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President’s Message

When I arrived on the CSULB campus almost 12 years ago, I found an academic community filled with dedicated scholars, teachers, staff and students. In the years since then, I have watched this dedication foster the growth in both excellence and size all across this wonderful institution. Certainly, the CSULB Foundation has kept pace with the rest of the university. The work done by the men and women in the Foundation helps widen the scope and enhance the quality of the essential work we do, and is, thus, essential itself. I cannot commend them enough! I would also like to thank our fine Foundation Board of Directors. These dedicated directors, who volunteer their time and energy to this organization, are fine examples of leadership at its best.

As many of you know, I am retiring as the president of CSULB. As I depart, I take great comfort in knowing that the Foundation, along with the institution it supports, will continue not only to grow but to flourish.

Go Beach!

Sincerely,

Robert C. Maxson
President
Executive Director's Report

Many significant changes have taken place this past year. After 12 years of positive leadership, President Maxson has announced his retirement from CSULB. The Foundation would like to thank him for his support of the Foundation and his guidance on the Foundation Board of Directors. He will be greatly missed, and we wish him well.

The Foundation's financial condition continues to improve. Positive market conditions and investments have contributed to the Foundation's success this year, as well as growth in the CCDOT and Technology Park programs. The Technology Park has come a long way from inception to date, and the campus takes great pride in its contribution to the community.

The Foundation looks forward to the upcoming year and all of the changes it may bring. The unwavering dedication of the staff and administration makes transition an easy hurdle to overcome.

A special thanks to President Maxson, the Foundation Board of Directors and the campus community for their continued support.
Board of Directors
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The 2004-05 year saw some major accomplishments for University Relations and Development, as a total of $25,028,235 was raised on behalf of the university. CSULB has now raised more than $160 million during the past six years.

This past year, CSULB’s support levels continued to expand. More than 19,000 donors supported the university, with nearly 12,400 alumni who gave more than $5.2 million. The Annual Fund also raised $1,191,000, exceeding its goal.

One of the most visible gifts of the year was a $2.1 million commitment from former College of Business Administration Dean Mike Walter and his wife, Arline. Their contribution was directed toward Athletics and the Edge of Excellence initiative, which supports faculty and student research activity. The Walter Pyramid was formally named in their honor, in recognition of their generosity. Additionally, the Walters’ lead gift to Athletics was combined with major gifts from Glen and Debbie Bickerstaff, Mick and Louise Ukleja, Mark and Janice Dickson, Dick and Joan Vind, Rocky and Julie Suares, and Perry Moore to help launch the Legacy Initiative for Athletics, a five-year fund-raising campaign to support the program.

CSULB alumnus Mick Ukleja and his wife, Louise, supporters of numerous campus programs and for whom the Ukleja Athletic Hall of Honor is named, made a significant commitment to the university toward establishment of the Ukleja Center for Ethical Leadership. The center helps promote ethical leadership in our society through community service, university research and support of ethics across the curriculum.

Glen and Debbie Bickerstaff donated $625,000 to the Athletic Department to support the Bickerstaff Center for Student-Athlete Services and a new student-athlete strength and conditioning complex. They also contributed $15,000 to student-athlete scholarships.

The Boeing Company, a long-time supporter and partner of CSULB, donated five patents valued at $2.43 million. The patented processes will be used by faculty in the College of Natural Sciences and Mathematics and the College of Engineering in their research and teaching. In addition, Boeing contributed $25,000 to the Carpenter Performing Arts Center Capital Improvement Drive and $30,500 to the College of Engineering. Boeing also gave more than $101,000 in additional support to CSULB colleges and programs.

An endowment from the Uka and Nalini Solanki Foundation was provided to establish the Yadunandan Center for India Studies. The center will be dedicated to the impartial study of India’s cultures, peoples and history through a variety of academic disciplines.

Continuing its support of the university, The John S. and James L. Knight Foundation contributed a total of $300,000 for the Reach Project, $170,000 for Family and Consumer Sciences and $130,000 for Teacher Education. The Long Bay Charitable Foundation contributed $150,000 to the university, $25,000 to Disabled Student Services and $125,000 to the Walter Pyramid campaign.

The George and Gloria Deukmejian Scholarship for Students with Disabilities was established with a $107,280 donation to Disabled Student Services through the Division of Student Services. The former California governor has been an active participant in raising funds to assist disabled students since 1993. Another large personal gift was made to support the Phyllis Jackson Memorial Scholarship in the Journalism Department through the College of Liberal Arts.

Legendary filmmaker George Lucas stepped up with a $100,000 gift to assist the Film and Electronic Arts Department in replacing items lost to flooding caused by heavy rains in the early part of 2005, and The Carpenter Family Foundation contributed $115,000 to the Karen and Richard Carpenter Performing Arts Center.

Additional contributions were $90,000 from the Harvest Group, LLC to support the Sichuan Derui Business Scholarship and the Center for International Business Education, along with $25,000 from Gunawan Jusuf to support the center, each in the College of Business Administration; and $75,000 from an anony-
mous donor in support of the Edge of Excellence initiative and the President’s Scholars Fund.

The College of Health and Human Services received support in the form of $70,503 from the Saint Francis Medical Center for the Promotora Project; $100,000 from HealthNet and $50,000 from Kaiser Permanente for the Latino Healthcare Professionals Project; $100,000 from Hoag Hospital for the nursing program and $100,000 from the Bernard Osher Foundation for the Osher Lifelong Learning Institute.

The Reach Project received $76,400 from the Confidence Foundation and $21,493 from Verizon; and $25,000 was donated from the DEA Survivors Benefit Fund for the George Montoya Scholarship.

The College of Natural Sciences and Mathematics received support through a contribution of $60,796 from Dr. Gisela M. Eckhardt for the Wilfried and Gisela Eckhardt Charitable Remainder Unitrust; $50,000 from Paramitas Foundation for the Crustacea of Taiwan; $40,000 from the Carl W. Johnson Foundation for the Bert and Ethel Conrey Endowment; and $25,000 from Dora Henderson for the R.B. Henderson Memorial Fund. Individual faculty members were awarded competitive grants to support their research from ALSA ($48,159), the American Chemical Society ($20,000) and multiple grants from the Research Corporation totaling $81,491.

Other contributions included $50,000 from the Astro Aluminum Treating Co., Inc., for the Walter Pyramid campaign; $50,000 from Marguerite Moreaux to establish the Robert Whitten Memorial Scholarship through Disabled Student Services; $36,000 from the National Council of La Raza in partnership with Eli Lilly and Company to support the Latino Mental Health Summit; and $31,038 from Steven F. Livingston for the President’s Scholars Fund.

The Northrop Grumman Foundation gave $30,000 for the Arts Bridge Project; $28,000 came from the Melvin and Selma Abramovitz Trust and $25,000 from Anthony Grajeda for the Dennis W. Dutzi Gallery, each through the College of the Arts. Erin Gruwell’s Education Project, through University College and Extension Services, received $25,000 each from the Jack B. Corwin Charitable Foundation and The Kayne Foundation.

Further gifts were $25,000 from the Earl and Loraine Miller Foundation to support the Japanese Garden; $25,000 from Paul Sandorff for the Consuelo Nieto Scholarship; and $25,000 from Phyllis Mitchell for the Mitchell Scholarship Fund, each in the College of Education.

The Joan M. Wismer Foundation gave $30,000 to the Joan M. Wismer and Hilda and Preston Davis Endowment Fund to support the President’s Associates; $20,400 from Alexandra Jaffe for the College of Liberal Arts; $25,000 from Fern D. Ward for the Fern Ward Gift Annuity; and $47,200 from Cadence Design Systems, Inc., for Cadence Scholarships and curriculum development, each through the College of Engineering.

And contributions in the amount of $20,000 came from ARB, Inc. for the Corporate Scholars Council; the Argyros Foundation for the Julia Argyros President’s Scholarship; the Long Beach Rotary Foundation to support the Long Beach Rotary Millennium Scholarship through the Division of Student Services; and the Port of Long Beach for the Center for International Trade and Transportation through University College and Extension Services.
Office of University Research

Working closely with the Foundation, the Office of University Research (OUR) provides support for the university and its auxiliaries for grant and contract pre-award processes. Such activities as advising faculty, staff and administrators of grant and contract opportunities; assisting proposal applicants with preparing and forwarding their funding proposals; and overseeing campus-approved grant and contract clearance procedures, are part of the Office’s charge. In addition, the Office provides oversight for most research compliance activities, including experimental subjects’ protocols, intellectual property and technology transfer, and conflict of interest filings with respect to grant and contract submittals. The Office also manages the internal grants programs for faculty involved in research, including the Conference Grants and Scholarly and Creative Activities Awards (SCAA) programs. As well, the Office works with various offices on campus, among them Governmental Relations, University Relations and Development, and the Faculty Center for Professional Development, to offer grant writing institutes and other professional development opportunities to university researchers.

Last year was a very productive and energizing year, with signal growth in internal capacity for faculty research and creative activities, as well as receipt of a significant number of external grants and contracts. The university increased by more than a third its support for internal grants for faculty researchers (including conference travel), thereby building capacity for faculty scholarly accomplishments. One of the underlying tenets of the operation of the OUR is its reliance on partnerships to carry out its mission. Some of the effective partnership activities this past year include:

In partnership with the Faculty Center for Professional Development, the Office continued its programming of successful scholarly and grant writing, and grant management institutes for faculty and staff researchers, assisting more than 80 scholars at events held in January, March and June.

In partnership with the American Association of State Colleges and Universities, the OUR hosted a national conference in February 2005 on the theme, “Protecting Human Subjects in Social, Behavioral and Educational Research.” This event drew over 200 participants and was held at the CSU Chancellor’s Office.

In partnership with the CSULB Foundation, University College and Extension Services, and Governmental Relations, the Office worked closely with faculty and staff researchers participating in
In partnership with faculty, staff and administrative principal investigators, and benefiting from highly positive interactions with the academic colleges, CSULB Foundation grants and contracts administration, and University Relations and Development personnel, the Office processed more than 300 external grant or contract proposal clearances, and close to 300 internal grant clearances.

In addition to the funded programs cited above, the following externally funded projects give an expanded view of the breadth of excellent scholarly, teaching and service work undertaken at CSULB. In addition to the direct positive impact of this research on CSULB’s teaching programs and on CSULB student success and employment, much of this scholarship is directly applicable to community interests on a local, national or even global scale.

The U.S. Department of Education Title V – Collaborative Grants Program awarded a five-year, $3.4 million grant to Long Beach City College (LBCC) and California State University, Long Beach (CSULB) for a project that will provide programs and services to improve students’ success in mathematics, sciences and English and increase the transfer rates of students from LBCC to CSULB. Career counseling, tutoring, transfer and program planning counseling, and faculty-to-faculty collaboration on course outcome definitions are some of the activities supported by this five-year grant.

Dr. Judy Brusslan of the Department of Biological Sciences was awarded a three-year, $452,000 grant from the National Science Foundation to study how light is “harvested” by plants under different light intensities and how genetic expression is affected by growing conditions. Her research, conducted with student researchers in her laboratory, has implications for agricultural development.

Dr. Darwin Hall of the Department of Economics and Dr. Antonella Sciotino of the Department of Civil Engineering each received grants totaling in aggregate approximately $20,000, from the Southern California World Water Forum. Their projects directly involve students in research on water conservation, water pricing and irrigation issues in Southern California.
Technology Park

The second phase of development at CSULB Technology Park was completed in the spring of 2005. Five new flex-tech buildings have now been completed at the site, totaling over 264,000 square feet.

The National Institute of Technology provides training in a number of technologies in the two buildings they lease at the CSULB Technology Park. These technologies include automotive, electrical, plumbing, HVAC, and medical fields.

Phase 2 consisted of two new buildings totaling 84,319 square feet. The first new building, which is 49,775 square feet, has been leased to Corinthian Colleges for their National Institute of Technology automotive technologies training facility. The second new building, which has 34,544 square feet, has been designed to attract a technology-oriented tenant. Plans were also formulated for the third and final phase of the project. A site plan for a 75,000-square-foot flex-tech building and a service-oriented 25,000-square-foot retail center were presented to the City of Long Beach for review and approval.

The initial phase of 180,000 square feet of new buildings, targeted to private industry tenants, was completed in 2003. These buildings represent an $8.3 million initial phase of development undertaken by Watt Commercial Properties, a private developer who has ground-leased eight acres of the 30-acre site. The first private industry tenant to lease a building in the first phase was...
Corinthian Colleges. Their National Institute of Technology facility provides technical training programs in a 42,712-square-foot building, which they have leased for 10 years with options to renew. A second Phase 1 building of 25,390 square feet was leased to Wartsila North America, Inc. This company is headquartered in Finland and is the world’s second largest manufacturer of marine power systems. The largest building at the site, at 104,000 square feet, was leased to Ozbrun-Hessey Logistics in 2004.

Two existing, renovated buildings totaling 11,800 square feet were also leased. Cole Vocational Services operates a vocational school at the site, and Exteq has leased space for electronic components assembly. The Educational Opportunity Center, the first university-related tenant at the site, relocated to longer-term space in 2005, since these existing, renovated buildings will be demolished to make way for the third phase of development.

The CSULB Foundation has initiated an active marketing campaign to attract both private industry and governmental users to the new facilities under development at the site. The CSULB Foundation took title to 30 acres of the former Naval Housing Cabrillo site in west Long Beach in 1996. This property transfer was intended to help the Long Beach economy create jobs and recover from the severe economic impact of several naval facilities closures. The property was formally deeded to the CSULB Foundation via the U.S. Navy’s first Economic Development Conveyance nationwide. In 1998, redevelopment of the site began with demolition of the former naval housing at the site. To date, the CSULB Technology Park has received $5.4 million in defense conversion grant funding from the U.S. Department of Commerce, Economic Development Administration (EDA). The California Trade and Commerce Agency has also provided $600,000 in Defense Adjustment Matching Grant funding to the project. With EDA grant funding, demolition and abatement have been completed. Major infrastructure work, including sewer, water, storm drain and street improvements, has now been completed, creating buildable, finished lots. Undergrounding of electrical power and telecommunications, along with landscaping, fencing and monumentation, will complete the CSULB Foundation’s EDA grant-funded site improvements.

CSULB Technology Park is being marketed to potential tenants by the marketing team of Cushman & Wakefield of California, Inc., Watt Commercial Properties, Verizon, the City of Long Beach and the CSULB Foundation. The CSULB Foundation has signed an agreement with Verizon to make the CSULB Technology Park a Verizon Smart Park. A substantial investment in the site by Verizon has brought state-of-the-art telecommunications to the project. Private industry tenants locating at this site will also realize the substantial tax benefits of an Empowerment Zone.
Making a difference...For Britt Rios-Ellis, an associate professor of health science, that's what the NCLR-CSULB Center for Latino Community Health, Evaluation and Leadership Training is all about.

“There is no other issue that hits people at their most vulnerable than health,” Rios-Ellis pointed out at the official unveiling on June 6, 2005, of the center’s new offices in the CSULB Foundation Building before a group of political, health and campus officials. “We are very committed to making a difference and I promise...that we will carry this on, and we will serve the needs of diverse Latino communities here in Southern California and throughout the nation.”

A collaborative effort between CSULB and the National Council of La Raza (NCLR), the Center for Latino Community Health, Evaluation and Leadership Training was established with the help of a $496,000 appropriation from the Congressional Hispanic Caucus and with strong support from the Congressional Hispanic Task Force on Health, as well as funding through the U.S. Office of Minority Health.

The NCLR-CSULB Latino Center was created to develop programs that better serve the health care needs of underserved Latino communities, provide technical assistance to community-based organizations, and offer training for health professionals with a special emphasis on increasing the number of Latinos in health care leadership positions.

“We’re very excited about the potential for this center to make tangible improvements in the quality of Latino health status, access, promotion and leadership,” said Janet Murguia, president and CEO of NCLR, the largest national Latino civil rights and advocacy organization in the United States. “The creation of a health management workforce that reflects the population is imperative. It is not just enough that we can be bilingual anymore. We have to understand the people that we serve. Latino health professionals need to be prepared to exert leadership and make decisions on behalf of the communities they reflect and serve.”

The center is directed by Rios-Ellis, in conjunction with the Institute for Hispanic Health at NCLR. In addition, Lorena Rodriguez Chandler, a graduate of the Latino Healthcare Professionals Project and winner of the Outstanding Student Citation from CSULB’s Health Care Administration Program, serves as assistant director. She earned her MPH from UCLA and comes to CSULB from PacifiCare’s Latino Health Solutions.

“The need for this Latino center developed from a long-standing relationship between faculty at Cal State Long Beach and the leadership of the Institute for Hispanic Health at the National Council of La Raza,” Rios-Ellis explained. “These organizations have worked to develop innovative educational programs and training that positively impact the health status and issues facing Latinos nationwide.

“We truly are a community-based university, and that’s why there is no better place for the center,” added Rios-Ellis, who also noted that the Latino student population at CSULB has grown from 14 percent to 28 percent since her arrival on campus in 1994.

The center houses a number of current projects that focus on improving the health of the Latino community on the local, regional and national levels. Among those projects are the NCLR Latino Families HIV/AIDS Prevention Project and the Pfizer/NCLR “Promotoras de Salud” Sana la Rana Project, which serves to educate Latinos regarding the effects of cholesterol on heart health as well as facilitate cholesterol testing and dietary changes.

Another ongoing program the center oversees is the Latino Healthcare Professionals Project (LHPP), which was established in 1996 to address the lack of Latino leadership in the health care industry. Funded collectively by a number of foundations and health care organizations, the scholarship/mentorship program trains first-generation educated, Spanish-speaking, bilingual/bicultural
Latino students with a strong community service background in Latino health and administration issues.

“With the help of the Hispanic Caucus, we were able to put this on a priority, fast-tracked basis, and we were able to get the funding,” said U.S. Rep. Hilda Solis (D-32nd District), chair of the Congressional Hispanic Task Force on Health.

U.S. Rep. Grace Napolitano (D-38th District), chair of the Congressional Hispanic Caucus, was also on hand for the unveiling. She thanked President Robert C. Maxson and the rest of the campus community for taking on the center. “We have an association with Cal State Long Beach that goes way back. So, we know where we can go to get results,” she said. “It is important for all of us to understand how we can work together (to get things done).”

“This is a great day in the life of the university. It is just another level of maturity for this young campus,” Maxson said. “This is a center that is designed to help people who need help. This will serve as a model for the rest of the nation, and I guarantee that you will get your money’s worth from this project. This will be a center you will be proud to lend your name to.”

The Guías de Nuestra Señora de Guadalupe Promotora Project trained Latina immigrant mothers to serve as peer health educators in the underserved communities of the St. Francis Medical Center service area. Funded by the Daughters of Charity, the promotoras engaged in a comprehensive maternal child health training that included an orientation to hospital services, prenatal care, basic sexual and reproductive health physiology, infant feeding and care, the importance of breastfeeding, and a myriad of related topics.

Over 300 participants attended the Latinas and HIV/AIDS Summit, held on World AIDS Day, Dec. 1, 2005 at CSULB. This unique, collaborative opportunity, funded by the U.S. Office of Minority Health, provided participants the chance to interface with renowned national and international researchers and providers.
A Fish Tale

The Pacific Ocean brings untold pleasure to Californians, not only to the mind and body, but to the pocketbook as well.

Commercial and sport fishing in California offshore waters contributes millions of dollars to the state and national economy, but the ocean’s bounty is under strain from overfishing and changes in habitats. One way to help replenish depleted fish stocks is by developing marine reserves where fishing is forbidden.

Dr. Christopher G. Lowe, a CSULB marine biologist internationally known for his shark and stingray research, also has undertaken a number of projects to study California marine fisheries and ecosystems. In one of his latest efforts, funded by a $91,000 grant from the California Sea Grant program, Lowe and Dr. Jennifer Caselle of UC Santa Barbara are examining how fish movements can influence the size and location of marine reserve boundaries.

“California and the federal government are now mandated to establish marine protected areas (MPAs) along various parts of the coast and the debates have been, where do you place these marine protected areas and how big do they need to be?” he explained. “They’re debated because no fisherman wants to have an MPA in his favorite fishing spot. It has been a challenge for the state to convince fishers that this concept would work as a management tool.”
“There are serious holes in our understanding of how marine ecosystems work,” he continued. “We use acoustic telemetry as a tool to examine movement patterns of fish. If the objective is to make reserves as small as they can be and still be effective in protecting adult fish, we need to know how far a typical fish travels in a day. Do different species have home ranges or neighborhoods, and if so, how large are they?”

For the past six years, Lowe, along with CSULB student researchers as well as other university colleagues, have been examining the movement patterns of popular sport fish such as kelp bass, sheephead, ocean whitefish and white sand bass by placing acoustic transmitters in a number of fish and following them around. His lab’s expertise in the use of fish-tracking telemetry systems has made it one of the nation’s leaders in this type of marine research technology.

“We’re providing fisheries managers with an idea of exactly how large these areas should be to protect a large number of mature fish. Using the technology, we’re able to not only determine how big a fish’s home range may be, but what types of habitats they prefer and in what proportions.”

Detailed sonar maps of the coastal marine habitat created by the state of California aid their task. “Down to the nearest meter, they can tell you whether it’s rock and how high it projects off the seafloor, whether the rock is covered with sand, or whether there’s kelp on top of that. All of this information gets layered in a GIS (geographical information system) database,” Lowe explained. “For GIS help, I collaborate with Dr. Suzanne Wechsler in our Geography Department. We take those habitat maps and we can layer the movements of our fish over the top, which provides us with a powerful analytical tool for determining what fish prefer. Once we’ve figured out what fish like, we will be able to take statewide marine habitat maps and estimate home range sizes for fish in different parts of the state, just by knowing what habitat is present.”

Through the Sea Grant program, part of the National Oceanographic and Atmospheric Administration, Lowe and Caselle are continuing to study fish behavior in order to determine whether marine reserves should be what Lowe describes as “leaky” or “tight.” They’re learning that some fish species won’t cross certain types of habitat, so in the future a particular reserve’s boundaries may be configured either to allow fish to move out into fishable waters, or to enclose all the preferred habitat of a particular species within the reserve.
In September 2003, a group of mechanical and aerospace engineering (MAE) students and their professor, Eric Besnard, took part in a momentous occasion: the launching of CSULB’s Prospector 2 research vehicle, the first rocket ever successfully powered by a liquid-propellant aerospike engine. The event caught the attention of many and only furthered the already impressive record of a joint academic/industry project called the California Launch Vehicle Education Initiative (CALVEIN).

The purpose of CALVEIN, a partnership program directed by Besnard with the Garvey Spacecraft Corporation of Long Beach, Calif., is to help prepare the next generation of California-based engineers for the aerospace industry and provide MAE students with hands-on experience, while also supporting technology development to contribute to the next generation of low-cost launch vehicles.

Following the launch of Prospector 3, whose primary accomplishment included initial demonstration of thrust vector control, and the groundbreaking second flight of Prospector 2 with the aerospike engine, Prospector 4 took flight on Dec. 7, 2003, providing CSULB with another successful aerospike engine flight-test. CALVEIN’s work on the aerospike engine earned an Engineering Project Achievement Award in 2004 from the Los Angeles Council of Engineers and Scientists.

The next stage in CALVEIN’s research involved the launching of Prospector 5, an initial Nanosat Launch Vehicle (NLV) first stage Flight Development Unit, which took place on Dec. 4, 2004. The NLV is intended to provide dedicated, primary launch services to small satellite developers and operators whose spacecraft have a mass of 10 kilograms (22 pounds) or less, a growing area of academia and other organizations that cannot afford the expense or the lag time to launch their payloads on more traditional vehicles such as the space shuttle or converted Russian Intercontinental Ballistic Missiles. The Prospector 5 was an early, low-fidelity version of the NLV first stage.

Prospector 6, which launched on May 21, 2005, represented a milestone in the development of the NLV by validating the CALVEIN team’s ability to handle a full-scale, two-stage, partially reusable model. Although maximum altitude achieved on the flight was slightly less than 3,000 feet, Prospector 6 demonstrated the possibilities of a smaller, more responsive vehicle to achieve delivery to launch site, payload installation, propellant loading, launch, recovery and shipment back to the CSULB campus in a single day.

Besnard believes strongly in CALVEIN’s incremental steps philosophy to research. “We don’t wait for the multimillion dollar (launch) programs to be able to do something,” he commented. “That’s why we go out and we fly two to three times a year. It serves all objectives, in terms of technology development, providing students with hands-on experi-
ence and putting student payloads in flight. You lose the educational opportunity if you’re going to tell a student, “Yeah, you’re going to work on this spacecraft, but in five years, after you’ve graduated, maybe the spacecraft will get launched.”"

According to John Garvey, president and CEO of corporate partner Garvey Spacecraft Corporation, it is this opportunity to conduct frequent flight tests that motivated his company to seek an alliance with CSULB in the first place. “In the early pioneering days of space, frequent testing was the only way to push the envelope,” he said. “Failure was an accepted part of the R&D process. Now, however, the aerospace business has become a victim of its own success. New vehicles are expected to work the first time. This in turn forces managers and sponsors to be far more risk averse, which in turn slows down the pace of research, increases cost and inhibits innovation. Any success we have had, such as the aerospike engine flight demos, is due in part to going back to that earlier mentality and accepting that it might take us two or three tries to make something work.”

Thanks to a Phase I Small Business Innovation Research contract from the Air Force Research Lab (AFRL), CALVEIN propelled its research to the next level with the launch of Prospector 7 on Oct. 29, 2005. The joint industry-university-government team conducted the successful launch, recovery, refurbishment and re-launch of a prototype reusable launch vehicle (RLV) within a period of just 3.5 hours. This demonstration of fast turn-around operations with a liquid propellant rocket that requires minimal maintenance represents a significant improvement over the 26 hours required to conduct two flights with a McDonnell Douglas DC-XA research vehicle nearly a decade ago.

The CALVEIN team and AFRL are now updating their plans to reuse this hardware in future NLV-related flight testing. The next phase of testing presently envisions expanding the altitude and velocity objectives while still retaining response times and reusable technology.

“CALVEIN provides an opportunity for students to gain invaluable hands-on opportunities with real hardware within a real program atmosphere,” said Shaun Hall, a senior in aerospace engineering and chair of the American Institute of Aeronautics and Astronautics Long Beach State Chapter. “With the opportunity to be involved in the development stage of reusable launch vehicles, the experience allows me to get a better handle on the workings of industry as well as gain experience in the technical side of engineering. As I attend interviews for post-graduation jobs, I am constantly asked about my role within CALVEIN. I would highly recommend a project like CALVEIN to any student of engineering as a great way to gain experience within the field.”
Transportation Technologies Center Named for James Ackerman

The Center for the Commercial Deployment of Transportation Technologies (CCDoTT) has been named in honor of the late James Ackerman, an internationally renowned maritime lawyer who helped launch the center. Ackerman, who practiced in the Long Beach area for 50 years, helped lead the way in establishing CCDoTT in 1995. Ackerman was a graduate of USC and the United States Merchant Marine Academy in New York as well as a U.S. Coast Guard licensed master of ships of unlimited horsepower and tonnage and a serving shipmaster. He assisted in securing more than $30 million in federal funding for the center, and he developed the framework that enabled CSULB to engage in research and development related to transportation, particularly as related to the Long Beach and Los Angeles port areas.

Now known as the James Ackerman Center for the Commercial Deployment of Transportation Technologies, it is a research and development center in the College of Engineering and managed by the CSULB Foundation. Its numerous activities include evaluating issues and opportunities associated with emerging commercial and military transportation requirements, and developing and implementing marine related, dual-use technologies in support of commercial and military interests. Additionally, it sponsors workshops and conferences on related topics. Since its inception, the program has managed more than 100 contracts for a variety of clients.

CCDoTT functions as a partnership of academic institutions, government and commercial corporations. It was formed to enable the Department of Defense (U.S. Transportation Command), the Department of Transportation (Maritime Administration) and other partners to leverage advanced technologies in solving defense and commercial transportation infrastructure problems; conduct research and development for defense and commercial transportation infrastructure initiatives; and provide a technology transfer between the Department of Defense and commercial industry. It is presently sponsored by the Office of Naval Research within the Department of Defense.

For more information, visit www.ccdott.org.
Support and quality service to the university mission, its faculty, staff, students and donor community continue to be our cornerstone objective. The Foundation’s financial viability is critical to its ability to provide our constituency with high-quality services in the areas of grants, contracts, endowment and fund management, and entrepreneurial activities.

The overall financial position of the California State University, Long Beach Foundation remained strong during fiscal year 2004-05 with an $8.4 million increase in net assets. Total grants awarded during this fiscal year exceeded $30 million. Total investment funds under management reached $50 million. Consistent with Foundation investment policy, professional investment managers spanned the areas of large cap value and growth, as well as large cap international equities and fixed income investments.

Emeriti faculty, staff, alumni and friends of the university continue their support by utilizing different gift vehicles, such as charitable remainder trusts, gift annuities, living trusts and wills. More than $25 million in new private donations was received by the university during the fiscal year. The Foundation also worked with the university community to develop a campus-wide system for making a charitable pre-tax payroll deduction option available for university employees.

During fiscal year 2004-05, Foundation staff made notable advances in the areas of Finance and Accounting, Charitable Gifts and Investments, and Information Systems and Technology services. Two major technology projects were undertaken last fiscal year. In order to utilize the latest network technologies, the Foundation building data switches and cabling were replaced and migrated to updated data lines. Also, in an effort to provide faster processing and system upgrades, a new server was implemented for our financial accounting system.

More than 22,000 accounts payable and 14,000 payroll checks and electronic payments were generated during the fiscal year. Approximately 3,000 new vendors were added to our purchasing system. The planned fiscal year-end and financial audit processes were completed on schedule.

Finally, there were no management letter comments from the independent certified public accounting firm that performed the annual audit for fiscal year 2004-05.
Human Resources and Property Management

Because of the important role it plays in attracting and retaining talented employees, we continually monitor the many components of our employee benefits program. In January 2005, we implemented new dental, vision, life and AD & D insurance plans. The new plans provide expanded coverage at a cost savings for both the employee and the Foundation. In May 2004, we transitioned our workers’ compensation program from a privately insured plan to one that is self-insured.

The new program is a group model that was designed specifically to address the unique needs of auxiliary organizations within the California State University system. The adoption of the new program was made because it offered the potential for increased administrative oversight of workers’ compensation claims processes and the potential for significant decreases in overall program costs. Thus far, we have experienced greater efficiency in service delivery to affected employees as well as a reduction in premium expenses of approximately 18 percent.

In the Property Management Department, attention this year was directed toward the marketing and sale of donated real property. At fiscal year end, the Foundation had only two parcels of unimproved real property remaining, with sales pending on both. In June 2005, a Facilities Condition Assessment was conducted of the Foundation building. The result of this assessment will be a comprehensive profile of major interior and exterior Foundation building systems. This will allow for greater accuracy in planning and budgeting of facilities maintenance items.

We are very pleased to welcome three new tenants to the Foundation building this year. They include EIS Talent Search, Cal SOAP and the NCLR-CSULB Center for Latino Community Health, Evaluation and Leadership Training.
Information Technology

This has been a year of progress. During 2004-05, Information Technology:

• Continued support and expansion of the Online Project Reporting System, which provides online project and grant reporting for more than 250 campus principal investigators and their support staff.

• Finalized the production of monthly reporting, Indirect Cost Returns and Investment Quarterly Reports via electronic mail, which has reduced production time and costs.

• Continued researching areas for reducing the consumption of paper products and manual activity by using electronic capabilities.

• Redesigned the accounts payable invoicing process so that Foundation and campus project staff will receive their invoices and corresponding Foundation approval paperwork via electronic mail.

• Enhanced statistical reporting for the Grant and Contracts Department to include multiple categories of grant type for revenue planning purposes.

• Redesigned, developed and installed for testing a new Faculty Additional Employment Reporting System, which will interface with the new Grants and Contracts Effort Reporting System.

• Developed and installed for testing a new electronic notification system to alert principal investigators, ASM’s and G&C administrators that the end of a project is approaching. These notifications are sent at 120, 90, 60 and 30 days prior to the project termination date.

Efforts continue to reduce the amount and complexity of reporting sent to the campus.
Grants, Contracts and Foundation Programs

For fiscal year 2005, the Foundation received awards totaling $31 million. This total is down slightly from last year due to fierce competition, and declining award amounts. In spite of this change in the sponsored project environment, we have seen the total number of awards received remain steady or increase. This is a positive reflection on the tenacity of our researchers and the effectiveness of our research support system to produce quality project proposals in an effort to advance the body of knowledge while contributing to the reputation of our university.

During the year, the Foundation returned over $1.1 million of the recovered facilities and administrative (F&A) costs to the college deans, department chairs, centers and faculty who were involved in sponsored research. The return of such a significant portion of the Foundation’s recovered F&A costs has been essential to the continued development of research and sponsored project activity throughout the university. These resources have been utilized, among other things, to support cost share commitments, student scholarship programs, and faculty travel and development. The $1.1 million returned to the campus represents nearly 30 percent of the total F&A costs recovered on all sponsored projects during the year. This distribution amount is up over the previous fiscal year due to the increase in our overall effective F&A recovery rate. This increase is a direct result of the Foundation and Office of University Research working together to improve the compliance of sponsored projects with our federally negotiated F&A rate. It is also a result of the increasing awareness of faculty and sponsoring agencies of the importance of this rate to the overall vitality of the university’s research infrastructure.

This year, the Grants, Contracts and Foundation Programs Department has implemented two significant changes in the administration of Foundation accounts. First, we have divided the administration of all accounts between two teams of administrators. Each of these teams is now responsible for half of the project accounts, ensuring that an administrator will always be available to assist a researcher even when the primary administrator is not immediately available. Second, in an effort to provide researchers with a single point of contact within the department, there is one primary project administrator to providing assistance on sponsored project activity (07) accounts, Foundation program activity (06) accounts, scholarship (095) accounts and research stimulation (17) accounts, rather than each of these projects being administered by an account specialist. The only exceptions to this change are the endowment and endowed scholarship accounts, which will still be administered by a single person within the department. We hope this change will provide the researchers and the administrators an opportunity to work in collaboration on all Foundation account activities. We are confident these changes will increase the effectiveness of our Grants and Contracts Administrators to provide timely and accurate information to our researchers, their project coordinators and their departments.
Fiscal Year 2005 Scholarships

- President's Office: $1,467,540 (71.0%)
- Academic Affairs: $548,348 (26.7%)
- All Others: $45,955 (2.2%)

Fiscal Year 2005 Awards

- Administration and Finance: 23.2%
- Academic Affairs: 17.2%
- Health and Human Services: 15.4%
- Engineering: 15.0%
- Education: 14.2%
- Student Services: 11.2%
- Liberal Arts: 8.0%
- Natural Sciences and Mathematics: 15.3%
- UCES: 0.8%

Source: Audited Financial Statement
## STATEMENT OF NET ASSETS

### For the Year Ended June 30,

#### 2005 | 2004
---|---
**ASSETS**

<table>
<thead>
<tr>
<th></th>
<th><strong>2005</strong></th>
<th><strong>2004</strong></th>
</tr>
</thead>
</table>
**CURRENT ASSETS** | | |
Cash and cash equivalents | $3,753,431 | $3,231,657 |
Short-term investments | 21,593,489 | 20,882,739 |
Accounts receivable, net | 8,012,978 | 7,209,966 |
Pledges receivable, net | 1,969,035 | 367,664 |
Prepaid expenses and other assets | 215,401 | 377,222 |
| **TOTAL CURRENT ASSETS** | $35,544,334 | $32,069,248 |

<table>
<thead>
<tr>
<th></th>
<th><strong>2005</strong></th>
<th><strong>2004</strong></th>
</tr>
</thead>
</table>
**NONCURRENT ASSETS** | | |
Accounts receivable, net | 7,048,661 | 5,823,197 |
Endowment investments | 24,994,895 | 20,532,933 |
Other long-term investments | 2,926,187 | 2,528,534 |
Capital assets, net | 23,093,757 | 23,333,698 |
| **TOTAL NONCURRENT ASSETS** | 58,063,500 | 52,218,362 |
| **TOTAL ASSETS** | 93,607,834 | 84,287,610 |

#### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th><strong>2005</strong></th>
<th><strong>2004</strong></th>
</tr>
</thead>
</table>
**CURRENT LIABILITIES** | | |
Accounts payable | 2,186,111 | 1,756,242 |
Accrued salaries and benefits payable | 1,714,825 | 1,342,865 |
Accrued compensated absences | 884,334 | 895,279 |
Deferred revenue | 4,735,609 | 4,142,637 |
Long-term debt, current portion | 265,000 | 430,000 |
Other liabilities | 7,824 | 8,915 |
| **TOTAL CURRENT LIABILITIES** | 9,793,703 | 8,575,938 |

<table>
<thead>
<tr>
<th></th>
<th><strong>2005</strong></th>
<th><strong>2004</strong></th>
</tr>
</thead>
</table>
**NONCURRENT LIABILITIES** | | |
Deferred revenue | 1,291,691 | 1,554,155 |
Long-term debt, net of current portion | 9,740,000 | 10,005,000 |
Other liabilities | 3,226,779 | 3,026,697 |
| **TOTAL NONCURRENT LIABILITIES** | 14,258,470 | 14,585,852 |
| **TOTAL LIABILITIES** | 24,052,173 | 23,161,790 |

### NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th><strong>2005</strong></th>
<th><strong>2004</strong></th>
</tr>
</thead>
</table>
Invested in capital assets, net of related debt | 13,088,757 | 13,073,698 |
Restricted for: | | |
Nonexpendable – endowments | 26,190,422 | 24,677,997 |
Expendable: | | |
Scholarships and fellowships | 2,891,618 | 2,967,170 |
Research | 3,218,272 | 2,799,673 |
Other | 22,726,642 | 16,187,994 |
Unrestricted | 1,439,950 | 1,419,288 |
| **TOTAL NET ASSETS** | $69,555,661 | $61,125,820 |

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The above financial statements were audited by Windes & McClaughry Accountancy Corporation. The full set of audited financial statements is available upon request.
### California State University, Long Beach Foundation

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

For the Year Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contracts, noncapital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$21,299,038</td>
<td>$21,970,795</td>
</tr>
<tr>
<td>State and local</td>
<td>3,919,661</td>
<td>4,710,008</td>
</tr>
<tr>
<td>Non-governmental</td>
<td>1,715,954</td>
<td>1,586,926</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>1,782,903</td>
<td>1,710,977</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>11,819,075</td>
<td>11,695,258</td>
</tr>
<tr>
<td></td>
<td>40,536,631</td>
<td>41,673,964</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>11,713,418</td>
<td>13,306,307</td>
</tr>
<tr>
<td>Research</td>
<td>8,347,959</td>
<td>9,334,502</td>
</tr>
<tr>
<td>Public service</td>
<td>5,495,307</td>
<td>4,771,251</td>
</tr>
<tr>
<td>Academic support</td>
<td>3,621,750</td>
<td>3,724,788</td>
</tr>
<tr>
<td>Student services</td>
<td>7,087,806</td>
<td>6,460,056</td>
</tr>
<tr>
<td>Institutional support</td>
<td>7,996,373</td>
<td>5,945,484</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>2,051,843</td>
<td>1,834,470</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>1,524,076</td>
<td>1,514,344</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>476,545</td>
<td>463,557</td>
</tr>
<tr>
<td></td>
<td>48,315,077</td>
<td>47,354,759</td>
</tr>
<tr>
<td><strong>OPERATING LOSS</strong></td>
<td>(7,778,446)</td>
<td>(5,680,795)</td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts, noncapital</td>
<td>9,916,946</td>
<td>6,422,278</td>
</tr>
<tr>
<td>Investment income (losses), net</td>
<td>5,151,517</td>
<td>5,500,364</td>
</tr>
<tr>
<td>Endowment income (losses), net</td>
<td>66,771</td>
<td>52,003</td>
</tr>
<tr>
<td>Other nonoperating expense</td>
<td>(436,942)</td>
<td>(1,469,874)</td>
</tr>
<tr>
<td></td>
<td>14,698,292</td>
<td>10,504,771</td>
</tr>
<tr>
<td><strong>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,919,846</td>
<td>4,823,976</td>
</tr>
<tr>
<td><strong>ADDITIONS TO PERMANENT ENDOWMENTS</strong></td>
<td>1,509,995</td>
<td>711,700</td>
</tr>
<tr>
<td><strong>INCREASE IN NET ASSETS</strong></td>
<td>8,429,841</td>
<td>5,535,676</td>
</tr>
<tr>
<td><strong>NET ASSETS AT BEGINNING OF YEAR</strong></td>
<td>61,125,820</td>
<td>55,590,144</td>
</tr>
<tr>
<td><strong>NET ASSETS AT END OF YEAR</strong></td>
<td>$69,555,661</td>
<td>$61,125,820</td>
</tr>
</tbody>
</table>

The above financial statements were audited by Windes & McClaughry Accountancy Corporation. The full set of audited financial statements is available upon request.
California State University, Long Beach
Foundation

STATEMENT OF CASH FLOWS

For the Year Ended
June 30,

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>$21,307,312</td>
<td>$24,319,002</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>3,919,661</td>
<td>4,710,008</td>
</tr>
<tr>
<td>Non-governmental grants and contracts</td>
<td>1,715,954</td>
<td>1,586,926</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(24,121,181)</td>
<td>(26,095,047)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(20,597,003)</td>
<td>(19,637,907)</td>
</tr>
<tr>
<td>Payments to students</td>
<td>(2,051,843)</td>
<td>(1,834,470)</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>1,520,439</td>
<td>1,440,494</td>
</tr>
<tr>
<td>Other receipts (payments), net</td>
<td>8,773,926</td>
<td>11,601,955</td>
</tr>
<tr>
<td>Net Cash Used In Operating Activities</td>
<td>(9,532,735)</td>
<td>(3,909,039)</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** |            |            |
| Gifts and grants received for other than capital purposes | 9,916,946   | 6,270,378   |
| Other                                  | (353,751)   | (2,534,714) |
| Net Cash Provided By Noncapital Financing Activities | 9,563,195   | 3,735,664   |

| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** |            |            |
| Proceeds from capital debt                |            | 175,000    |
| Acquisition of capital assets             | (236,604)   | (125,468)  |
| Principal paid on capital debt and lease  | (430,000)   | (395,000)  |
| Net Cash Used In Capital and Related Financing Activities | (666,604)   | (345,468)  |

| **CASH FLOWS FROM INVESTING ACTIVITIES** |            |            |
| Proceeds from sales and maturities of investments | 11,078,208 | 21,814,995 |
| Investment gains, net                     | 5,151,517   | 5,500,364   |
| Endowment income, net                     | 66,771      | 52,003      |
| Additions to permanent endowments         | 1,509,995   | 711,700     |
| Purchase of investments                   | (16,648,573)| (31,069,879)|
| Net Cash Provided By (Used In) Investing Activities | 1,157,918   | (2,900,817) |

| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | 521,774 | 3,509,660 |

| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** | 3,231,657 | 6,741,317 |

| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | $3,753,431 | $3,231,657 |

The above financial statements were audited by Windes & McCloudy Accountancy Corporation.
The full set of audited financial statements is available upon request.
California State University, Long Beach Foundation

STATEMENT OF CASH FLOWS
(Continued)

For the Year Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating loss</td>
<td>($ 7,778,446)</td>
<td>($ 5,680,795)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>476,545</td>
<td>463,557</td>
</tr>
<tr>
<td>Change in assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts and pledges receivable, net</td>
<td>(3,629,847)</td>
<td>1,851,174</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>161,821</td>
<td>(264,585)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>429,869</td>
<td>(1,142,346)</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>371,960</td>
<td>249,978</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(10,945)</td>
<td>(119,484)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>330,508</td>
<td>232,750</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>115,800</td>
<td>500,712</td>
</tr>
<tr>
<td><strong>Net Cash Used In Operating Activities</strong></td>
<td>($ 9,532,735)</td>
<td>($ 3,909,039)</td>
</tr>
</tbody>
</table>
NOTE 1 – Statement of Significant Accounting Policies

Organization

The California State University, Long Beach Foundation (Foundation) is a nonprofit, tax-exempt corporation, incorporated in the State of California on October 3, 1956. The Foundation is organized to administer grants from governmental and private agencies for research and other activities related to the University program, and to accept donations, gifts and bequests for any University-related use.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements have been prepared on the accrual basis. The Foundation reports as a Business Type Activity and, accordingly, has reported its activities within a single column in the basic financial statements, as defined by GASB Statement No. 35, Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities. Business Type Activities are those that are financed in whole or in part by fees charged to external parties for goods and services.

The Foundation's policy for defining operating activities as reported on the statement of revenues, expenses, and changes in net assets are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Nearly all of the Foundation's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues as defined by GASB Statement No. 35, including gifts and investment income.

The Foundation has adopted GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, and GASB No. 35, as amended by GASB Statements No. 37 and No. 38. GASB Statement No. 33 requires that unconditional promises to give be recorded as receivables and revenues when the Foundation has met all applicable eligibility requirements. This statement also requires that unspent cash advances received for sponsored programs be recorded as deferred revenue rather than as restricted expendable net assets. GASB Statement No. 35 established standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following four net asset categories:

Invested in capital assets, net of related debt

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted

Nonexpendable – Net assets subject to externally imposed stipulations that they be maintained permanently by the Foundation. Such assets include the Foundation's permanent endowment funds.

Expendable – Net assets whose use by the Foundation is subject to externally imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time.
NOTE 1 – Statement of Significant Accounting Policies (Continued)

**Unrestricted**

Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for any University-related use, which includes academic and research programs and initiatives, and capital programs.

**Reporting Entity**

The Foundation is an affiliated organization component unit of the University. As such, the Foundation’s financial data will be included in the financial statements of the University.

**Use of Estimates and Assumptions**

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**Cash and Cash Equivalents**

The Foundation considers all highly liquid, short-term investments purchased with an original maturity of three months or less to be cash equivalents.

**Investments**

The Foundation has adopted GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Under GASB No. 31, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of net assets. Unrealized gains and losses are included in the change in net assets.

**Accounts Receivable**

Accounts receivable primarily consists of amounts due from the federal government, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants. Accounts receivable also includes charges for auxiliary enterprises’ sales and services.

**Pledges Receivable**

The Foundation receives pledges and bequests of financial support from corporations, foundations and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements, including time requirements, have been met. In the absence of such promise, revenue is recognized when the gift is received. Endowment pledges do not meet eligibility requirements, as defined by GASB Statement No. 33, and are not recorded as assets until the related gift is received. An allowance for uncollectible pledges receivable is provided based on management’s judgment of potential uncollectible amounts (approximately $456,000 and $94,000 at June 30, 2005 and 2004, respectively). The determination includes such factors as prior collection history, type of gift and nature of fund-raising.
NOTE 1 – Statement of Significant Accounting Policies (Continued)

Capital Assets

Fixed assets of the Foundation are stated at cost or, if acquired by gift, at estimated fair value at the date of donation. Major renewals and betterments are charged to fixed assets, while replacements, maintenance and repairs that do not improve or extend the life of the respective assets are currently expensed. Depreciation is charged on a straight-line basis over the lives of the assets, which range from five to forty years.

Collection Items and Works of Art

The Foundation's collection items are made up of artifacts of historical significance and art objects that are held for educational research and curatorial purposes. Each of the items is cataloged, preserved and cared for, and activities verifying their existence and assessing their condition are performed continuously. Monies recovered from any collections that are sold must be used to acquire other items for collections.

Collection items acquired on or after July 1, 1996 are capitalized at cost, if the items were purchased, or at their appraised or fair market value on the accession date, if the items were contributed. The fair market value of donated collection items was approximately $26,000 and $152,000 for the years ended June 30, 2005 and 2004, respectively.

Deferred Revenue

Deferred revenue consists primarily of amounts received from grant and contract sponsors which have not yet been earned under the terms of the agreement, and lease payments received in advance from lessees on long-term leases.

Income Taxes

The Foundation is tax-exempt under Internal Revenue Code Section 501(c)(3) for federal income taxes, as well as the related provisions for state income tax purposes.

Reclassifications

Certain amounts in the June 30, 2004 financial statements have been reclassified to conform to current year financial statements presentation.
California State University, Long Beach Foundation

Credits

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Brian M. Nowlin

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California State University, Long Beach Foundation Equity and Diversity Statement:
In addition to meeting fully its obligations of nondiscrimination under federal and state law, CSULB is committed to creating a community in which a diverse population can live, learn and work in an atmosphere of tolerance, civility and respect for the rights and sensibilities of each individual, without regard to economic status, ethnic background, veteran status, political views, sexual orientation or other personal characteristics or beliefs. An EEO/AA/Title IX Employer.