,341	63,708
University of Oregon	81 049	105,393	42,545	147,938
University of Pennsylvania	12 420	99,589	51,027	150,616
University of Pennsylvania	12 431	268,692	135,096	403,788
University of Pennsylvania	12 RD	83,793	35,949	119,742
University of Pennsylvania	47 041	(3,139)	(1,617)	(4,756)
University of Pennsylvania	47 070	51,580	26,564	78,144
University of Pennsylvania	93 233	14,145	7,355	21,500
University of Pennsylvania	93 286	22,455	12,126	34,581
University of Pennsylvania	93 396	48,931	21,289	70,220
University of Pennsylvania	93 399	11,000	2,860	13,860
University of Pennsylvania	93 855	44,949	24,342	69,291
University of Pennsylvania	93 856	26,901	14,662	41,563
University of Pennsylvania	93 865	72,396	27,317	99,713
University of Pennsylvania	93 866	1,846	480	2,326
University of Pennsylvania	93 RD	(1,526)	(832)	(2,358)
University of Pennsylvania	99 RD	39,811	11,736	51,547
University of Pittsburgh	16 540	6,161	3,236	9,397
University of Pittsburgh	81 049	27,528	11,285	38,813
University of Pittsburgh	92 218	8,205	1,940	10,145
University of Pittsburgh	93 213	575,765	135,807	711,572
University of Pittsburgh	93 242	170,313	49,878	220,191
University of Pittsburgh	93 278	84,666	45,753	130,419
University of Pittsburgh	93 279	20,620	6,414	27,034
University of Pittsburgh	93 393	260	135	395
University of Pittsburgh	93 397	60,909	32,891	93,800
University of Pittsburgh	93 837	111	-	111
University of Pittsburgh	93 838	59,840	28,307	88,147
University of Pittsburgh	93 846	28,224	6,766	34,990
University of Pittsburgh	93 855	40,685	21,802	62,487
University of Pittsburgh	93 856	58,699	14,767	73,466
University of Pittsburgh	93 859	2,961	1,929	4,890
University of Pittsburgh	93 866	226,887	63,905	290,792
University of Puerto Rico (Puerto Rico)	47 074	22,548	5,863	28,411
University of Puerto Rico (Puerto Rico)	93 838	(164)	(43)	(207)
University of Queensland (Australia)	99 RD	27,688	15,090	42,778
University of Redlands	12 RD	60,664	26,439	87,103

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)					
Pass Through Agency Awards Expended (Continued)					
University of Rhode Island	47	050	\$ 6,738	\$ 3,537	\$ 10,275
University of Rochester	12	300	172,160	79,611	251,771
University of Rochester	12	420	184	96	280
University of Rochester	47	074	107,237	52,546	159,783
University of Rochester	81	121	62,729	33,873	96,602
University of Rochester	81	RD	59,336	10,700	70,036
University of Rochester	93	172	10,272	1,918	12,190
University of Rochester	93	226	11,985	3,016	15,001
University of Rochester	93	389	106,416	56,700	163,116
University of Rochester	93	837	29,277	15,219	44,496
University of Rochester	93	853	279,843	125,111	404,954
University of Rochester	93	866	14,328	7,522	21,850
University of Rochester	93	867	276,706	139,783	416,489
University of Rochester	93	RD	69,137	6,300	75,437
University of Rochester	99	RD	(10,765)	(5,667)	(16,432)
University of South Carolina	12	RD	80,967	42,508	123,475
University of South Carolina	47	RD	72,405	36,158	108,563
University of South Carolina	93	RD	5,724	1,893	7,617
University of South Carolina	99	RD	105,950	52,489	158,439
University of South Florida	81	049	13,752	7,082	20,834
University of South Florida	84	116	83,046	6,643	89,689
University of South Florida	93	242	57,257	30,280	87,537
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	10	303	6,126	1,440	7,566
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	11	417	2,617	1,234	3,851
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	12	420	13,668	7,381	21,049
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	12	RD	40,389	20,859	61,248
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	15	807	5,098	2,676	7,774
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47	041	404,582	128,850	533,432
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47	050	335,476	162,969	498,445
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47	070	245,366	85,698	331,064
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47	076	23,642	12,767	36,409
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47	080	65,906	35,919	101,825
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47	505	8,843	4,542	13,385
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	66	508	11,698	5,593	17,291
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	66	509	130,046	42,454	172,500
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	84	RD	6,898	3,581	10,479
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	113	114,910	33,092	148,002
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	242	249,929	116,573	366,502
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	279	3,212	-	3,212
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	393	212,505	101,606	314,111
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	394	4,221	2,174	6,395
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	395	(96)	(1,724)	(1,820)
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	837	45,004	24,377	69,381
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	853	44,556	24,223	68,779
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	859	7,962	4,140	12,102
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	865	69,674	8,125	77,799
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	866	1,330,908	447,202	1,778,110
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	891	150,825	39,215	190,040
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93	894	105,378	58,123	163,501
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	97	061	88,207	45,457	133,664
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	99	RD	198,892	104,177	303,069
University of Tennessee	12	RD	23,208	12,300	35,508
University of Tennessee	47	RD	271,039	110,856	381,895
University of Tennessee	81	RD	6,955	3,616	10,571
University of Tennessee	93	838	102,904	50,274	153,178
University of Tennessee	93	855	24,367	12,427	36,794
University of Tennessee	93	856	(116)	(60)	(176)

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
University of Tennessee	99 RD	\$ 1,281	\$ 698	\$ 1,979
University of Texas System	93 389	56,910	29,456	86,366
University of Texas System	93 856	127,127	(111,556)	15,571
University of Texas-Austin	47 041	21,944	6,234	28,178
University of Texas-Austin	47 049	11,185	5,816	17,001
University of Texas-Austin	47 050	239,258	122,822	362,080
University of Texas-Austin	47 RD	52,540	16,418	68,958
University of Texas-Austin	81 089	34,575	12,383	46,958
University of Texas-Dallas	93 242	62,348	13,344	75,692
University of Texas-Dallas	93 306	64,239	31,358	95,597
University of Texas-Dallas	93 848	19,050	9,906	28,956
University of Texas-Dallas	93 RD	(31,520)	(15,886)	(47,406)
University of Texas-El Paso	93 855	60,141	32,476	92,617
University of Texas-Houston	12 420	2,117	719	2,836
University of Texas-Houston	93 393	111,990	37,553	149,543
University of Texas-Houston	93 395	91,789	47,999	139,788
University of Texas-Houston	93 397	44,252	27,536	71,788
University of Texas-Houston	93 399	1,237	674	1,911
University of Texas-Houston	93 865	65,875	17,128	83,003
University of Texas-Houston	93 RD	19,316	3,729	23,045
University of Texas-Houston	99 RD	24,000	-	24,000
University of Texas-San Antonio	12 RD	621	336	957
University of Texas-San Antonio	93 110	53,567	3,936	57,503
University of Texas-San Antonio	93 399	157,909	81,297	239,206
University of Texas-San Antonio	93 853	87,696	22,801	110,497
University of Texas-Southwestern Medical Center at Dallas	93 127	2,811	956	3,767
University of Texas-Southwestern Medical Center at Dallas	93 397	22,614	10,101	32,715
University of Texas-Southwestern Medical Center at Dallas	93 838	11,722	6,330	18,052
University of Texas-Southwestern Medical Center at Dallas	93 848	56,748	30,748	87,496
University of Texas-Southwestern Medical Center at Dallas	93 859	62,643	32,472	95,115
University of Texas-Southwestern Medical Center at Dallas	93 978	9,352	748	10,100
University of Texas-Southwestern Medical Center at Dallas	93 RD	119,172	29,899	149,071
University of The Pacific	66 951	8,752	3,296	12,048
University of The Philippines (San Fernando, Pampanga, Philippines)	98 RD	24,152	6,279	30,431
University of The State of New York, The (USNY)	47 074	109,962	59,398	169,360
University of Utah	12 630	13,361	3,474	16,835
University of Utah	12 RD	118,416	59,087	177,503
University of Utah	93 849	17,819	9,622	27,441
University of Utah	93 859	10,352	5,383	15,735
University of Utah	93 865	18,746	(625)	18,121
University of Utah	93 RD	60,702	31,239	91,941
University of Vermont	93 839	59,906	32,649	92,555
University of Virginia	12 300	600,434	253,724	854,158
University of Virginia	12 800	220,829	81,759	302,588
University of Virginia	43 RD	60,654	15,770	76,424
University of Virginia	47 041	5,064	2,380	7,444
University of Virginia	47 049	13,672	5,251	18,923
University of Virginia	47 050	(93,579)	(43,830)	(137,409)
University of Virginia	84 305	132,825	69,013	201,838
University of Virginia	93 375	43,706	22,727	66,433
University of Virginia	93 853	58,556	13,791	72,347
University of Virginia	93 859	127,461	53,457	180,918
University of Virginia	93 862	196,253	106,958	303,211
University of Virginia	93 865	252,694	63,845	316,539
University of Virginia	93 RD	205	106	311
University of Virginia	99 RD	50,065	25,905	75,970
University of Washington	10 200	6,674	-	6,674

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
University of Washington	10 206	\$ 54,285	\$ 12,726	\$ 67,011
University of Washington	12 300	493,802	196,914	690,716
University of Washington	12 800	58,971	28,976	87,947
University of Washington	12 910	228,386	103,343	331,729
University of Washington	43 RD	105,040	22,530	127,570
University of Washington	47 041	27,805	13,136	40,941
University of Washington	47 049	182,522	81,052	263,574
University of Washington	47 050	91,770	47,705	139,475
University of Washington	47 070	88,396	27,454	115,850
University of Washington	47 074	1,428	656	2,084
University of Washington	47 076	45,229	7,972	53,201
University of Washington	47 RD	47,833	8,700	56,533
University of Washington	66 509	30,887	6,329	37,216
University of Washington	81 049	28	15	43
University of Washington	93 143	19,613	9,806	29,419
University of Washington	93 145	528,687	42,295	570,982
University of Washington	93 172	23,805	12,361	36,166
University of Washington	93 242	140,381	63,909	204,290
University of Washington	93 387	28,367	7,375	35,742
University of Washington	93 837	225,226	73,401	298,627
University of Washington	93 839	49,327	12,825	62,152
University of Washington	93 848	249,683	65,457	315,140
University of Washington	93 853	14,548	3,782	18,330
University of Washington	93 856	331,228	8,603	339,831
University of Washington	93 865	259,171	132,365	391,536
University of Washington	93 866	144,055	52,604	196,659
University of Washington	93 867	6,867	1,161	8,028
University of Washington	93 929	(5,916)	(3,220)	(9,136)
University of Washington	93 RD	(72,992)	(15,695)	(88,687)
University of Washington	99 RD	225,984	122,114	348,098
University of Wisconsin	12 432	40,019	17,066	57,085
University of Wisconsin	12 RD	100,908	45,710	146,618
University of Wisconsin	47 041	18,235	8,977	27,212
University of Wisconsin	47 074	90,181	42,144	132,325
University of Wisconsin	47 RD	903,471	275,545	1,179,016
University of Wisconsin	81 049	124,762	67,995	192,757
University of Wisconsin	93 173	5,329	2,798	8,127
University of Wisconsin	93 393	388,275	97,406	485,681
University of Wisconsin	93 865	45,121	19,921	65,042
University of Wisconsin	93 866	508,668	126,008	634,676
University of Wisconsin	93 RD	142	19	161
University of Wisconsin	99 RD	632,718	101,058	733,776
University of Wyoming	47 RD	97,608	50,756	148,364
University of Wyoming	81 049	6,371	3,249	9,620
Urban Institute	93 RD	16,156	8,401	24,557
URS Corporation (incl URS Greiner Woodward Clyde & Dames and Moore)	15 805	12,688	3,312	16,000
US Immunodeficiency Network (USIDNET)	93 RD	129,228	69,783	199,011
Utah State University (incl Western Sare)	10 001	7,405	-	7,405
Utah State University (incl Western Sare)	10 200	127,264	(14,857)	112,407
Utah State University (incl Western Sare)	10 RD	617	62	679
Utah State University (incl Western Sare)	47 041	54,621	26,411	81,032
Utah State University (incl Western Sare)	47 070	91,553	42,401	133,954
Valador, Inc.	43 001	114,194	29,690	143,884
Vanderbilt University (Tennessee)	12 RD	314,659	127,343	442,002
Vanderbilt University (Tennessee)	47 076	89,040	15,273	104,313
Vanderbilt University (Tennessee)	84 RD	148,633	31,105	179,738
Vanderbilt University (Tennessee)	93 173	4,712	1,225	5,937

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Vanderbilt University (Tennessee)	93 394	\$ 49,256	\$ 26,632	\$ 75,888
Vanderbilt University (Tennessee)	93 838	3,492	1,885	5,377
Vanderbilt University (Tennessee)	93 847	7,111	3,733	10,844
Vanderbilt University (Tennessee)	93 865	8,931	4,689	13,620
Vanderbilt University (Tennessee)	93 866	19,760	5,137	24,897
Vanderbilt University (Tennessee)	99 RD	(807)	(210)	(1,017)
Vehicle Control Technologies, Inc. (VCT)	12 300	2,739	438	3,177
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 213	64,311	10,290	74,601
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 240	32,567	5,211	37,778
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 242	118,859	19,007	137,866
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 270	96,230	15,397	111,627
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 273	113,012	18,082	131,094
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 279	14,366	2,299	16,665
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 389	249,673	39,948	289,621
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 394	42,401	6,784	49,185
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 395	24,237	3,878	28,115
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 837	329,316	52,690	382,006
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 839	601,142	299,218	900,360
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 846	105,703	16,912	122,615
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 847	7,116	1,138	8,254
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 848	266,920	42,707	309,627
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 849	286,202	45,792	331,994
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 853	73,747	11,801	85,548
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 855	220,803	35,328	256,131
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 856	539,549	86,331	625,880
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 860	4,254	681	4,935
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 865	14,658	2,345	17,003
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 866	263,357	42,137	305,494
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 RD	6,509	1,041	7,550
Veterans Medical Research Foundation of San Diego (VA Foundation)	99 RD	1,171,480	210,258	1,381,738
Vibration Impact & Pressure Sensors	12 350	4,888	2,566	7,454
Virginia Commonwealth University	47 070	33,873	18,292	52,165
Virginia Commonwealth University	93 393	33,044	17,348	50,392
Virginia Commonwealth University	93 396	47,641	25,726	73,367
Virginia Commonwealth University	93 837	30,395	16,419	46,814
Virginia Commonwealth University	93 848	13,756	7,428	21,184
Virginia Polytechnic Institute	10 664	14,227	3,699	17,926
Virginia Polytechnic Institute	47 074	5,486	2,853	8,339
Virginia Polytechnic Institute	47 RD	27,970	11,408	39,378
Virginia Polytechnic Institute	98 RD	12,906	3,356	16,262
Visdex Corporation	93 867	44,599	24,084	68,683
Wake Forest University	93 389	272,780	147,301	420,081
Wake Forest University	93 837	(334)	10,061	9,727
Wake Forest University	93 838	28,019	6,673	34,692
Wake Forest University	93 848	69,356	16,208	85,564
Wake Forest University	93 859	140,242	76,432	216,674
Wake Forest University	93 866	5,650	1,405	7,055
Wake Forest University	93 RD	24,623	5,972	30,595
Wake Forest University	99 RD	29,800	16,480	46,280
Washington State University (Pullman, Wa)	10 206	21,002	5,250	26,252
Washington State University (Pullman, Wa)	10 303	41,254	9,673	50,927
Washington State University (Pullman, Wa)	10 500	14,222	165	14,387
Washington State University (Pullman, Wa)	10 RD	12,022	3,126	15,148
Washington State University (Pullman, Wa)	47 050	-	(747)	(747)
Washington State University (Pullman, Wa)	81 RD	97,794	19,306	117,100
Washington State University (Pullman, Wa)	93 114	1,881	1,016	2,897
Washington University, (St. Louis, Mo)	43 RD	(725)	(377)	(1,102)

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Washington University, (St. Louis, Mo)	93 127	\$ 3,461	\$ -	\$ 3,461
Washington University, (St. Louis, Mo)	93 394	89,403	46,510	135,913
Washington University, (St. Louis, Mo)	93 399	10,877	5,602	16,479
Washington University, (St. Louis, Mo)	93 837	141,202	69,712	210,914
Washington University, (St. Louis, Mo)	93 846	58,552	31,911	90,463
Washington University, (St. Louis, Mo)	93 853	81,157	29,301	110,458
Washington University, (St. Louis, Mo)	93 867	222,496	115,955	338,451
Washington University, (St. Louis, Mo)	93 RD	263,076	111,768	374,844
Washington University, (St. Louis, Mo)	99 RD	4,996	1,499	6,495
Water Environment Research Foundation	99 RD	5,567	2,756	8,323
Wayne State University	47 049	2,000	1,060	3,060
Wayne State University	93 855	(5,624)	(3,065)	(8,689)
Wellcome Trust, The (incl Sanger Institute) (Great Britain)	93 172	76,737	39,136	115,873
Wellcome Trust, The (incl Sanger Institute) (Great Britain)	93 865	52,571	27,863	80,434
Wellesley College	99 RD	14,666	7,920	22,586
West Virginia University	10 001	66,939	-	66,939
West Virginia University	93 173	9,326	5,083	14,409
Westat	93 279	675,844	365,930	1,041,774
Westat	93 RD	25,824	15,366	41,190
Westat	99 RD	125,763	41,678	167,441
Wested (frmly Far West Laboratory)	47 076	86,192	43,585	129,777
Wested (frmly Far West Laboratory)	47 RD	264,113	30,365	294,478
Wested (frmly Far West Laboratory)	84 305	239,978	126,530	366,508
Wested (frmly Far West Laboratory)	84 RD	47,986	1,391	49,377
Wested (frmly Far West Laboratory)	99 RD	168,349	41,235	209,584
Western Governors' Association	10 RD	28,932	15,013	43,945
Western United Resource Development	66 034	930	484	1,414
Weston Geophysical Corporation	99 RD	36,249	19,212	55,461
Westside Community Services (San Francisco, California)	93 RD	91,293	8,216	99,509
Wet Labs, Inc.	12 300	60,501	7,690	68,191
Wildlife Conservation Society (New York Zoological Society)	98 011	100,680	16,783	117,463
Wistar Institute, The	93 393	219,974	113,287	333,261
Women & Infants Hospital of Rhode Island	93 279	44,508	11,290	55,798
Woods Hole Oceanographic Institution	11 417	23,272	5,864	29,136
Woods Hole Oceanographic Institution	12 300	208,655	62,442	271,097
Woods Hole Oceanographic Institution	47 050	235,546	125,709	361,255
World Learning for International Development	98 001	110,874	16,440	127,314
Wyle Laboratories	12 RD	37,019	9,107	46,126
Xcyte Therapies, Inc.	93 395	(12,146)	(3,219)	(15,365)
Xerces Society, The	10 RD	23,622	3,543	27,165
Xoma Corporation	93 RD	217,315	117,209	334,524
Yale University	47 074	236	(236)	-
Yale University	93 172	163,142	79,101	242,243
Yale University	93 286	40,953	22,319	63,272
Yale University	93 837	1,579	513	2,092
Yale University	93 838	8,002	4,321	12,323
Yale University	93 847	151,424	34,214	185,638
Yale University	93 853	253,551	103,439	356,990
Yale University	93 864	136,688	34,153	170,841
Yale University	93 865	157,947	36,857	194,804
Yale University	93 866	40,994	21,727	62,721
Yale University	93 942	70,454	32,567	103,021
Yeshiva University (incl Albert Einstein College of Medicine)	12 431	(700)	(364)	(1,064)
Yeshiva University (incl Albert Einstein College of Medicine)	93 393	113,242	59,084	172,326
Yeshiva University (incl Albert Einstein College of Medicine)	93 837	5,932	1,542	7,474
Yeshiva University (incl Albert Einstein College of Medicine)	93 839	166,770	81,468	248,238
Yeshiva University (incl Albert Einstein College of Medicine)	93 855	37,827	20,427	58,254

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Pass Through Agency Awards Expended (Continued)				
Yeshiva University (incl Albert Einstein College of Medicine)	93 866	\$ 77,271	\$ 41,774	\$ 119,045
Ziva Corporation	12 431	33,413	17,419	50,832
Ziva Corporation	12 910	18,705	5,449	24,154
Ziva Corporation	12 RD	39,653	9,347	49,000
Zona Technology, Inc.	12 800	(5,132)	(2,694)	(7,826)
Total Pass Through Agency Awards Expended		222,815,662	70,895,892	293,711,554
Partial Pass Through Agency Awards Expended				
3E Technologies International, Inc. (frmly Aepotec Microsystems, Inc.)	12 RD	4,404	-	4,404
Advanced Ceramics Research	99 RD	19,829	8,427	28,256
Advanced Micro Devices, Inc. (AMD) (incl Vantis Corporation)	99 RD	29,003	9,876	38,879
Aerodyne Research, Inc.	81 RD	11	5	16
American Cancer Soc, Inc.	99 RD	17,231	-	17,231
American Col of Rheumatology (incl Research and Education Fdn)	99 RD	(164)	-	(164)
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	43 999	34,397	17,199	51,596
Assn of Univ for Res Astronomy (aka Space Teles Sci Inst)	43 RD	26,048	13,106	39,154
Baylor College of Medicine (Houston,TX)	93 173	25,588	12,794	38,382
Brigham Young University	84 116	9,222	738	9,960
Broncus Technologies Inc.	99 RD	26,982	7,015	33,997
Cal BTH Office of Traffic Safety	20 600	64,655	11,947	76,602
Cal BTH Office of Traffic Safety	20 RD	176,926	10,101	187,027
Cal BTH Trans, Commission (Cal Transportation Commission)	20 762	16,804	1,674	18,478
Cal BTH Trans, Commission (Cal Transportation Commission)	20 999	16,841	2,375	19,216
Cal BTH Trans, Commission (Cal Transportation Commission)	99 RD	(5,350)	(784)	(6,134)
Cal BTH Trans, Facilities Construction, Division of	99 RD	180,300	19,920	200,220
Cal BTH Trans, Highways and Programming, Division of	20 RD	70,667	7,067	77,734
Cal BTH Trans, Highways and Programming, Division of	99 RD	181,833	18,183	200,016
Cal BTH Trans, New Technology and Research, Division of	20 RD	1,127,275	60,092	1,187,367
Cal BTH Trans, New Technology and Research, Division of	99 RD	14,009	2,101	16,110
Cal BTH Trans,/miscellaneous	20 515	669	67	736
Cal BTH Trans,/miscellaneous	20 RD	864,968	83,016	947,984
Cal DE Curriculum Instruction & Assessment Division	84 RD	32,414	2,648	35,062
Cal DE/miscellaneous Divisions or Bureaus	10 558	(4,813)	-	(4,813)
Cal DE/miscellaneous Divisions or Bureaus	84 287	511,936	5,350	517,286
Cal DE/miscellaneous Divisions or Bureaus	84 RD	323,931	34,682	358,613
Cal EPA Air Resources Board	10 RD	70,501	7,050	77,551
Cal EPA Air Resources Board	99 RD	193,316	11,697	205,013
Cal EPA Water Control Board	66 RD	138,411	12,289	150,700
Cal H&W Education, Liaison, Office of	84 367	49,099	3,928	53,027
Cal H&W Health Care Services, Department of (DHCS)	10 RD	138,617	32,695	171,312
Cal H&W Health Care Services, Department of (DHCS)	93 RD	23,838	5,950	29,788
Cal H&W Health Care Services, Department of (DHCS)	99 RD	1,465	146	1,611
Cal H&W Social Services, Department of	10 225	32,267	6,060	38,327
Cal H&W Social Services, Department of	10 561	239,728	34,832	274,560
Cal H&W Social Services, Department of	93 RD	10,653,395	60,833	10,714,228
Cal H&W Social Services, Department of	99 RD	11,191,167	129,175	11,320,342
Cal High-speed Rail Authority	99 RD	133,374	16,647	150,021
Cal Postsecondary Education Commission	10 574	41,741	10,853	52,594
Cal Postsecondary Education Commission	84 RD	21	2	23
Cal Ra Calfed Bay-Delta Authority	11 417	94,114	4,871	98,985
Cal Ra Calfed Bay-Delta Authority	66 606	35,571	7,696	43,267
Cal Ra Calfed Bay-Delta Authority	99 RD	70,674	13,937	84,611
Cal Ra Energy Resources, Conservation Development Commission	81 119	91,512	19,824	111,336
Cal Ra Energy Resources, Conservation Development Commission	99 RD	74,242	18,561	92,803
Cal Ra Parks and Recreation, Department of	99 RD	4,256	-	4,256
Cal Secretary of State	39 011	261,199	65,300	326,499

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Partial Pass Through Agency Awards Expended (Continued)				
Cal Service Corps, The (frmly Governor's Ofc on Srvc & Volunteerism)	93 RD	\$ (14,615)	\$ (775)	\$ (15,390)
Cal State Library	45 310	46,379	4,637	51,016
Cal State Universities Campuses	11 417	(1,635)	(327)	(1,962)
Calif Institute of Technology (incl Celt Development Corporation)	81 RD	65,000	32,500	97,500
Case Western Reserve University	93 879	30,882	15,441	46,323
Cfd Research Corporation	99 RD	116,826	41,310	158,136
Children's Discovery Museum of San Jose	47 075	10,057	2,454	12,511
Colorado State University	81 049	27,228	14,158	41,386
Dartmouth College	93 859	116,780	55,470	172,250
Electronic Bio Sciences LLC	99 RD	(1,193)	2,050	857
Ensco, Inc.	12 800	59,786	25,054	84,840
Eospace Inc.	12 630	37,317	17,174	54,491
Florida International University	47 041	19,931	6,521	26,452
Foundation for The National Institutes of Health, Inc.	93 999	658,571	98,786	757,357
George Washington University	93 RD	6,390	1,271	7,661
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	47 070	73,020	35,366	108,386
Health Effects Institute	66 500	80,074	-	80,074
Honeywell, Inc. (includes Sperry Flight & Tetrach Data Systems, Inc)	99 RD	6,439	4,325	10,764
Intl Rice Research Institute (IRRI) (Intl)	99 RD	(3)	-	(3)
Jet Propulsion Laboratory	99 RD	134,078	64,257	198,335
Johns Hopkins University	93 867	687	1,413	2,100
Joint Oceanographic Institutions, Inc.	47 050	14,729	8,014	22,743
Lawrence Livermore National Security, LLC	81 RD	19,909	10,552	30,461
Lawrence Livermore National Security, LLC	99 RD	28,724	5,984	34,708
Lehigh University (Pennsylvania)	84 324	109,879	43,437	153,316
Loma Linda University (incl Natl Medical Technology Testbed, Inc.)	99 RD	24,291	12,146	36,437
Los Alamos National Security, LLC	99 RD	42,569	-	42,569
Los Angeles Unified School District	84 351	68,652	32,608	101,260
Michigan State University	19 RD	85,910	18,376	104,286
Michigan State University	47 074	62,434	31,004	93,438
Microelectronics Advanced Research Corporation (MARCO)(SRC Subsidiary)	12 910	411,710	166,174	577,884
Montana State University	10 217	5,875	1,469	7,344
Mount Sinai School of Medicine (New York)	93 395	(32,618)	(17,778)	(50,396)
Multiplex, Inc.	99 RD	13,686	7,459	21,145
Natl Academy of Sciences(incl Inst of Med,Natl Res Cncl,Natl Acd Engr)	47 075	5,791	-	5,791
Natl Fish and Wildlife Foundation	10 028	3,357	-	3,357
Northern Arizona University (incl Natl Inst for Climatic Change Res)	84 336	31,619	2,530	34,149
Northern Arizona University (incl Natl Inst for Climatic Change Res)	84 RD	107,080	8,566	115,646
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	43 001	84,970	22,092	107,062
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	92 242	56,283	14,634	70,917
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 242	40,100	10,426	50,526
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 286	19,572	5,089	24,661
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 375	90,284	23,474	113,758
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 393	23,893	6,212	30,105
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 394	26,328	6,845	33,173
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 396	93,295	24,257	117,552
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 837	471,727	122,649	594,376
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 846	470,473	122,323	592,796
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 847	144,587	37,593	182,180
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 853	116,660	30,332	146,992
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 859	112,181	29,167	141,348
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 864	4,979	1,295	6,274
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 866	762,492	197,805	960,297
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	93 929	12,412	3,227	15,639
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	99 RD	3,485,416	906,209	4,391,625
Northrop Grumman Corporation (incl Logicon Inc, Xetron Corporation)	99 RD	2,421	1,319	3,740
Oakridge Natl Lab (DOE GOCO Operated by Ut-Battelle, LLC)	81 087	159,975	32,030	192,005

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Research and Development (Continued)				
Partial Pass Through Agency Awards Expended (Continued)				
Ohio State University (includes Research Foundation)	93 396	\$ 121,380	\$ 63,175	\$ 184,555
Oklahoma State University	10 206	7,954	1,989	9,943
Orbital Technologies Corp.	99 RD	275	137	412
Photonic Systems, Inc.	12 630	121,572	58,526	180,098
Riverside Community College District	84 031	168,270	-	168,270
Rutgers University	10 001	4,678	-	4,678
Salk Institute for Biological Studies	93 172	(427)	(54)	(481)
San Diego State Univ Rsch Fdn (incl Hansen Inst for World Peace)	93 837	47,760	24,721	72,481
San Diego, City of	99 RD	339	176	515
Santa Clara University	47 075	44,233	24,107	68,340
Tehachapi Valley Healthcare District (incl Tehachapi Hospital)	93 226	76,384	19,860	96,244
Texas A&M Research Foundation	47 074	4,026	1,912	5,938
Tottori University (Japan)	93 940	47,530	6,380	53,910
Universities Research Association (operates Fermilab)	99 RD	21,906	5,696	27,602
University Navstar Consortium	99 RD	368,526	177,357	545,883
University and Community College System of Nevada (incl Univ,Reno,DR)	99 RD	50,340	12,887	63,227
University of Arizona	10 303	127,267	31,817	159,084
University of Florida	47 074	41,644	10,827	52,471
University of Houston	47 041	56,475	18,158	74,633
University of Illinois	10 206	37,301	9,325	46,626
University of Maryland	93 859	(5,174)	(2,109)	(7,283)
University of Minnesota	99 RD	27,475	14,234	41,709
University of New Hampshire	43 001	17,595	8,797	26,392
University of Pittsburgh	47 070	39,040	16,454	55,494
University of Pittsburgh	93 242	8,060	4,393	12,453
University of Rochester	47 074	67,909	30,883	98,792
University of Rochester	99 RD	48,426	24,213	72,639
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47 050	57,723	27,274	84,997
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	93 866	21,770	9,105	30,875
University of Vermont	10 206	21,297	5,324	26,621
Utah State University (incl Western Sare)	10 215	7,972	-	7,972
Veterans Medical Research Foundation of San Diego (VA Foundation)	93 849	87,592	14,015	101,607
West Biofuels LLC	99 RD	211,433	88,351	299,784
World Anti-doping Agency (Canada)	99 RD	48,417	9,683	58,100
Total Partial Pass Through Agency Awards Expended		37,964,736	3,856,162	41,820,898
Total Research and Development		2,171,581,592	667,477,091	2,839,058,683
Other Programs				
Federal Agency Awards Expended				
Corporation for Nat'l & Community Service	94 007	439,481	23,117	462,598
Corporation for Nat'l & Community Service	94 013	173,111	-	173,111
Corporation for National and Community Service Total		612,592	23,117	635,709
Department of Agriculture	10 001	299,485	4,751	304,236
Department of Agriculture	10 025	83,252	-	83,252
Department of Agriculture	10 200	394,388	9,369	403,757
Department of Agriculture	10 206	36,959	9,240	46,199
Department of Agriculture	10 210	52,966	-	52,966
Department of Agriculture	10 219	39	10	49
Department of Agriculture	10 303	8,783	2,064	10,847
Department of Agriculture	10 304	164,943	-	164,943
Department of Agriculture	10 307	1,886	415	2,301
Department of Agriculture	10 443	76,679	16,680	93,359
Department of Agriculture	10 450	1,340	-	1,340

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Other Programs (Continued)					
Federal Agency Awards Expended (Continued)					
Department of Agriculture	10	455	\$ 132,304	\$ 13,230	\$ 145,534
Department of Agriculture	10	456	16,793	1,679	18,472
Department of Agriculture	10	500	19,428,266	-	19,428,266
Department of Agriculture	10	664	6,130	-	6,130
Department of Agriculture	10	680	104,450	3,827	108,277
Department of Agriculture	10	769	14,496	3,189	17,685
Department of Agriculture	10	902	7,232	722	7,954
Department of Agriculture	10	912	23,949	4,191	28,140
Department of Agriculture	10	960	13,840	1,384	15,224
Department of Agriculture	10	962	100,928	7,881	108,809
Department of Agriculture	10	unknown	541,434	24,171	565,605
Department of Agriculture Total			21,510,542	102,803	21,613,345
Department of Commerce	11	417	30,102	835	30,937
Department of Commerce	11	420	8,483	-	8,483
Department of Commerce	11	429	475,045	1	475,046
Department of Commerce	11	473	29,956	7,789	37,745
Department of Commerce	11	474	12,984	-	12,984
Department of Commerce	11	609	11,676	-	11,676
Department of Commerce	11	unknown	1,201,323	237,493	1,438,816
Department of Commerce Total			1,769,569	246,118	2,015,687
Department of Defense					
Dept of the Air Force	12	800	110,056	3,282	113,338
Dept of the Air Force	12	unknown	31,564	(167)	31,397
Dept of the Air Force Total			141,620	3,115	144,735
Dept of the Army	12	420	650,701	47,280	697,981
Dept of the Army	12	431	12,390	22	12,412
Dept of the Army	12	unknown	1,078,839	166,823	1,245,662
Dept of the Army Total			1,741,930	214,125	1,956,055
Dept of the Navy	12	300	396,547	(37,633)	358,914
Dept of the Navy	12	unknown	868,590	163,113	1,031,703
Dept of the Navy Total			1,265,137	125,480	1,390,617
Separate Agencies	12	901	49,406	139	49,545
Separate Agencies	12	unknown	21,901	7,452	29,353
Separate Agencies Total			71,307	7,591	78,898
Department of Defense Total			3,219,994	350,311	3,570,305
Department of Education	84	007	1,619,904	-	1,619,904
Department of Education	84	015	1,897,870	153,207	2,051,077
Department of Education	84	016	27,715	2,217	29,932
Department of Education	84	017	406,439	49,189	455,628
Department of Education	84	021	91,915	-	91,915
Department of Education	84	022	13,931	-	13,931
Department of Education	84	042	1,627,725	129,832	1,757,557
Department of Education	84	044	1,844,393	77,685	1,922,078
Department of Education	84	047	2,406,346	121,449	2,527,795
Department of Education	84	083	76,286	18,665	94,951
Department of Education	84	116	740,582	49,135	789,717
Department of Education	84	170	8,430	-	8,430
Department of Education	84	195	377,593	28,413	406,006
Department of Education	84	200	103,185	-	103,185

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Other Programs (Continued)				
Federal Agency Awards Expended (Continued)				
Department of Education	84 217	\$ 738,127	\$ 62,402	\$ 800,529
Department of Education	84 220	359,822	28,990	388,812
Department of Education	84 229	175,681	14,055	189,736
Department of Education	84 305	342,535	-	342,535
Department of Education	84 334	8,689,022	630,317	9,319,339
Department of Education	84 335	438,959	10,516	449,475
Department of Education	84 363	281,884	17,081	298,965
Department of Education	84 367	37,500	3,000	40,500
Department of Education	84 unknown	2,735,803	1,074	2,736,877
Department of Education Total		25,041,647	1,397,227	26,438,874
Department of Energy	81 049	44,134	7,384	51,518
Department of Energy	81 108	53,924	16,177	70,101
Department of Energy	81 unknown	497,474	22,245	519,719
Department of Energy Total		595,532	45,806	641,338
Federal Emergency Management Administration (FEMA)	97 036	7,454,916	-	7,454,916
Department of Homeland Security	97 061	19,229	-	19,229
Department of Homeland Security Total		7,474,145	-	7,474,145
Department of Interior	15 039	3,064	536	3,600
Department of Interior	15 224	465	81	546
Department of Interior	15 608	1,402	609	2,011
Department of Interior	15 805	22,130	-	22,130
Department of Interior	15 808	66,519	5,239	71,758
Department of Interior	15 unknown	35,145	3,258	38,403
Department of Interior Total		128,725	9,723	138,448
Department of Justice	16 525	84,852	-	84,852
Department of Justice	16 560	107,737	-	107,737
Department of Justice	16 710	71,608	-	71,608
Department of Justice	16 unknown	517,284	8,927	526,211
Department of Justice Total		781,481	8,927	790,408
Department of Labor	17 502	208,485	51,750	260,235
Department of Labor Total		208,485	51,750	260,235

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Other Programs (Continued)				
Federal Agency Awards Expended (Continued)				
Department of State	19 402	\$ 16,213	\$ 5,188	\$ 21,401
Department of State	19 409	1,127	14,691	15,818
Department of State	19 415	7,655	2,450	10,105
Department of State	19 418	2,306,337	424,164	2,730,501
Department of State	19 424	107,318	-	107,318
Department of State	19 unknown	185,806	3,146	188,952
Department of State Total		2,624,456	449,639	3,074,095
Department of Transport	20 106	12,107	-	12,107
Department of Transport	20 200	25,705	-	25,705
Department of Transport	20 215	93,277	-	93,277
Department of Transport	20 502	30,500	-	30,500
Department of Transport	20 514	2,525	-	2,525
Department of Transport	20 701	553,808	-	553,808
Department of Transport	20 760	1,475	-	1,475
Department of Transport	20 unknown	115,282	97,642	212,924
Department of Transport Total		834,679	97,642	932,321
Environmental Protection Agency	66 436	9,971	-	9,971
Environmental Protection Agency	66 509	67,539	28,263	95,802
Environmental Protection Agency	66 513	9,138	-	9,138
Environmental Protection Agency	66 514	145,559	172	145,731
Environmental Protection Agency	66 666	12,718	-	12,718
Environmental Protection Agency	66 716	154,524	44,266	198,790
Environmental Protection Agency	66 unknown	22,378	(337)	22,041
Environmental Protection Agency Total		421,827	72,364	494,191
Department of Health & Human Services				
Office of Human Development Service	93 600	727,050	-	727,050
Office of Human Development Service	93 632	440,323	35,226	475,549
Office of Human Development Service	93 925	395,997	-	395,997
Office of Human Development Service	93 unknown	(406)	(201)	(607)
Office of Human Development Service Total		1,562,964	35,025	1,597,989
Health Care Finance Administration	93 779	73,838	7,384	81,222
PHS/Adamha	93 230	384,957	38,678	423,635
PHS/Adamha	93 243	1,142,310	235,293	1,377,603
PHS/Adamha Total		1,527,267	273,971	1,801,238
PHS/Agency for Health Care Policy and Research	93 225	593,707	37,166	630,873
PHS/Agency for Health Care Policy and Research	93 226	20,298	1,629	21,927
PHS/Agency for Health Care Policy and Research Total		614,005	38,795	652,800
PHS/Center for Disease Control	93 063	209,242	15,848	225,090
PHS/Center for Disease Control	93 135	-	36	36
PHS/Center for Disease Control	93 262	66,431	59,562	125,993
PHS/Center for Disease Control	93 263	378,670	35,426	414,096
PHS/Center for Disease Control	93 283	3,005,332	233,677	3,239,009
PHS/Center for Disease Control	93 unknown	543,410	99,345	642,755
PHS/Center for Disease Control Total		4,203,085	443,894	4,646,979
PHS/Food & Drug Administration	93 448	333,243	75,812	409,055
PHS/Food & Drug Administration	93 unknown	35,397	11,681	47,078
PHS/Food & Drug Administration Total		368,640	87,493	456,133

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Other Programs (Continued)				
Federal Agency Awards Expended (Continued)				
PHS/Health Resource & Service Admin	93 019	\$ 732,677	\$ (37,513)	\$ 695,164
PHS/Health Resource & Service Admin	93 107	934,395	(19,155)	915,240
PHS/Health Resource & Service Admin	93 110	2,086,742	210,025	2,296,767
PHS/Health Resource & Service Admin	93 117	5,038	403	5,441
PHS/Health Resource & Service Admin	93 145	4,843,470	269,480	5,112,950
PHS/Health Resource & Service Admin	93 153	336,092	75,135	411,227
PHS/Health Resource & Service Admin	93 156	202,234	16,099	218,333
PHS/Health Resource & Service Admin	93 157	346,519	25,592	372,111
PHS/Health Resource & Service Admin	93 186	427,680	62,281	489,961
PHS/Health Resource & Service Admin	93 224	651,453	56,808	708,261
PHS/Health Resource & Service Admin	93 247	809,293	64,576	873,869
PHS/Health Resource & Service Admin	93 249	307,925	13,446	321,371
PHS/Health Resource & Service Admin	93 253	2,624,693	262,470	2,887,163
PHS/Health Resource & Service Admin	93 358	355,554	-	355,554
PHS/Health Resource & Service Admin	93 822	14,075	188	14,263
PHS/Health Resource & Service Admin	93 844	164,757	13,181	177,938
PHS/Health Resource & Service Admin	93 884	1,739,887	147,295	1,887,182
PHS/Health Resource & Service Admin	93 916	2,383	191	2,574
PHS/Health Resource & Service Admin	93 918	665,595	(1)	665,594
PHS/Health Resource & Service Admin	93 925	1,306,370	-	1,306,370
PHS/Health Resource & Service Admin	93 969	247,491	18,152	265,643
PHS/Health Resource & Service Admin	93 unknown	243,377	29,355	272,732
PHS/Health Resource & Service Admin Total		19,047,700	1,208,008	20,255,708
PHS/National Institute of Health	93 113	140,262	2,066	142,328
PHS/National Institute of Health	93 114	208,908	-	208,908
PHS/National Institute of Health	93 115	8,463	4,570	13,033
PHS/National Institute of Health	93 121	1,930,583	134,704	2,065,287
PHS/National Institute of Health	93 142	945,683	45,021	990,704
PHS/National Institute of Health	93 145	393,306	29,594	422,900
PHS/National Institute of Health	93 172	936,200	54,268	990,468
PHS/National Institute of Health	93 173	475,077	12,407	487,484
PHS/National Institute of Health	93 213	389,089	57,755	446,844
PHS/National Institute of Health	93 225	18,000	-	18,000
PHS/National Institute of Health	93 242	2,147,694	177,774	2,325,468
PHS/National Institute of Health	93 272	350,198	18,584	368,782
PHS/National Institute of Health	93 273	139,831	11,186	151,017
PHS/National Institute of Health	93 277	157,913	11,413	169,326
PHS/National Institute of Health	93 278	361,482	18,280	379,762
PHS/National Institute of Health	93 279	930,661	54,914	985,575
PHS/National Institute of Health	93 281	608,644	48,659	657,303
PHS/National Institute of Health	93 282	4,014,280	257,928	4,272,208
PHS/National Institute of Health	93 286	903,585	41,783	945,368
PHS/National Institute of Health	93 291	127,307	9,954	137,261
PHS/National Institute of Health	93 306	347,842	23,695	371,537
PHS/National Institute of Health	93 307	254,431	17,511	271,942
PHS/National Institute of Health	93 333	80,626	4,978	85,604
PHS/National Institute of Health	93 361	905,376	38,056	943,432
PHS/National Institute of Health	93 389	4,004,972	321,484	4,326,456
PHS/National Institute of Health	93 390	93,856	7,508	101,364
PHS/National Institute of Health	93 393	474,617	37,128	511,745
PHS/National Institute of Health	93 396	64,827	33,210	98,037
PHS/National Institute of Health	93 397	233,028	1,036,665	1,269,693
PHS/National Institute of Health	93 398	5,806,193	486,083	6,292,276
PHS/National Institute of Health	93 461	91,689	6,478	98,167
PHS/National Institute of Health	93 583	29,522	-	29,522

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Other Programs (Continued)				
Federal Agency Awards Expended (Continued)				
PHS/National Institute of Health	93 837	\$ 3,492,251	\$ 217,470	\$ 3,709,721
PHS/National Institute of Health	93 838	1,673,156	123,363	1,796,519
PHS/National Institute of Health	93 839	732,192	36,212	768,404
PHS/National Institute of Health	93 846	1,400,411	85,981	1,486,392
PHS/National Institute of Health	93 847	1,702,834	119,013	1,821,847
PHS/National Institute of Health	93 848	1,806,251	120,806	1,927,057
PHS/National Institute of Health	93 849	1,168,444	74,669	1,243,113
PHS/National Institute of Health	93 853	2,806,432	140,196	2,946,628
PHS/National Institute of Health	93 855	2,602,952	171,374	2,774,326
PHS/National Institute of Health	93 856	1,738,087	266,553	2,004,640
PHS/National Institute of Health	93 862	847,387	44,931	892,318
PHS/National Institute of Health	93 864	168,479	8,180	176,659
PHS/National Institute of Health	93 865	3,733,996	243,425	3,977,421
PHS/National Institute of Health	93 866	2,783,047	210,085	2,993,132
PHS/National Institute of Health	93 867	1,750,376	219,796	1,970,172
PHS/National Institute of Health	93 879	337,529	41,716	379,245
PHS/National Institute of Health	93 880	28,970	-	28,970
PHS/National Institute of Health	93 894	351,360	24,599	375,959
PHS/National Institute of Health	93 925	98,999	-	98,999
PHS/National Institute of Health	93 989	2,873,174	228,059	3,101,233
PHS/National Institute of Health	93 unknown	1,037,478	313,571	1,351,049
PHS/Natl Inst Health Total		60,707,950	5,693,655	66,401,605
PHS/Other	93 013	8,237	2,142	10,379
PHS/Other	93 389	44,248	15,044	59,292
PHS/Other	93 unknown	13,553	5,158	18,711
PHS/Other Total		66,038	22,344	88,382
Department of Health & Human Services Total		88,171,487	7,810,569	95,982,056
Department of Housing & Urban Development	14 100	6,000	-	6,000
Department of Housing & Urban Development	14 506	2,835	-	2,835
Department of Housing & Urban Development	14 511	184,174	16,952	201,126
Department of Housing & Urban Development Total		193,009	16,952	209,961
Library of Congress	42 006	650,625	52,144	702,769
Library of Congress	42 unknown	287,256	(51,778)	235,478
Library of Congress Total		937,881	366	938,247
National Aeronautics & Space Administration	43 001	124,037	30,278	154,315
National Aeronautics & Space Administration	43 002	66,690	-	66,690
National Aeronautics & Space Administration	43 unknown	832,634	37,896	870,530
National Aeronautics & Space Administration Total		1,023,361	68,174	1,091,535
National Archives & Records	89 003	52,413	-	52,413

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, 2008

		Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Other Programs (Continued)					
Federal Agency Awards Expended (Continued)					
National Foundation Arts & Humanities	45	024	\$ 208,974	\$ 27,608	\$ 236,582
National Foundation Arts & Humanities	45	149	486,109	108,980	595,089
National Foundation Arts & Humanities	45	161	383,290	-	383,290
National Foundation Arts & Humanities	45	162	135,365	35,232	170,597
National Foundation Arts & Humanities	45	163	101,599	2,989	104,588
National Foundation Arts & Humanities	45	164	161,453	-	161,453
National Foundation Arts & Humanities	45	301	82,144	24,636	106,780
National Foundation Arts & Humanities	45	303	1,306	640	1,946
National Foundation Arts & Humanities	45	312	471,913	153,110	625,023
National Foundation Arts & Humanities	45	unknown	101,255	25,314	126,569
National Foundation Arts & Humanities Total			2,133,408	378,509	2,511,917
National Science Foundation	47	041	-	74	74
National Science Foundation	47	046	47,344	-	47,344
National Science Foundation	47	075	70,758	-	70,758
National Science Foundation	47	076	11,499	-	11,499
National Science Foundation Total			129,601	74	129,675
Small Business Administration	59	037	876,510	33,664	910,174
Small Business Administration	59	unknown	144,125	1,869	145,994
Small Business Administration Total			1,020,635	35,533	1,056,168
General Services Administration	39	unknown	-	5,000	5,000
Veterans Affairs	64	unknown	2,624,129	-	2,624,129
Other Agencies	99	unknown	32,906	3,007	35,913
Total Federal Agency Awards Expended			161,542,504	11,173,611	172,716,115
Pass Through Agency Awards Expended					
ABC Unified School District (Artesia Bloomfield & Carmenita Dists)	84	184	45,399	14,528	59,927
Academy of Applied Science	12	431	14,111	-	14,111
Akron, University of	47	074	-	7	7
Allen/loeb Associates	93	941	33,274	8,651	41,925
American Academy of Child & Adolescent Psychiatry	93	277	144,473	6,883	151,356
American Assn for the Advancement of Science	15	unknown	46,905	2,345	49,250
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	93	396	(2,560)	(768)	(3,328)
American Col of Radiology (incl Amer Col of Radiology Imaging Ntwk)	93	unknown	261,295	131,691	392,986
American Educational Research Association	84	unknown	65,888	5,271	71,159
American Educational Research Association	99	unknown	66,990	5,359	72,349
American Intl Health Alliance Inc. (AIHA)	93	145	68,625	5,490	74,115
American Intl Health Alliance Inc. (AIHA)	93	unknown	21,409	1,713	23,122
American Intl Health Alliance Inc. (AIHA)	99	unknown	402,725	32,217	434,942
American Sheep and Goat Center (ASGC)	10	200	9,398	2,068	11,466
Area 4 Agency On Aging (serv CA, NV,Placer,Sacto, Sierra, Sutter,etc.)	93	052	-	15	15
Arts Midwest	45	024	24,612	-	24,612
Assn of American Medical Colleges	93	283	49,383	11,446	60,829
Assn of Occupational and Environmental Clinics	93	161	51,771	3,624	55,395
Auburn University	10	500	53,832	-	53,832
Auburn University	10	680	7,000	-	7,000
Auburn University	10	unknown	80,758	-	80,758
Battelle Memorial Inst (incl Battelle Energy Alliance, Idaho Natl Lab)	81	unknown	3,659	1,646	5,305
Bilateral Safety Corridor Coalition (BSCC)	99	unknown	3,918	196	4,114
Cal BTH Office of Traffic Safety	20	600	437,494	47,886	485,380
Cal BTH Trans. Commission (Cal Transportation Commission)	20	unknown	29,297	6,150	35,447
Cal BTH Trans./miscellaneous	20	unknown	152,677	-	152,677
Cal Community Colleges & Chancellor's Office	12	300	940	423	1,363
Cal Community Colleges & Chancellor's Office	99	unknown	31,728	2,538	34,266
Cal Criminal Justice Planning, Office of	16	588	83	-	83

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Other Programs (Continued)				
Federal Agency Awards Expended (Continued)				
Cal DE Curriculum Instruction & Assessment Division	84 367	\$ 1,541,663	\$ 121,910	\$ 1,663,573
Cal DE Curriculum Instruction & Assessment Division	99 unknown	47,082	3,766	50,848
Cal DE Special Programs and Support Services Division	93 575	15,000	-	15,000
Cal DE Vocational Education	84 unknown	734,524	-	734,524
Cal DE/miscellaneous Divisions or Bureaus	10 558	4,052	-	4,052
Cal DE/miscellaneous Divisions or Bureaus	10 559	59,616	-	59,616
Cal DE/miscellaneous Divisions or Bureaus	84 282	(15,750)	-	(15,750)
Cal DE/miscellaneous Divisions or Bureaus	84 367	53,226	4,258	57,484
Cal DE/miscellaneous Divisions or Bureaus	84 unknown	37,130	(2,327)	34,803
Cal DE/miscellaneous Divisions or Bureaus	93 575	25,320	-	25,320
Cal DE/miscellaneous Divisions or Bureaus	99 unknown	15,821	31	15,852
Cal DFA Food and Agriculture, Dept. of	10 unknown	(58)	(6)	(64)
Cal DFA/miscellaneous Agencies	10 558	(223)	-	(223)
Cal EPA Pesticide Regulation	66 700	220,208	6,941	227,149
Cal EPA Pesticide Regulation	66 716	(3)	(1)	(4)
Cal EPA Pesticide Regulation	66 unknown	156,167	-	156,167
Cal EPA Toxic Substances Control, Department of	99 unknown	44	-	44
Cal EPA Water Control Board	66 460	34,729	5,209	39,938
Cal Governor's Emergency Services, Office of	16 575	258,239	-	258,239
Cal Governor's Emergency Services, Office of	16 588	-	40	40
Cal Governor's Emergency Services, Office of	93 643	222,785	9,297	232,082
Cal Governor's Emergency Services, Office of	97 004	66,196	2,726	68,922
Cal Governor's Emergency Services, Office of	97 074	135,749	4,984	140,733
Cal Governor's Emergency Services, Office of	97 unknown	10,136	-	10,136
Cal H&W Alcohol & Drug Programs	93 959	197,698	48,838	246,536
Cal H&W Alcohol & Drug Programs	99 unknown	204	20	224
Cal H&W Community Services and Development, Department of	93 569	5,007	-	5,007
Cal H&W Developmental Services, Department of	93 778	19,939	-	19,939
Cal H&W Emergency Medical Services Authority	93 889	1,656	(1,776)	(120)
Cal H&W Health Care Services, Department of (DHCS)	10 561	1,295,447	261,064	1,556,511
Cal H&W Health Care Services, Department of (DHCS)	93 940	60,577	6,960	67,537
Cal H&W Health Care Services, Department of (DHCS)	93 959	204	53	257
Cal H&W Health Care Services, Department of (DHCS)	93 994	502,268	38,408	540,676
Cal H&W Health Care Services, Department of (DHCS)	93 unknown	1,672,835	149,714	1,822,549
Cal H&W Health Care Services, Department of (DHCS)	99 unknown	1,671,429	168,065	1,839,494
Cal H&W Public Health, Department of (CDPH)	93 991	86,043	-	86,043
Cal H&W Public Health, Department of (CDPH)	93 unknown	14,295	979	15,274
Cal H&W Social Services, Department of	10 561	3,808,250	832,137	4,640,387
Cal H&W Social Services, Department of	10 unknown	(13,128)	(3,288)	(16,416)
Cal H&W Social Services, Department of	93 658	1,991,771	(28,832)	1,962,939
Cal H&W Social Services, Department of	93 667	21,024	-	21,024
Cal H&W Social Services, Department of	93 unknown	154,953	-	154,953
Cal Industrial Relations, Department of	93 575	2,313	-	2,313
Cal Postsecondary Education Commission	84 281	9,031	722	9,753
Cal Postsecondary Education Commission	84 367	750,182	60,015	810,197
Cal Postsecondary Education Commission	84 unknown	991	79	1,070
Cal Postsecondary Education Commission	99 unknown	399,275	31,942	431,217
Cal Ra Fish and Game, Department of	11 438	47,862	10,195	58,057
Cal Ra Forestry, Department of	10 680	8,016	802	8,818
Cal Ra State Match for Sea Grant Program	10 559	13,938	-	13,938
Cal State Library	45 310	45,834	4,583	50,417
Cal State Library	99 unknown	146,481	14,644	161,125
Calif Family Health Council, Inc.	93 217	176,591	18,185	194,776
Calif Family Health Council, Inc.	99 unknown	(1,449)	-	(1,449)
Calif Medical Center	93 600	109,724	16,459	126,183
Calif State Univ, Fresno Foundation	10 455	2,273	227	2,500
Case Western Reserve University	99 unknown	51,493	11,178	62,671
Center for Applied Special Technology (aka Cast, Inc.)	84 324	76,613	25,282	101,895

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Other Programs (Continued)				
Federal Agency Awards Expended (Continued)				
Center To Protect Workers' Rights, The	93 955	\$ 135,257	\$ 30,218	\$ 165,475
Chemonics International Consulting Division	10 unknown	15,323	(791)	14,532
Chemonics International Consulting Division	98 001	773	201	974
Children's Hospital and Research Center at Oakland (incl Chori)	93 172	470,427	156,643	627,070
Children's Hospital of Los Angeles	93 unknown	(12)	(1)	(13)
Children's Hospital of Orange County	93 110	213,325	17,067	230,392
Children's Hospital of Orange County	93 283	65,732	8,182	73,914
Children's Hospital of Orange County	99 unknown	36,802	2,935	39,737
Circlepoint	15 231	32,864	10,123	42,987
Colorado State University	10 200	3,273	-	3,273
Colorado State University	10 unknown	2,486	-	2,486
Columbia University (incl Columbia-Presbyterian Medical Center)	47 050	15,837	7,127	22,964
Community Redevelopment Agency of The City of Los Angeles (CRA/LA)	14 227	131,000	26,000	157,000
Contra Costa County	93 052	(393)	(118)	(511)
Dartmouth College	93 242	7,308	585	7,893
Davis Farmers Market Foundation	10 168	6,339	634	6,973
Duke University (incl Duke Clinical Research Institute)	47 049	-	(7,420)	(7,420)
Duke University (incl Duke Clinical Research Institute)	47 075	158,432	4,291	162,723
Economic Development & Financing Corporation (EDFC)	11 307	15,380	2,307	17,687
Education Development Center, Inc.	47 076	22,603	4,973	27,576
El Proyecto Del Barrio	17 263	-	748	748
Emmes Corporation, The	93 unknown	32,630	7,726	40,356
Foothill Junior College Dist.	84 116	25,556	2,045	27,601
Georgia Institute of Technology (incl Georgia Tech Research Corp.)	12 unknown	69,044	29,630	98,674
Georgia, State of	93 041	51,286	4,616	55,902
HRL Laboratories, LLC	99 unknown	135,276	13,528	148,804
Hawaii, State of	93 283	9,203	2,104	11,307
Higher Education for Development (frmly Assn Liaison Ofc Univ Coop)	98 unknown	53,507	11,772	65,279
Imperial County	84 unknown	47,745	3,820	51,565
Inglewood, City of	14 218	62,533	-	62,533
Inst of International Education	19 unknown	119,490	-	119,490
Inst of International Education	84 unknown	3,456	-	3,456
Inst of International Education	98 unknown	(1,179)	(401)	(1,580)
Iowa State University (incl Iowa Energy Center)	10 352	16,385	5,571	21,956
Iowa State University (incl Iowa Energy Center)	10 unknown	95,353	29,226	124,579
Jet Propulsion Laboratory	43 unknown	1,363	491	1,854
Johns Hopkins University	47 049	35,282	5,000	40,282
Juvenile Diabetes Research Foundation International	93 855	14,886	-	14,886
La Clinica De La Raza Fruitvale Health Project, Inc.	93 unknown	84,886	28,012	112,898
Lantheus Medical Imaging	99 unknown	21,756	5,657	27,413
Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Ctr	93 242	41,841	22,594	64,435
Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Ctr	99 unknown	115,291	-	115,291
Los Angeles County Office of Education	84 363	24,621	1,970	26,591
Los Angeles County Office of Education	84 367	17,413	1,393	18,806
Los Angeles County Office of Education	99 unknown	32,714	2,617	35,331
Los Angeles Dept of Children and Family Services, County of	99 unknown	(3,730)	2	(3,728)
Los Angeles Health Dept, County of	93 069	29,744	7,013	36,757
Los Angeles Health Dept, County of	93 283	37,836	9,447	47,283
Los Angeles Unified School District	99 unknown	25,337	1,267	26,604
Los Angeles Urban League	99 unknown	8,913	446	9,359
Los Angeles, City of	17 263	1,124	57	1,181
Los Angeles, County of	93 283	-	650	650
Los Angeles, County of	93 889	499,938	-	499,938
Los Angeles, County of	99 unknown	221	58	279
Los Rios Community College District	47 076	12,199	4,148	16,347
Louisiana, State of	97 032	33,657	-	33,657
Marquette University (Milwaukee, WI)	84 133	50,426	13,111	63,537

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Other Programs (Continued)				
Federal Agency Awards Expended (Continued)				
Marriott Foundation for People with Disabilities	99 unknown	\$ 8,517	\$ 448	\$ 8,965
Mendocino, County of	93 unknown	33,452	11,039	44,491
Mississippi State University	20 unknown	(28,186)	(11,267)	(39,453)
Montana State University	10 unknown	-	15	15
Mount Sinai School of Medicine (New York)	93 853	37,730	-	37,730
Museum of Science	43 unknown	32,807	17,060	49,867
NAFSA Assn of International Educators (frmly Natl Assn Forgn Student)	19 430	1,240	-	1,240
NSABP Foundation, Inc. (Natl Surgical Adjuvant Breast & Bowel Project)	93 395	22,961	7,348	30,309
Nathan Associates Inc.	98 001	(168)	(44)	(212)
Natl 4-H Council	10 500	15,182	-	15,182
Natl Assn of County and City Health Officials (NACCHO)	93 008	25,136	6,535	31,671
Natl Childhood Cancer Fdn (incl Children's Oncology Group, Curesearch)	93 395	-	2,385	2,385
Natl Collegiate Athletics Assn	93 570	4,000	-	4,000
Natl Council On Economic Education (NCEE)	81 unknown	3,435	-	3,435
Natl Council on The Aging	93 048	19,144	1,914	21,058
Natl Fish and Wildlife Foundation	10 unknown	18,266	-	18,266
Natl Inst for Medical Research (NIMR) (Tanzania)	93 941	(1,545)	(232)	(1,777)
Natl Writing Project Corporation	84 928	312,285	-	312,285
Natl Writing Project Corporation	99 unknown	113,186	-	113,186
Nature Conservancy	15 unknown	25,569	6,648	32,217
Network for Earthquake Engineering Simulation Consortium Inc. (NEES)	47 041	631,758	172,442	804,200
Nevada, State of (incl Nevada State Health Division)	93 283	69,765	17,206	86,971
Nevada, State of (incl Nevada State Health Division)	93 889	39,411	9,780	49,191
New England Foundation for The Arts	45 024	2,000	-	2,000
New England Research Institute, Inc.	93 273	32,730	16,856	49,586
New Hampshire, State of	84 367	3,626	290	3,916
New York Hall of Science	47 076	7,700	2,310	10,010
Nis Solutions	14 unknown	73,351	24,206	97,557
North Carolina Agricultural and Technical State University	12 300	75,733	-	75,733
Northeast Valley Health Corporation	93 224	369,669	-	369,669
Northrop Grumman Corporation (incl Logicon Inc, Xetron Corporation)	99 unknown	-	140	140
Northwest California Resource Conservation and Development Council	10 674	1,861	409	2,270
Northwestern University	10 206	89,846	21,073	110,919
Oak Ridge Associated Universities	81 049	276	80	356
Oakland Unified School District	99 unknown	27,333	-	27,333
Oakridge Natl Lab (DOE GOCO Operated by Ut-Battelle, LLC)	81 unknown	-	(238)	(238)
Oregon Health Sciences University	47 050	13,536	6,091	19,627
Oregon State University	11 417	21,395	4,707	26,102
Pacific Institute for Research & Eval (incl Prevention Resch Ctr)	93 273	38,972	1,135	40,107
Parkinson's Institute (formerly Calif Parkinson's Foundation)	12 420	59,687	15,519	75,206
Pharad, LLC	99 unknown	-	(287)	(287)
Public Health Foundation Enterprises, Inc.	93 unknown	45,469	3,637	49,106
Public Health Foundation Enterprises, Inc.	99 unknown	84	7	91
Puget Sound Center for Teaching, Learning, and Technology (PSCTLT)	47 076	4,685	(68)	4,617
Purdue University	47 076	126	-	126
Radiation Monitoring Devices, Inc. (RMD)	93 unknown	-	6	6
Rancho Santiago Community College District	84 334	242,617	-	242,617
Rand Corp	93 242	(2,704)	-	(2,704)
Riverside, County of	99 unknown	454,839	-	454,839
Sacramento Area Council of Governments	20 unknown	77,180	-	77,180
San Francisco Community Clinic Consortium	93 107	(109)	(9)	(118)
San Mateo County	93 unknown	23,844	7,153	30,997
San Mateo County	99 unknown	53,169	15,951	69,120
Sandia National Laboratories	81 unknown	68,788	8,477	77,265
Santa Ana Unified School District	84 unknown	46,559	1,346	47,905
Santa Ana, City of	97 unknown	120,144	-	120,144
Santa Barbara, County of	93 243	59,324	4,933	64,257

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Other Programs (Continued)				
Federal Agency Awards Expended (Continued)				
Science Applications Intl Corp (SAIC)(incl Geo-cntr, Eai Corp)	12 300	\$ 121,005	\$ 31,461	\$ 152,466
Sexual Minority Alliance of Alameda County (SMAAC)	93 939	358	107	465
Simon Fraser University (Canada)	93 unknown	27,639	-	27,639
Social & Scientific Systems, Inc.	93 856	5,377	(5,630)	(253)
Southwest Educational Development Laboratory	99 unknown	301,714	93,786	395,500
Sri International (incl Sarnoff Corporation)	47 076	88,636	25,431	114,067
Stanford University	93 855	-	10	10
Stanford University	99 unknown	89,194	48,165	137,359
State University of New York (SUNY)	47 049	-	26	26
Sweetwater Union High School District (Chula Vista, CA)	99 unknown	43,728	3,498	47,226
Texas A&M University	10 500	236,864	23,687	260,551
Texas A&M University	47 074	-	283	283
U.S. Civilian Research and Development Foundation (CRDF)	19 unknown	10,743	3,653	14,396
United Negro College Fund (UNCF)	43 unknown	8,500	-	8,500
University and Community College System of Nevada (incl UNLV,Reno,DRI)	47 076	229,301	68,790	298,091
University of Arizona	10 303	61,857	15,464	77,321
University of Arizona	10 unknown	14,007	3,082	17,089
University of Cincinnati (incl College of Medicine, Emcreg Intl)	93 854	(476)	(139)	(615)
University of Georgia (incl Skidaway Institute of Oceanography)	99 unknown	20,665	2,480	23,145
University of Houston	47 080	18,219	8,199	26,418
University of Maine System	45 149	18,522	-	18,522
University of Michigan (incl William Davidson Institute)	45 149	29,489	-	29,489
University of Missouri System (Columbia/Kansas City/Rolla/St.Louis)	10 217	(11)	(2)	(13)
University of North Carolina	10 unknown	12,860	1,286	14,146
University of North Carolina	93 399	-	309	309
University of North Carolina	93 unknown	10,892	5,882	16,774
University of Pennsylvania	93 867	1,406	731	2,137
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	47 050	56,845	18,201	75,046
University of Southern California (incl Kenneth Norris, Jr Cancer Ctr)	84 015	32,293	2,583	34,876
University of Tennessee	93 unknown	-	2,937	2,937
University of Texas-San Antonio	99 unknown	23,561	1,885	25,446
University of Utah	93 865	-	2,593	2,593
University of Washington	10 206	268	63	331
University of Washington	93 145	(64,791)	(5,318)	(70,109)
University of Washington	93 856	63,142	34,097	97,239
University of Washington	98 unknown	62,761	15,906	78,667
University of Washington	99 unknown	658,631	48,028	706,659
University of Wyoming	10 500	10,182	-	10,182
Utah State University (incl Western Sare)	10 200	6,260	-	6,260
Utah State University (incl Western Sare)	10 500	6,318	-	6,318
Utah, State of	93 283	24,836	6,457	31,293
Washington State University (Pullman, Wa)	10 500	52,505	11,559	64,064
Watts Labor Community Action Committee (WLCAC)	99 unknown	34	2	36
Webplay (Santa Monica, CA)	84 351	93,245	27,075	120,320
West Hills Community College District (incl Coalinga & Lemoore)	84 031	196,481	-	196,481
West Hills Community College District (incl Coalinga & Lemoore)	84 unknown	3,659	-	3,659
Westat	93 unknown	(23)	(6)	(29)
Westat	99 unknown	61,936	19,820	81,756
Wested (frmly Far West Laboratory)	84 283	511,884	155,514	667,398
Yale University	93 865	(22,433)	(1,795)	(24,228)
Yeshiva University (incl Albert Einstein College of Medicine)	93 395	-	4,707	4,707
Yolo County	84 unknown	2,635	-	2,635
Yolo County	97 unknown	72,930	-	72,930
Total Pass Through Agency Awards Expended		28,794,459	3,640,004	32,434,463

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, 2008

	Federal CFDA #	Direct Expenditures	Indirect Expenditures	Total Expenditures
Other Programs (Continued)				
Federal Agency Awards Expended (Continued)				
Partial Pass Through Agency Awards Expended				
Alameda County Health Care Services Agency	99 unknown	\$ 134,169	\$ 16,100	\$ 150,269
Auburn University	10 500	121,665	-	121,665
Cal BTH Office of Traffic Safety	99 unknown	4,632,580	427,866	5,060,446
Cal DE Curriculum Instruction & Assessment Division	84 367	509,182	40,735	549,917
Cal DE Curriculum Instruction & Assessment Division	84 unknown	2,950	236	3,186
Cal DE/miscellaneous Divisions or Bureaus	10 558	33,834	-	33,834
Cal DE/miscellaneous Divisions or Bureaus	10 559	10,700	-	10,700
Cal DE/miscellaneous Divisions or Bureaus	84 367	73,364	5,869	79,233
Cal DE/miscellaneous Divisions or Bureaus	84 unknown	129,624	10,376	140,000
Cal EPA Water Control Board	66 640	108,668	-	108,668
Cal Governor's Emergency Services, Office of	97 063	2,566	-	2,566
Cal H&W Developmental Services, Department of	99 unknown	-	2	2
Cal H&W Education, Liaison, Office of	84 367	101,116	8,089	109,205
Cal H&W Education, Liaison, Office of	93 575	7,673	-	7,673
Cal H&W Health Care Services, Department of (DHCS)	10 unknown	503,362	107,704	611,066
Cal H&W Health Care Services, Department of (DHCS)	93 779	108,124	19,651	127,775
Cal H&W Health Care Services, Department of (DHCS)	99 unknown	87,357	4,855	92,212
Cal H&W Social Services, Department of	10 561	34,201	8,892	43,093
Cal H&W Social Services, Department of	10 unknown	582,649	-	582,649
Cal H&W Social Services, Department of	93 658	470,088	(64,171)	405,917
Cal H&W Social Services, Department of	93 unknown	949,590	-	949,590
Cal Institute for Regenerative Medicine (CIRM)	99 unknown	1,049,143	104,914	1,154,057
Cal Postsecondary Education Commission	84 unknown	-	378	378
Cal Postsecondary Education Commission	99 unknown	58,284	4,663	62,947
Cal Service Corps, The (frmly Governor's Ofc on Srvc & Volunteerism)	99 unknown	62	3	65
Center for Plant Conservation (Missouri)	15 unknown	19,984	2,398	22,382
El Proyecto Del Barrio	17 263	(745)	(37)	(782)
Inst of International Education	84 unknown	208,085	-	208,085
Los Angeles Dept of Children and Family Services, County of	99 unknown	(201)	(52)	(253)
Los Angeles Health Dept, County of	93 283	9,371	2,436	11,807
Los Angeles Universal Preschool (LAUP)	99 unknown	1,992	199	2,191
Natl Writing Project Corporation	84 928	77,539	-	77,539
Northern Calif Institute for Research and Education, Inc. (VA Fdn)	99 unknown	149,677	38,916	188,593
Private Industry Council of Southeast Los Angeles County, Inc.	99 unknown	206	(294)	(88)
Sacramento City Unified School District	84 215	22,852	4,868	27,720
San Francisco State University Foundation, Inc.	99 unknown	4,183	-	4,183
Santa Clara County	10 561	112,867	24,842	137,709
United Therapeutics Corp. (incl Lung Rx, Inc.)	99 unknown	-	333	333
University Corp for Atmospheric Research	47 050	39,228	10,199	49,427
University of Arizona	47 050	-	(5)	(5)
World Health Organization (Intl)	99 unknown	129	-	129
Yolo County	16 unknown	10,881	-	10,881
Yolo County	84 215	121,659	26,765	148,424
Zymed, Inc.	99 unknown	1,313	382	1,695
Total Partial Pass Through Agency Awards Expended		10,489,971	807,112	11,297,083
Total Other Programs		200,826,934	15,620,727	216,447,661
Total Federal Awards		\$ 2,593,239,664	\$ 683,097,818	\$ 3,276,337,482

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, 2008

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. Negative amounts represent adjustments in the normal course of business to amounts reported in a prior year.

Consistent with the provisions of OMB Circular A-133, the accompanying Schedule of Expenditures of Federal Awards does not include the expenditures of the major Department of Energy ("DOE") national laboratories operated and managed by the University under contracts directly with DOE for the year ended June 30, 2008 – as they represent government-owned, contractor operated (GOCO) facilities.

2. Loan Programs

The University participates in the following federal loan programs:

		2007-2008 Amount Authorized or Advanced (in thousands)	Outstanding Balance as of June 30, 2008 (in thousands)
U. S. Department of Education	CFDA Number		
Federal Perkins Loan Program	84.038	\$ 26,061	\$222,133
Federal Family Educational Loan Program	84.032	\$312,270	N/A
Federal Direct Student Loan Program	84.268	\$512,212	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	\$5,351	\$34,449
Nursing Student Loan Program	93.364	\$170	\$1,305
Nursing Faculty Loan Program	93.264	\$237	\$770

University of California
Notes to Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2008

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 CFDA number, when available. In accordance with instructions distributed by the Federal Audit Clearinghouse, when CFDA 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 because the pass-through entity is unable to determine the portion that is federal.

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 1.31% of the total funding for these Cal Grant awards. In fiscal year 2008 the University received Cal Grant A and B funds in the amount of approximately \$294,087,048; 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. Nonmajor Programs, Pass-Throughs and Partial Pass-Throughs

The University has listed, within the Schedule of Expenditures of Federal Awards, amounts received from pass-through entities by entity and Federal CFDA number. Specific identifying numbers assigned by the pass-through entities are recorded and maintained in the University's information system.

**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, 2008, and have issued our report thereon dated October 10, 2008. As discussed in the significant accounting policies in the Notes to Financial Statements, the University adopted Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of July 1, 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, 2008 which is included in Appendix A.

This report is intended solely for the information and use of the University's Board of Regents, its audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PriceWaterhouseCoopers LLP

October 10, 2008

**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, 2008, 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, 2008. 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 08-1 through 08-5.

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 response 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 Board of Regents, its audit committee, 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.

Price Waterhouse Coopers LLP

March 30, 2009

University of California
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Part I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

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

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

Noncompliance material to financial statements noted? No

Federal Awards

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

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

Significant deficiencies identified not considered
to be material weakness(es)? No

Any audit findings disclosed that are required to be
reported in accordance with OMB 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

Dollar threshold used to distinguish between Type A and Type B programs: \$9,829,012

Auditee qualified as low-risk auditee? Yes

Part II – Financial Statement Findings

None reported.

University of California
Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2008

Part III – Federal Award Findings and Questioned Costs

Part A

Finding 08-01: Untimely Cost Transfers

Research and Development Cluster

National Institutes of Health, Collaborative Network for Clinical Research on Immune Tolerance, CFDA # 93.000, Award # N01AI15416, \$37,129

National Institutes of Health, Center for International AIDS Support, Training, and Evaluation, CFDA # 93.389, Award # U62CCU922423, \$8,960

National Science Foundation, Acquisition of a Powered X-ray Diffractometer for Environmental and Materials Research, CFDA # 47.050, Award # EAR-0619398, \$15,241

Department of Defense, Center for Nanoscience Innovation for Defense, CFDA # 12.999, Award # H94003-06-20604, \$6,416

Questioned Costs

None noted.

Criteria

The University is committed to the accurate and timely maintenance of its financial records. Situations requiring the transfer of recorded costs must be identified and processed expeditiously. Additionally, special considerations must be given to transfers of cost to federal funds to ensure that the University action meets the administrative standards established by the federal government. The NIH Grants Policy Statement states: "Cost transfers to NIH grants by grantees, consortium participants, or contractors under grants that represent corrections of clerical or bookkeeping errors should be accomplished within 90 days of when the error was discovered." The University expects to discover errors within 120 days from the close of the month in which the original charge posts to the ledger. Thus, the University has established policy to require cost transfers to be recorded within 120 days of the end of the month in which the original charge posts to the ledger. While NIH policy does not restrict the time period for cost transfers until the error has been discovered, the University has elected to limit cost transfers to within a total of 120 days of the end of the month in which the original charge posts to the ledger to provide a more systematic control over cost transfers and in recognition of University financial policy that expects timely reconciliation of ledgers.

Condition

Cost transfer testing was performed at four campuses. Out of a total of 120 valid cost transfers selected for testing, we noted 17 instances across all four campuses in which the transfers were completed more than 120 days after the original date of the transaction. We noted the transfers occurred between 9 and 245 days late. The number of days late was calculated based on the University's policy. We could not determine the date of discovery of the error.

Cause

For all our observations of late cost transfers, various causes were noted.

Effect

The untimely cost transfers allowed costs not ultimately determined for a particular award, to remain on that award for longer than is prescribed by University policy.

University of California
Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2008

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 University and agency guidelines.

Management's Views and Corrective Action Plan

Management's response is reported in "Management's Views and Corrective Action Plan" and is considered part of this report.

University of California
Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2008

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

Part A (Continued)

Finding 08-02: Ensure Title IV Funds Are Returned In a Timely Manner

Student Financial Aid Cluster

Federal Perkins Loan CFDA #84.038

Citation

34 CFR section 668.173(b)

Questioned Costs

None.

Criteria

An institution 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.

Condition

Title IV testing was performed at two campuses. For both campuses where a total of 60 calculations were examined for testing, we noted two instances in which the funds were not returned within 45 days. Delays of three and five days were noted.

Cause

In these two 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.

Effect

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

Recommendation

We recommend that management institute controls to ensure the need to return Title IV funds is identified on a timely basis and that amounts are returned within the required period.

Management's Views and Corrective Action Plan

Management's response is reported in "Management's Views and Corrective Action Plan" and is considered part of this report.

University of California
Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2008

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

Part A (Continued)

Finding 08-03: Timely Submission of Student Status Changes

Student Financial Aid Cluster

Federal Direct Student Loan Program CFDA #84.268

Citation

34 CFR section 685.309(b) (2)

Questioned Costs

None noted.

Criteria

The University must complete and return within 30 days of receipt the student status confirmation report unless the University expects to complete its next student status report within 60 days.

Condition

Student status change testing was performed at two campuses. Out of a total of 60 students selected for testing, we noted five 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 1 to 72 days were noted.

Cause

The University's procedures with respect to accurate reporting to NSLDS of borrowers' enrollment status changes and effective dates were not always closely followed.

Effect

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

Recommendation

We recommend that the Registrar compare the NSLDS list to a list of students with federal 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 help ensure timely submission of student status changes to the NSLDS by the Registrar.

Management's Views and Corrective action Plan

Management's response is reported in "Management's Views and Corrective Action Plan" and is considered part of this report.

University of California
Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2008

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

Part A (Continued)

Finding 08-04 Timeliness of Federal Report Submission

Research and Development Cluster

National Institutes of Health, Center for International AIDS Support, Training, and Evaluation, CFDA # 93.389, Award # U62CCU922423

Department of Defense, Center for Nanoscience Innovation for Defense, CFDA # 12.999, Award # H94003-06-20604

Citation

OMB Circular A-110, Section 52, Paragraph 4 and specific award requirements

Questioned Costs

None noted.

Criteria

Report SF-272, known as the *Federal Cash Transactions Report* or FCTR, provides a total accountability to each granting agency of all federal cash received by the recipient and is prepared by the University on a quarterly basis. The report details prior reported cumulative expenditures, current quarter expenditures, and current cumulative expenditures for all open grants. Per the grants selected for testing, it was noted that they all have a reporting requirement to file the report SF-272 within 15 days following the end of each quarter.

Condition

Quarterly FCTRs Federal Cash Transaction Reports were tested at four campuses. Out of a total of 44 reports selected for testing, we noted six instances at two campuses in which the FCTRS were not filed within the 15-day requirement. The required reports were filed on average 60 days late, ranging from 1 to 201 days late.

Cause

There was a failure by the responsible parties to follow required University policies.

Effect

Federal agencies do not receive the required financial information on a timely basis.

Recommendation

We recommend that the University implement more stringent monitoring and review procedures to ensure that all Federal Cash Transaction Reports are prepared and filed within the required 15 day period to comply with federal regulations.

Management's Views and Corrective Action Plan

Management's response is reported in "Management's Views and Corrective Action Plan" and is considered part of this report.

University of California
Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2008

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

Part A (Continued)

Finding 08-05: Period of Availability

Research and Development Cluster

Department of Defense, Center for Nanoscience Innovation for Defense, CFDA # 12.999, Award # H94003-06-20604 and H94003-06-20608

Citation

A-102 Common Rule, § ___.23; OMB Circular A-110, § ___.28

Questioned Costs:

Total Costs = \$31,284

Criteria

Federal awards may specify a time period during which the non-Federal entity may use the Federal funds. Where a funding period is specified, a non-Federal entity may charge to the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency. Also, if authorized by the Federal awarding agency, unobligated balances may be carried over and charged for obligations of the subsequent funding period. Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the non-Federal entity during the same or a future time period.

Conditions

Direct cost testing was performed at four campuses. Out of a total of 160 direct cost transactions selected for testing, we noted one campus had 16 out of 40 instances related to two awards in which the direct cost charge was not incurred within the grant's period of availability.

- For one out of the four travel charges tested, the travel did not take place within the grant period for Fund # 23111 (9/28/06 - 11/30/07). Per the travel expense report, the trip begin date was 12/3/07 and end date was 12/5/07. Per the voucher and invoice detail, the invoice date was 3/7/08 and paid date was 3/14/08.
- For four out of fifteen other direct costs tested, the charges/services were not incurred within the grants period of availability.
- For two out of ten equipment transactions tested, the acquisitions did not occur within the grant period for Fund # 23111 (9/28/06 - 11/30/07) and Fund 23110 (9/30/06 - 9/30/07). Charges were made April 2008 and January 2008, respectively.
- For nine out of 40 procurement transactions tested, the charges/services were not incurred within the grant period of availability.

University of California
Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended June 30, 2008

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

Part A (Continued)

Finding 08-05: Period of Availability (Continued)

Cause

The one award to which these findings relate was administered by a relatively new and growing research center, the Center for Nano-Science and Engineering. This center collaborates with several academic departments on campus and became reliant on administrative support from the collaborating departments. Personnel providing the administrative support were not adequately trained to ensure compliance with federal requirements. The University's Internal Audit Department identified the need for improved compliance by this center and as a result administration of awards to the center was restructured in January 2008. In addition, all of the center's transactions occurring after award end dates were reviewed internally and transferred to appropriate funding sources by June 30, 2008.

Effect

Costs were charged to an expired grant.

Recommendation

We recommend that the University enhance its focus on ensuring that charges are made to grants within the period of availability to ensure compliance with the agency guidelines.

Management's Views and Corrective Action Plan

Management's response is reported in "Management's Views and Corrective Action Plan" and is considered part of this report.

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 Federal Perkins Loan Program. The ACS Audits of Federal Student Financial Assistance Programs Report for the year ended June 30, 2008 includes two findings related to the application of a grace period following deferment and improper processing of payment due dates, together with ACS management's responses to these findings.

University of California

Summary Schedule of Prior Year Findings and Questioned Costs

For the Year Ended June 30, 2008

Part A: Findings

Finding 07-01, 06-05, 05-01 Untimely Cost Transfers

Similar instances of noncompliance were noted in 2008. See Finding 08-01.

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

Similar instances of noncompliance were noted in 2008. See Finding 08-02.

Finding 07-03 Timely Submission of Student Status Changes

Similar instances of noncompliance were noted in 2008. See Finding 08-03.

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

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

The campus has completed the following corrective action plan.

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 who 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.

Part B: Other 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. No such instances were noted in the report for the year ended June 30, 2008.



VICE PRESIDENT—FINANCIAL MANAGEMENT

OFFICE OF THE PRESIDENT
1111 Franklin Street, 10th Floor
Oakland, California 94607-5200
March 30, 2009

**FY 20007-08 FINDINGS
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN**

Finding 08-01: Untimely Cost Transfers

In response to the finding of untimely cost transfers identified by the A-133 audit of federal expenditures, the University of California has taken various actions to enhance its controls and to ensure that untimely cost transfers do not result in unallowable costs charged to federal awards. While the issue has proven to be difficult to eliminate fully, ensuing audit results have demonstrated an improving trend resulting from the University's continued efforts to reduce the number of instances of untimely cost transfers. This improving trend is reflected in the decreased number of untimely cost transfers identified during the audit despite increases in the test sample size.

The efforts taken by the University to enhance its controls and to ensure its compliance with its cost transfer policy include the following:

1. Continuing discussion with campus Controllers to ensure awareness of the potential problem with untimely cost transfers and to identify appropriate control procedures and best practices that can be implemented by each campus. In turn, campus Controllers have communicated widely on their campuses the need for timely cost transfers.
2. The University has enhanced its policy on cost transfers to re-emphasize the importance of timeliness in their processing. The revised policy, Number A-47, *University Direct Charging Procedures*, was issued in September 2008, after extensive discussions with campus Controllers and other University stakeholders over many months to ensure an effective policy that will promote maximum compliance throughout the University. It begins with the following introduction:

The University is committed to the accurate and timely maintenance of its financial records. Situations requiring the transfer of recorded costs must be identified and processed expeditiously. Additionally, special considerations must be given to transfers of cost to federal funds to ensure that the University action meets the administrative standards established by the federal government.

3. All campuses have completed or are in various stages of implementing system controls and edits to identify, monitor and control transactions that result in untimely cost transfers.

For example, the Davis campus added an edit to the financial system preventing non-payroll transfers to federal funds that are greater than 120 days from the close of the month-end ledger in which the original charge was recorded. A similar edit for payroll transfers was also added to the payroll personnel system.

As a result of the implementation of the new edits, transfers greater than 120 days to federal funds can only be processed by Extramural Funds Accounting (EFA). In order for a transfer to be considered for approval

by EFA, the campus department must submit a request to EFA which fully documents and substantiates the extenuating circumstance that prevented the transfer from being processed in a timely manner. EFA approval of a late transfer request will be determined based on review of all documentation provided and consultation with the campus department's Assistant Dean.

4. All campuses have established special approval procedures for untimely cost transfers.

For example, the San Francisco campus has developed a quarterly monitoring report to identify cost transfers onto federal funds that exceed the University policy limit of 120 days. Departments with significant transfers are required to submit requests for policy exceptions to the Controller, or to remove the "old" transactions from the federal funds. Departments are encouraged to request such policy exceptions in advance, where circumstances such as late awards and retroactive awards warrant the exception.

5. All campuses have developed and conducted general and targeted training of University personnel on the requirements for timely cost transfers and the importance of compliance with policy.

For example, at the Los Angeles campus, training courses currently address the rules and procedures on the allowability and allocability of expenses. Course 3: *Setting up Awards and Incurring Expenses* emphasizes the importance of posting expenses which are allowable and appropriate to the research award. This is now an on-line course which allows for easy access by campus departments. Content of this has been reviewed and continues to be reviewed by Extramural Fund Management personnel.

Various notifications have been sent to campus to promote timely review of expenses and timely correction of errors through the Office of Research Administration (ORA) listserv and the Research Administrators Forum (RAF) sessions held on campus. Meetings with campus groups and individual administrators also emphasize the need for scheduled reviews and timely identification of errors for correction.

Training and outreach efforts are continuing. The Research Administrators Forum is now scheduled on a monthly basis which will allow for updates and reminders from all departments within ORA to campus administrators. This will be a regularly scheduled mechanism to continue to remind campus of the importance of allowability and allocability of research costs.

It is the policy and practice of the University to process transfer of costs on a timely basis. It is also the policy of the University to minimize the need for transfers. The University will continue its effort to ensure compliance with these policies. The University of California -- Office of the President will continue the initiative to encourage the development and identification of best practices to further ensure timely cost transfers. This initiative is managed by Jorge Ohy of Financial Management -- Office of the President.

Finding 08-02: Ensure Title IV Funds Are Returned in a Timely Manner

The campus Academic Advising Coordinator will work with college advisers to develop and implement a plan to ensure timely notifications of withdrawals are received in the Financial Aid Office. The Financial Aid office will institute weekly reports to identify students without enrollments who are receiving federal student aid that has not been adjusted due to a withdrawal. These two actions will facilitate earlier identification of withdrawn students and reduce the turn around time of withdrawal/cancellation forms thereby allowing the Financial Aid Office to complete the return calculation and authorize the refund within federal time requirements.

The campus reviewed its process for returning Title IV funds and determined delays were caused by individuals not communicating information in a timely manner. Accordingly, the Office of the Registrar and Financial Aid and Scholarships conducted a series of meetings with the campus community, stressing the importance of timely exchanges of information between campus departments and offices.

Finding 08-03: Timely Submission of Student Status Changes

This finding applied to new students with aid that withdrew prior to our third week cut off and are entitled to retain a portion of their aid. The Office of the Registrar has revised its process to identify this population to meet the reporting requirements.

The campus Office of the Registrar has developed a partially automated weekly reporting schedule with the National Student Clearinghouse analysts to ensure compliance with the 30 day reporting to NSLDS. There is currently a back-up process in place to finalize the reports. We are working with Information Technology Services to fully automate the process.

The campus reviewed its process for reporting of student status changes and determined delays were caused by individuals not communicating information in a timely manner. Accordingly, the Office of the Registrar and Financial Aid and Scholarships conducted a series of meetings with the campus community, stressing the importance of timely reporting of student status changes between campus departments and offices.

Finding 08-04: Timeliness of Federal Report Submission

The campus Extramural Funds Accounting (EFA) will enhance its monitoring processes of quarterly FCTR submissions to ensure compliance with timely submissions as prescribed by federal agency regulations. EFA managers will review timelines for FCTR submissions at the beginning of each quarter with supervisory personnel and monitor progress to ensure reporting deadlines are met.

Finding 08-05: Period of Availability

The finding was self identified and reported in a campus internal audit report. The finding was isolated to one unit, for two awards managed by a single principal investigator. No additional occurrences were uncovered by the external auditor during this audit of federal expenditures. Management has taken the following corrective action:

All transactions of this unit occurring after the award end dates were thoroughly reviewed and transferred to appropriate funding sources by the end of the fiscal year.

The unit and the University have agreed to re-structure the administration of the unit whereby all transactions affecting its funds would be initiated by the unit with close oversight by the University Dean's Office; the re-structuring will improve efficiencies and compliance.

As a result of campus initiated SAS112 training and the internal audit, a list of recommendations to improve sponsored program administration was developed and presented to the Executive Vice Chancellor for consideration. In June 2008, the Dean's Council endorsed the plan to enhance accountability and compliance in sponsored programs.

DISPOSITION OF PRIOR YEAR FEDERAL AWARD FINDINGS (FY 2006-07)

Finding 07-01 Untimely Cost Transfers

Similar instances of noncompliance were noted in 2008. See Finding 08-01.

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

Similar instances of noncompliance were noted in 2008. See Finding 08-02.

Finding 07-03 Timely Submission of Student Status Changes

Similar instances of noncompliance were noted in 2008. See Finding 08-03.

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

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

The campus has completed the following corrective action plan.

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.

A handwritten signature in black ink, appearing to read 'Jorge Ohy', with a stylized flourish at the end.

Jorge Ohy
University of California

Appendix A

University of California

Report to The Regents' Committee on Compliance and Audit
For the year ended June 30, 2008

October 16, 2008

To The Regents Committee on Compliance and Audit of the
University of California

We recently completed the audit of the financial statements of the University of California (the "University") for the year ended June 30, 2008 and reported on them, as well as on the separately issued financial statements of related entities, including the University's five medical centers, Retirement System, and the Health and Welfare Benefit Program (including the Retiree Health Benefit Trust). 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 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 certain deficiencies that are of a lesser magnitude. See the following report for detailed comments along with management's responses.



Comments relative to the Lawrence Berkeley National Laboratory (LBNL) 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 2008 Regents' Committee on Compliance and Audit 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 Compliance and Audit, management and others within the University.

Sincerely,

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style, with the letters being somewhat slanted and connected.

PricewaterhouseCoopers LLP

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Current Year Comments**1. Improve Reviews and Ensure 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 reviews, were not performed effectively and/or were not consistently reviewed within a reasonable time period. Specifically, we found exceptions in the cash, revenues and receivables, 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 identified key control, including key accounts and reports.

Management's Response

This observation was made at four campuses, the Lawrence Berkeley National Laboratory and the Office of the President. At each location, management agreed with the observation and indicated they will implement policies and procedures to ensure appropriate and timely review, approval and documentation of identified key controls.

2. Strengthen Accounting for Non-routine Transactions at the Campus Level – Control Deficiency***Observation***

During our audit, two adjustments were identified related to certain non-routine transactions originating at the campus level which did not go through the normal channels for reporting. As a result, appropriate accounting treatment for the items was not correctly considered and the campus general ledger accounts were incomplete and inaccurate as of year-end. The cause for this was primarily due to insufficient communication between the campus controller's office, the budget and resource management office, the development office and/or certain academic departments.

Recommendation

We recommend that campus management reinforce the importance of reporting significant non-routine transactions by the entire campus community to the controller's office in a timely manner. In addition, controls should be developed at the campus level which would ensure that future significant non-routine transactions would be captured and recorded completely and accurately on the campus general ledger.

Management's Response

This observation was made at two campuses. At each location, management agreed with the observation and indicated they will reinforce communications and implement a control process to identify and consider the accounting treatment for any significant non-routine transactions.

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 management and The Regents give careful consideration to these findings and their impact.

3. Perform 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.

Recommendation

During our testing of manual key controls, we identified certain compensating key controls which, if operating effectively, would mitigate the financial reporting risk posed by the aforementioned issue. For the year ended June 30, 2008, these manual controls were tested and concluded to be operating effectively. While compensating controls are present, we propose the following recommendations to reinforce the importance of having all key controls, both systems-related and manual, operate effectively, at each and all levels of the process to fully mitigate financial reporting risks.

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, four medical centers and Office of the President. At each location, management agreed with the observation and indicated that it has started the process to 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.

4. Perform Risk Assessments and Monitor 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. At some locations, there was evidence that IT management has considered the likelihood, potential implication and risks of directly accessing data; however, a formal risk assessment has not yet been performed and documented.

While progress has been made by management to address the monitoring of sensitive data access, opportunities continue to exist to enhance the monitoring 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 consistent 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

During our testing of manual key controls, we identified certain compensating key controls which, if operating effectively, would mitigate the financial reporting risk posed by the aforementioned issue. For the year ended June 30, 2008, these manual controls were tested and concluded to be operating effectively. While compensating controls are present, we propose the following recommendations to reinforce the importance of having all key controls, both systems-related and manual, operate effectively, at each and all levels of the process to fully mitigate financial reporting risks.

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 three campuses, two 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 and document periodic risk assessments of sensitive data and tables for key systems and accounts. Management has agreed to continue 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.

Status of Prior Year 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.

COMMENTS ORIGINATING IN FY07**Status**

- | | |
|--|-------------|
| 1. Evidence of review and timeliness of key controls | In-progress |
| 2. Periodic reviews of IT user access | In-progress |
| 3. Risk assessment and monitoring of sensitive data access | In-progress |

COMMENTS ORIGINATING IN FY06**Status**

- | | |
|---|-----------|
| Eliminate or Reconcile Any Differences between the UCLA Medical Center General Ledger and the Campus General Ledger | Completed |
|---|-----------|