2005-06
ANNUAL REPORT
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The 2005-06 academic year marked a change in California State University, Long Beach’s administration as Dr. Robert C. Maxson retired after 12 years of dedicated service and I was fortunate and honored to be selected as the university’s new president.

I entered my new role at CSULB with complete confidence in its previous and current fiscal management. The CSULB Foundation has evolved into an important cornerstone of our great university, successfully managing a variety of private gifts, grants and other financial matters while also deriving additional income from entrepreneurial activities that benefit our students, faculty and staff.

As the CSULB Foundation celebrates its 50th anniversary year, we look forward to aggressively pursuing new revenue-producing activities that will continue to benefit our university. In striving to achieve this objective, we also remain ever mindful of our commitments to prudent fiscal management. Through the assistance of our many donors, grant partners and other supporters, Cal State Long Beach will continue to shine as one of California’s best educational institutions.

Go Beach!

Sincerely,

F. King Alexander
President
CELEBRATION COULD BE THE THEME FOR THE FOUNDATION IN 2006.

The Foundation celebrates its 50th anniversary this year. Fifty years ago, the number one song in the United States was “Memories are Made of This” by Dean Martin. 1956 inventions included Mistake Out (later called Liquid Paper), the hovercraft, the transatlantic telephone cable, and the approval of the polio vaccine. The Foundation has kept pace with the rapid developments in the world since then.

2006 marks significant milestones in the Foundation’s development. The Foundation has exceeded $100 million in asset value and approaches a record level of research grant awards. We take pride in the accomplishments of the dedicated staff of the Foundation and the university.

It is fitting that in this anniversary year we welcome the arrival of President F. King Alexander. President Alexander’s support for research and his dedication to dramatically increasing the university’s endowment funds invigorates and challenges us as we look to the Foundation’s next 50 years.

Thanks to our Board of Directors, President Alexander and the campus community for their continued support of the Foundation.

MISSION STATEMENT

California State University, Long Beach Foundation serves the mission of the university by supporting and engaging in research, entrepreneurship, community service, sponsored programs and the acquisition of private resources.

VISION STATEMENT

Dedicated and caring employees
- exceeding expectations
- exploring new opportunities
- valued as a vital contributor to the campus community.

VALUES

INTEGRITY – Maintain high standards and consistent performance within an environment of professional ethics and responsibility for one’s actions.

SERVICE – Provide excellent, cost-effective and responsive services to students, faculty, staff and the community at large.

TEAMWORK – Promote an environment of cooperation, trust and open communication.

DIVERSITY – Embrace the strengths, experiences and talents of every individual.

INNOVATION – Support new ideas, entrepreneurship and continuous improvement.
UNIVERSITY RELATIONS AND DEVELOPMENT

Even with some major administrative changes during 2005-06, University Relations and Development had another successful year, bringing in just over $20 million.

CSULB’s support levels continued to expand as 33,000-plus donors supported the university this past year, with more than 11,000 alumni giving approximately $4.6 million. The Annual Fund also raised $1,140,000, exceeding its goal.

“I feel we had an excellent year as we are in preparation to launch our capital campaign,” said CSULB President F. King Alexander. “I am extremely happy to see that some of the gifts have had a major and immediate impact on the students of this university.”

Among those gifts were a pair from Glen and Debbie Bickerstaff, who donated $625,000 that went toward the naming of The Bickerstaff Center for Student-Athlete Academic Services and also will help with the new construction of the “History of 49er Athletics,” a permanent display to be located on the concourse level of The Walter Pyramid. A second gift from the Bickerstaffs of $250,000 will help fund the completion of the student-athlete strength and conditioning complex.

A $1 million donation by Professor Emeritus of English Arnold T. Schwab through a bequest will enhance the University Library’s programs in support of teaching and learning by creating and maintaining a new multi-functional facility that addresses the needs of graduate students along with continuing his book endowment. The Arnold T. Schwab Graduate Center within the University Library is expected to incorporate a number of computer work areas, collaborative group study areas equipped with connections to the campus network, printers, scanners, and other equipment needed to support the graduate program. There will be convenient space for graduate students to meet with colleagues and faculty, to study and organize their research materials, and compile and produce reports and programs.

The library is also undergoing some major renovations, with changes resulting in a new and larger information commons student computing and reference facility, redesigned circulation desk, remodeled lobby area, Starbucks Internet café, new public restrooms on the first and fifth floors, new ceiling and lighting on the main floor, electrical and cabling upgrades, new carpeting throughout, a large reading room on the fifth floor, a graduate study center, glass storefront entries on the lower level and second through fifth floors, departments of children’s literature, special collections and archives moved to more convenient locations, installation of Online Remote Collections Access and an automated book retrieval system for 850,000 volumes.

The nursing program at CSULB, one of the largest, most active and best in the state, continues to be a leader in the field. This past year, it received ongoing substantial commitments from a variety of community supporters, including Long Beach Memorial Medical Center/ Miller Children’s Hospital, Long Beach Veterans Administration Medical Center and Hoag Memorial Hospital Presbyterian.

The Visiting Nurse Association of Long Beach Foundation donated more than $175,000 to the program, with the funds dedicated to nursing student scholarships. In addition, CSULB’s Family Nurse Practitioner Program was awarded a $139,411 grant through the state’s Song-Brown program, which is administered by the Office of Statewide Health Planning and Development. It was one of 12 grants worth $1.35 million announced by California Gov. Arnold Schwarzenegger to support healthcare workforce training programs, specifically to provide support funding to family practice, family nurse practitioner and physician assistant training programs. Also, part of the grant will help provide students with coursework in Spanish for healthcare professionals, to help non-Spanish speaking students communicate with patients in predominately Spanish-speaking facilities.

One of the larger gifts CSULB received was a $500,000 grant from the W. M. Keck Foundation to establish and support a new Center for Education in Proteomic Analysis—the first of its type in the California State University system. The grant, together with additional CSULB funds, helped purchase a suite of instruments that included a Perkin-Elmer prOTOF 2000 matrix-assisted laser desorption ionization orthogonal time of flight mass spectrometer. Also, the Freeman Foundation awarded CSULB’s Department of Asian and Asian American Studies $601,312, which
included a two-year, $368,158 grant for a project that will work to address the urgent need for credentialed Chinese language teachers in California schools.

Among the additional donations received in the amounts of $100,000 or more to support a variety of areas include the Edge of Excellence program, the Department of Music, College of Engineering, and the Center for International Business Education.

President F. King Alexander thanks Debbie and Glen Bickerstaff for their support of 49er Athletics.

Nursing students in the Long Beach Memorial Medical Center’s training lab perform CPR on the Human Patient simulator.

The renovated University Library will include innovative features such as an automated book retrieval system for 850,000 volumes and a Starbucks Internet cafe.
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 again 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. We experienced our second highest total ($44 million) of grants and contracts received in CSULB’s history. The university continued its system leadership in support for internal grants for faculty researchers (including conference travel), thereby building capacity for faculty scholarly accomplishments. One of the underlying tenets of the OUR’s operation 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, SCAA preparation and grant management institutes for faculty and staff researchers, assisting more than 100 scholars at events held in January, June, September and November 2006.

- 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 campus projects requiring legislative support. Programs such as CCDoTT, METRANS, Strategic Mobility 21 and Strategic Language Initiatives are signal achievements of CSULB’s faculty and staff principal investigators, and bring the university and its auxiliary organizations national acclaim.

- In partnership with faculty and staff from the Divisions of Academic Affairs and Student Services, the Office played an instrumental role in preparing a successful application as a Hispanic Serving Institution (HSI). The U.S. Department of Education Title V – Individual Development Grants program awarded a five-year, $2.8 million grant to CSULB to increase Latino student and institutional success through enhanced advisement and learning assistance support, faculty and staff professional development, and institutional data analysis. This campus-based project links with our existing Title V – HSI collaborative grant held with Long Beach City College. The latter project provides programs and services to improve students’ success in mathematics, sciences and English, and increase the transfer rates of students from LBCC to CSULB.

- 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 an all-time high of 330 external grant or contract proposal clearances and close to 330 internal grant clearances for the competitive SCAA program.
In addition to the funded programs previously cited, the following externally funded projects give an expanded view of the breadth of excellent scholarly, teaching and service work undertaken at CSULB. Along with the direct positive impact of these efforts on CSULB’s teaching programs, as well as student success and employment, much of this scholarship and service is directly applicable to community interests on a local, national, or even global scale.

• Professors Douglas McAbee and Andrew Z. Mason of the College of Natural Sciences and Mathematics received $500,000 from the Keck Foundation to establish a cutting-edge proteomics education facility: the Center for Education in Proteomic Analysis (CEPA). The instrumentation funded by the grant will provide CSULB students in life and physical sciences with access to research tools used at major biotechnology firms, preparing them well for future careers and/or doctoral study.

• Professors Linda Symcox and Felipe Golez of the College of Education received a $50,000 NCTAF/MetLife Foundation Planning Grant to begin establishment of an Urban Teaching Academy (UTA) at CSULB. Building on existing partnerships with Long Beach area schools that support the innovative school and research-based M.A. in Education (curriculum and instruction) program, the NCTAF award will broaden successful teacher professional development initiatives for pre- and in-service teachers in urban, high-needs schools. The CSULB faculty team was one of only three in the nation awarded the highly prestigious grant.

• Professors Tim Xie and Arnold Kaminsky of the College of Liberal Arts received awards from the Freeman Foundation (Stowe, Vt.) for cultural and language program development. The award to Dr. Xie ($368,158; “Addressing the Need for Qualified Chinese Teachers in the Schools”) will support development of a Chinese language teaching credential program at CSULB and enhancement of Chinese language instruction at area high schools and middle schools. Dr. Kaminsky received a $233,153 award to create a “National Center for Asia in Teacher Preparation.” Through this award, intensive summer institutes will be offered to faculty involved in teacher preparation, with a focus on Asia-related history and culture.

• Professors Chi-Ah Chun and John Jung of the College of Liberal Arts were awarded a renewal of their grant from the National Institute of Mental Health for the Department of Psychology’s Minority Research Infrastructure Support (MRISP) program. This three-year, $1.3 million grant will support training and mentoring for junior CSULB faculty in psychology and anthropology, as well as research projects on stress and coping strategies by specific groups.
CSULB TECHNOLOGY PARK

The CSULB Technology Park is fully leased in 2006. Five new flex-tech buildings have now been completed at the site, totaling over 264,000 square feet. Phase 2, completed in 2005, consisted of two new buildings totaling 84,319 square feet. Our 49,775-square-foot building in Phase 2 has been leased to Corinthian Colleges, Inc. for their automotive technologies training facility. The other Phase 2 building, which has 34,544 square feet, was leased to the General Services Administration for a new U.S. Customs facility associated with the Port of Long Beach.

Plans for Phase 3, a service-oriented 30,000-square-foot retail center, are in the entitlement process at the City of Long Beach. These new retail facilities will provide much needed services to the project and the local community. These new retail services are essential for attracting more technology-oriented tenants to our site. Lastly, a ground lease is in final negotiations for Phase 4, an 80,000-square-foot flex-tech building.

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, Inc. 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

The mission of the CSULB Technology Park is to:

Promote linkage between light manufacturing, technology and research-related private industry tenants and the university community.

Promote interactive educational and research opportunities for California State University, Long Beach, the local community and industry tenants.

Provide financial returns, which can be used to further the mission of California State University, Long Beach.

Aid in economic development of the greater Long Beach metropolitan area and the State of California.
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 re-leased to Exel, Inc. in 2006.

Two existing renovated buildings totaling 11,800 square feet are also leased. Cole Vocational Services operates a vocational school at the site. Exteq has also leased space for electronic components assembly. A lease is now in final negotiations with the Long Beach Unified School District for the remaining 7,250 square feet of space. These existing renovated buildings will be vacated and demolished in 2007 to make way for the third and fourth phases 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 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 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 substantial tax benefits of an Empowerment Zone.

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 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.
In the 1950s, the fledgling Long Beach State College needed a mechanism to handle gifts, scholarships and research funds from outside sources, so in October 1956, the campus incorporated its non-profit Foundation to manage these obligations.

Even into the early 1980s, the Foundation was a relatively small operation because the CSU system received most of its money from the state. In its first three years, it oversaw $54,450 in grants for 12 projects, including purchasing an electron microscope and providing faculty with funds to obtain microfilmed documents from other institutions. It also performed much of the 49er Shops’ bookkeeping until the early 1960s.

Over the decades, the Foundation’s grant activity grew from $257,539 in 1965 to nearly $6 million by 1985. As the university evolved, so did the Foundation’s mission of supporting and engaging in research, entrepreneurship, community service, sponsored programs and acquiring private resources.

However, increasing budget strains caused by Proposition 13 began to seriously affect the CSU system’s budget. The state began to encourage CSU campuses to supplement their budgets through additional outside funding from donors, grants, contracts and other entrepreneurial activities. This new emphasis expanded the role of the CSULB Foundation to manage the business processes and income from non-state funds.

For example, former CSULB President Stephen Horn used private donations to help build the Earl Burns Miller Japanese Garden, develop the Isabel Patterson Child Development Center and enhance the many programs important to CSULB’s growth into a world-class university.

The Foundation has handed on leadership from its first chair, Long Beach State President Victor Peterson, to the direction of Howard Still, John Beljan, Sharon Salcido, Sandra VanderHeyden and now current Executive Director Robert Behm. With their guidance, the Foundation has explored the three major sources of private donations—the companies and individuals that benefit from the skills of CSULB faculty and graduates, and individuals who wish to endow projects and buildings for the university because they believe in its mission.
The Foundation points with pride to its many thriving projects such as the National Council of La Raza-CSULB Center for Community Latino Health, Evaluation and Leadership Training, established with the help of a $496,000 appropriation from the Congressional Hispanic Caucus; and support for the landmark research by marine biology Professor Christopher Lowe, including one of his latest efforts funded by a $91,000 grant from the California Sea Grant programs to examine how fish movements can influence the size and location of marine reserve boundaries.

Another crown to the Foundation’s first 50 years is the California Launch Vehicle Education Initiative (CALVEIN), a partnership program directed by engineering Professor Eric Besnard with the Long Beach-based Garvey Spacecraft Corp. and other corporate and university collaborators to help prepare the next generation of aerospace engineers.

As it begins its 51st year, the Foundation’s financial condition is stronger than ever. Providing quality service and supporting CSULB’s faculty, staff, students and donor community continue to be the Foundation’s cornerstones.

Other growing initiatives include the James Ackerman Center for Commercial Deployment for Transportation Technologies (CCDOT), named for the internationally renowned maritime lawyer and the CSULB Technology Park office complex in west Long Beach. The university began moving in yet a new direction during the past year with the development of TruePoint Systems Inc., its first collaborative technology transfer startup venture. CSULB support levels continue to expand. During the past seven years, the university raised over $182 million, including more than $4.6 million given to the university from over 11,000 alumni in the 2005-06 fiscal year.
A new Center for Education in Proteomic Analysis (CEPA)—the first of its type in the California State University system—has been established at CSULB with a $500,000 grant from the W. M. Keck Foundation. CEPA provides students and faculty throughout the CSU system with access to a state-of-the-art proteomics facility for both research and instruction. It is part of CSULB’s Institute for Integrated Research on Materials, Environment and Society (IIRMES), an interdisciplinary research center developed by the university’s Colleges of Natural Sciences and Mathematics (CNSM) and Liberal Arts. Faculty and students from biology, chemistry, biochemistry, geology, physics and astronomy, as well as geography and anthropology utilize its sophisticated array of equipment, funded largely by the National Science Foundation, the university and other organizations such as the W. M. Keck Foundation.

The W. M. Keck Foundation grant, together with CSULB funds, helped purchase a suite of instruments to develop CEPA that includes an Applied Biosystems 4800 Matrix Assisted Laser Desorption Ionization, tandem Time of Flight Mass Spectrometer, as well as to hire a staff technician. The mass spectrometer is used to analyze large biomolecules, including changes in amino acid compositions of mutant or engineered proteins. Proteins perform essential roles in all biological processes, and proteomics is the study of some or all of the thousands of different proteins contained within an
organism, tissue or cell. Through proteomic analysis, scientists seek to understand how function correlates with the complete protein composition of a biological system under normal or diseased states.

Douglas McAbee, chair of the Department of Chemistry and Biochemistry, and Andrew Z. Mason, professor of biological sciences and IIRMES director, were instrumental in developing CEPA, now under the direction of Dr. Ashraf Elamin.

“Our mission as educators requires us to inform students how technological advances applied to genomics, proteomics and bioinformatics have provided the practical means to address fundamental questions in the life sciences,” McAbee said. “The fairly recent advent of soft-ionization mass spectrometry provides investigators with the technological means to answer crucial questions that previously were impractical or impossible to address.” He said that proteomics labs are common at research institutions, “but these facilities are used almost exclusively for research applications. What sets CEPA apart, we believe, is its mission to train students in proteomic analysis.”

“It is important to stress that CEPA will provide students and faculty throughout the CSU system with access to a state-of-the-art proteomics facility for both research and instruction,” McAbee added. “This is underscored by the fact that the proposal funded by the W.M. Keck Foundation listed 15 senior investigators from several CSU campuses, was supported by the Strategic Planning Council of CSUPERB (California State University Program for Education and Research in Biotechnology), and outlined instructional applications of the facility for courses and workshops for students at the high school, undergraduate and M.S. level.”

“Our college views student-faculty research as a proven and effective means to prepare and motivate young scientists,” said CNSM Dean Laura Kingsford. “Student participation is enriching and vital for their growth as scientists. We are highly committed to supporting faculty members in their research and, as such, put a high priority on providing ways to promote collaborations, share major resources and acquire state-of-the-art technologies. The establishment of CEPA will add another very important dimension to the training and research capabilities for students and faculty in this college and throughout the CSU system.”

“Because theory should not be divorced from practice, we must also equip students with the practical skills in the use of the latest technologies so that we can provide a trained, educated workforce for biotechnological industries and the employment demands of the next decade,” Mason said. “The CSU system has an excellent reputation for producing graduates with practical, hands-on laboratory experience, and employers have always commented that the CSU produces students who are every bit as good, and often better than, those graduating from the UC system. This is in part because of our emphasis on laboratory classes and undergraduate research.”

IIRMES also houses the CSUPERB Core Facility for Elemental Micro-Chemical Analysis (FEMCA).

By sharing equipment and expertise, CSUPERB core facilities located at several CSU campuses provide educators, researchers and students, both in the CSU and elsewhere, with a variety of fee-based analytical services. CEPA, once fully operational, will become part of FEMCA.

Surveys by the National Science Foundation and other government agencies rate CSULB among the top master’s universities in the number of graduates who go on to earn doctoral degrees. U.S. News and World Report ranks CSULB third among public western master’s universities for overall quality.

Based in Los Angeles, the W. M. Keck Foundation was established in 1954 by the late W. M. Keck, founder of the Superior Oil Company. The Foundation’s grant making is focused primarily on pioneering efforts in the areas of medical research, science and engineering. The Foundation also maintains a program to support undergraduate science and humanities education and a Southern California Grant Program that provides support in the areas of health care, civic and community services, education and the arts, with a special emphasis on children.

Additional information is available at www.csulb.edu/programs/iirmes.
THE MISSING PIECE OF THE PUZZLE

For several years, educators in California and throughout the United States have conducted studies documenting the development of bilingual children’s language and literacy competency, in the hopes of improving educational programs for Spanish-speaking immigrant students. While these studies have been helpful, there seems to be a missing part of the puzzle: How do these studies compare to literacy development among children who are monolingual speakers of Spanish in México? CSULB teacher education professor Leslie Reese hopes to find out.

In 2005, the CSULB College of Education was awarded a four-year, $1.975 million grant by the National Institute of Child Health and Human Development (NICHD) for a project that explores factors potentially influencing literacy development among Spanish-speaking children in México. Titled “Language and Literacy Development among Mexican Children,” the project specifically looks for indicators that might differentiate the development of reading and related skills in English and Spanish. Among those factors are syllabic and phonemic awareness, family literacy practices including the traditional practice of storytelling, and access to literacy resources in the community.

“The objective of the project is to study language and literacy development among 600 children in grades 1 through 3 in México,” said Reese, co-principal investigator for the project. “We hope it will allow us to understand more about the development of language and literacy skills in a cultural and linguistic context that is substantially different from that of the United States.”

The project is a collaborative effort with CSULB as the lead institution. Among the other partners is the University of Houston, Temple University and the Instituto Tecnológico de Estudios Superiores del Oeste, or ITESO, a private Jesuit university in Guadalajara, México.

This new project is complementary to another program CSULB has been involved with for about six years. In the original project, which again includes the University of Houston and Temple University, researchers have been looking at language and literacy development in both languages (English and Spanish) among Spanish-speaking children in the United States, studying children at sites in California and Texas.

“In the U.S.-based project, we’ve been looking at school, home and community factors and how all of those things influence Spanish-speaking children’s language and literacy development here, but we were very interested in studying the same set of issues with the same set of measures among Spanish-speaking children who are in a completely Spanish-speaking environment,” Reese explained. “To our knowledge, that has not been done yet.”

The project entails sampling students from four public schools in three communities with different contexts in the metropolitan area of Guadalajara, México: a predominantly working class area with indigenous cultural influences; a mixed working and middle class community with a large
percentage of the population with family ties to the U.S.; and a pre-dominantly middle class community. Children’s language and literacy skills are being assessed at the beginning and end of each year of the four-year study, and there are observers in the classrooms five times each year—three times with coded observation protocols used in the U.S. studies and twice with ethnographic protocols designed to identify features of Mexican classrooms that pre-coded protocols might not assess.

“In terms of measurement, I think this study is going to help advance the field of education for those children whose first language is Spanish,” Reese pointed out. “What we have done up to this point, we have assessed the children in English using English norms, and we have assessed the children in Spanish using Spanish norms. We treat it as if the children have two languages that we can assess separately, but when children are growing up with two languages, growing up bilingually, it’s different.

“They may have some concepts that they can express in one language, some concepts that they can express in the other language, and some that can be expressed in both languages,” she added. “And the Spanish that is used in bilingual settings in this country most likely differs in some ways from the Spanish used on standard vocabulary measures.”

College of Education Associate Dean Claude Goldenberg, the project’s principal investigator and executive director of the Center for Language Minority Education and Research (CLMER), which engages in activities to promote equity, excellence and justice in schools and society, is excited about the potential results of the study. “Helping Latino children achieve well in U.S. schools has been a challenge. This study will help us understand what teachers in México do that helps children there, and that might also help children here.”
FINANCE AND ACCOUNTING, CHARITABLE GIFTS AND INVESTMENTS, INFORMATION SYSTEMS

The overall financial position of the California State University, Long Beach Foundation remained strong during fiscal year 2005-06, reaching $99.6 million in total assets. Net assets reached $76.8 million, an increase of $7.2 million. Total investment funds under management reached $55 million. In April 2006, the Foundation changed its investing approach from using multiple investment managers to a well-diversified portfolio of mutual funds.

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. Online giving grew greatly during the past year, from 39 online donations in 2005 to 142 in 2006, an increase of 264 percent. We see this area continuing to increase as more donors become aware of this convenient service.

During fiscal year 2005-06, Foundation staff made notable advances in the area of information technology. The Foundation’s website was redesigned with the campus template to provide a consistent look with the CSULB website. Also, various systems were upgraded to improve productivity and reliability. As an example, the posting of payroll was reduced from 5 to 1.5 hours because of a new system installation.

The planned fiscal year-end and financial audit processes were completed on schedule.

The Foundation underwent its triennial audit by the Chancellor’s Office with only a few minor recommendations. Finally, there were no management letter comments from the independent certified public accounting firm that performed the annual audit for fiscal year 2005-06.
HUMAN RESOURCES, PAYROLL AND BENEFITS, PROPERTY MANAGEMENT

We continually seek new ways to improve and enhance our organization. This year, the organizational structure of some departments was modified to increase work flow efficiency. One such example was moving the Payroll Department under the same umbrella as Human Resources. The employee benefits function was aligned with payroll to create the new Department of Payroll and Benefits Services.

As with most employers, information and data security are ongoing concerns. In our continuing efforts to minimize the risk of identity theft and to comply with federal and state regulations, the Foundation transitioned from using social security numbers to campus identification numbers as the primary reference for employees. Both the human resources and the payroll systems were upgraded to accomplish this change, as were numerous forms and the Foundation website.

In 2005, a new state law, AB 1825, required employers to provide at least two hours of effective training to all supervisory employees on the prevention of sexual harassment, discrimination and retaliation. By the end of 2005, the Foundation had met this new requirement and will provide ongoing supervisory training on this topic as prescribed by the law.

The Foundation began offering its employees the option of enrolling in a flexible spending account (FSA) in 1994. The FSA allows employees to contribute pre-tax dollars into an account that the employee can use to cover non-reimbursed medical and childcare expenses. As required by federal law, any unused funds in an employee’s account at the end of the calendar year are forfeited. Recent changes in the laws for FSAs now allow employers to extend the end date beyond the end of the calendar year. Accordingly, Foundation employees now have two and one-half months into the new calendar year to use funds from the prior year.

This year, a newly enacted state law, AB 720, requires that all CSU campuses close in observance of Veterans Day. Beginning in 2006, the Foundation will also close on Nov. 11 to honor the service and sacrifice of U.S. veterans.

Occupancy in the Foundation building remained full. In response to numerous inquiries to lease space, the Foundation has undertaken an exploration of possible ways to meet space needs for Foundation projects and for the university.

The State of California recently adopted a Common Lease and Building Acquisition Policy. This policy establishes a uniform, common, seismic safety standard for newly leased and newly acquired buildings. This uniform policy applies to the California State University and its auxiliary organizations. Accordingly, the Foundation will undertake a review of all current leased property to ensure compliance with the policy.
GRANTS, CONTRACTS AND FOUNDATION PROGRAMS

For fiscal year 2006, which ended June 30, the Foundation received awards totaling $44 million. Several multiple-year awards have contributed to the increase in award volume, including a four-year SCORE grant from the National Institutes for Health awarded to the College of Natural Sciences and Mathematics; a three-year Title IV-E social work agreement from Los Angeles County, Department of Children and Family Services; and two large U.S. Department of Education awards for Student Services, the College Assistance Migrant Program and Student Support Services.

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. 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 a steady increase in our overall effective F&A recovery rate. The increase is a direct result of the Foundation and Office of University Research working together to increase faculty and sponsoring agencies awareness of the importance of this rate to the overall vitality of the university’s research infrastructure.

Maintaining focus on continuous improvement in the Foundation, we worked on several projects throughout the year, including: implementation of a new effort reporting system, which is a federal requirement and an important part of our overall post-award compliance program; the first Grants Management Institute (GMI), in coordination with the Office of University Research, which was held in the spring of 2006 and provides an overview of the transition from pre- to post-award administration, covers the basics of post-award administration, and is designed for faculty and staff new to externally sponsored project administration and for those considering submitting proposals; and the rollout of a true web-based reporting tool, with beta testing anticipated in fall 2006 and full implementation by spring 2007.

The awards received during fiscal year 2006 are representative of the hard work and dedication of the Office of University Research and the Foundation, and most importantly, the diverse expertise, knowledge and ability of our faculty to develop excellent proposals for some very important research and sponsored activities. Fiscal year 2007 promises to be another good year as proposals and awards continue in an upward trend.
**STATEMENT OF NET ASSETS**

**ASSETS**

<table>
<thead>
<tr>
<th>JUNE 30</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,626,721</td>
<td>$3,753,431</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>22,324,773</td>
<td>21,593,489</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>10,404,972</td>
<td>8,012,978</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>1,078,851</td>
<td>811,005</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>87,820</td>
<td>215,401</td>
</tr>
<tr>
<td></td>
<td>35,523,137</td>
<td>34,386,304</td>
</tr>
<tr>
<td>NONCURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>7,046,643</td>
<td>7,048,661</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>1,071,470</td>
<td>1,158,030</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>30,340,575</td>
<td>24,994,895</td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>2,686,179</td>
<td>2,926,187</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>22,913,425</td>
<td>23,093,757</td>
</tr>
<tr>
<td></td>
<td>64,058,292</td>
<td>59,221,530</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>99,581,429</td>
<td>93,607,834</td>
</tr>
</tbody>
</table>

**LIABILITIES**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>1,771,389</td>
<td>2,186,111</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>1,530,223</td>
<td>1,714,825</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>868,311</td>
<td>884,334</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>4,551,844</td>
<td>4,735,609</td>
</tr>
<tr>
<td>Long-term debt, current portion</td>
<td>280,000</td>
<td>265,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>7,824</td>
<td>7,824</td>
</tr>
<tr>
<td></td>
<td>9,009,391</td>
<td>9,793,703</td>
</tr>
<tr>
<td>NONCURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,037,007</td>
<td>1,291,691</td>
</tr>
<tr>
<td>Long-term debt, net of current portion</td>
<td>9,460,000</td>
<td>9,740,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>3,265,912</td>
<td>3,226,779</td>
</tr>
<tr>
<td></td>
<td>13,762,919</td>
<td>14,258,470</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>22,772,310</td>
<td>24,052,173</td>
</tr>
</tbody>
</table>

**NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>13,173,425</td>
<td>13,088,757</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable – endowments</td>
<td>26,533,054</td>
<td>26,190,422</td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>3,109,689</td>
<td>2,891,618</td>
</tr>
<tr>
<td>Research</td>
<td>3,526,209</td>
<td>3,218,272</td>
</tr>
<tr>
<td>Other</td>
<td>28,242,242</td>
<td>22,726,642</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>2,224,500</td>
<td>1,439,950</td>
</tr>
<tr>
<td>TOTAL NET ASSETS</td>
<td><strong>$76,809,119</strong></td>
<td><strong>$69,555,661</strong></td>
</tr>
</tbody>
</table>
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For the Year Ended JUNE 30,

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</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>$19,622,111</td>
<td>$21,299,038</td>
</tr>
<tr>
<td>State and local</td>
<td>6,586,474</td>
<td>3,919,661</td>
</tr>
<tr>
<td>Non-governmental</td>
<td>3,062,878</td>
<td>1,715,954</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>2,134,050</td>
<td>1,782,903</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>12,107,225</td>
<td>11,819,075</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>43,512,738</strong></td>
<td><strong>40,536,631</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<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>13,245,431</td>
<td>11,713,418</td>
</tr>
<tr>
<td>Research</td>
<td>7,768,276</td>
<td>8,347,959</td>
</tr>
<tr>
<td>Public service</td>
<td>4,347,360</td>
<td>5,495,307</td>
</tr>
<tr>
<td>Academic support</td>
<td>3,655,775</td>
<td>3,621,750</td>
</tr>
<tr>
<td>Student services</td>
<td>7,273,580</td>
<td>7,087,806</td>
</tr>
<tr>
<td>Institutional support</td>
<td>7,525,325</td>
<td>7,996,373</td>
</tr>
<tr>
<td>Student grants and scholarships</td>
<td>2,217,091</td>
<td>2,051,843</td>
</tr>
<tr>
<td>Auxiliary enterprise expenses</td>
<td>1,484,933</td>
<td>1,524,076</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>414,756</td>
<td>476,545</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>47,932,527</strong></td>
<td><strong>48,315,077</strong></td>
</tr>
</tbody>
</table>

**OPERATING LOSS**

- (4,419,789) (7,778,446)

**NONOPERATING REVENUES (EXPENSES)**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts, noncapital</td>
<td>5,920,076</td>
<td>9,916,946</td>
</tr>
<tr>
<td>Investment income net</td>
<td>4,659,113</td>
<td>5,151,517</td>
</tr>
<tr>
<td>Endowment income net</td>
<td>98,026</td>
<td>66,771</td>
</tr>
<tr>
<td>Other nonoperating expense</td>
<td>(740,634)</td>
<td>(436,942)</td>
</tr>
<tr>
<td><strong>Total Nonoperating Revenues (Expenses)</strong></td>
<td><strong>9,936,581</strong></td>
<td><strong>14,698,292</strong></td>
</tr>
</tbody>
</table>

**INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES**

- 5,516,792 6,919,846

**ADDITIONS TO PERMANENT ENDOWMENTS**

- 1,769,521 1,509,995

**LOSS ON DISPOSAL OF ASSETS**

- (32,855)

**INCREASE IN NET ASSETS**

- 7,253,458 8,429,841

**NET ASSETS AT BEGINNING OF YEAR**

- 69,555,661

**NET ASSETS AT END OF YEAR**

- 76,809,119 69,555,661

The above financial statements were audited by Windes & McClaughry Accountancy Corporation. The full set of audited financial statements is available upon request.
# STATEMENT OF CASH FLOWS

For the Year Ended

**JUNE 30,**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</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>$16,245,301</td>
<td>$21,307,312</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>6,586,474</td>
<td>3,919,661</td>
</tr>
<tr>
<td>Non-governmental grants and contracts</td>
<td>3,062,878</td>
<td>1,715,954</td>
</tr>
<tr>
<td>Payments to suppliers (</td>
<td>(26,539,896)</td>
<td>(24,121,181)</td>
</tr>
<tr>
<td>Payments to employees (</td>
<td>(19,703,738)</td>
<td>(20,597,003)</td>
</tr>
<tr>
<td>Payments to students (</td>
<td>(1,746,092)</td>
<td>(2,051,843)</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>2,210,098</td>
<td>1,520,439</td>
</tr>
<tr>
<td>Other receipts net</td>
<td>12,398,074</td>
<td>8,773,926</td>
</tr>
<tr>
<td>Net Cash Used In Operating Activities</td>
<td>(7,486,901)</td>
<td>(9,532,735)</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** |        |        |
| Gifts and grants received for other than capital purposes | 5,920,076  | 9,916,946  |
| Other (                   | (717,310)  | (353,751)  |
| Net Cash Provided By Noncapital Financing Activities | 5,202,766  | 9,563,195  |

| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** |        |        |
| Acquisition of capital assets (       | (267,278)  | (236,604)  |
| Principal paid on capital debt and lease | (265,000)  | (430,000)  |
| Net Cash Used In Capital and Related Financing Activities | (532,278)  | (666,604)  |

| **CASH FLOWS FROM INVESTING ACTIVITIES** |        |        |
| Proceeds from sales and maturities of investments | 63,326,524  | 11,078,208  |
| Investment gains, net                         | 4,659,113  | 5,151,517  |
| Endowment income, net                        | 98,026     | 66,771     |
| Additions to permanent endowments            | 1,769,521  | 1,509,995  |
| Purchase of investments (                   | (69,163,481) | (16,648,573) |
| Net Cash Provided By Investing Activities     | 689,703    | 1,157,918  |

| **NET CHANGE IN CASH AND CASH EQUIVALENTS** |        |        |
| (2,126,710)                             | 521,774   |

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

| **CASH AND CASH EQUIVALENTS AT END OF YEAR** |        |        |
| $1,626,721                                      | $3,753,431 |

The above financial statements were audited by Windes & McIlaughr Accountancy Corporation. The full set of audited financial statements is available upon request.
## STATEMENT OF CASH FLOWS
(Continued)

For the Year Ended
JUNE 30,

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>($ 4,419,789)</td>
<td>($ 7,778,446)</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>414,756</td>
<td>476,545</td>
</tr>
<tr>
<td>Change in assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts and pledges receivable, net</td>
<td>(2,571,262)</td>
<td>(3,629,847)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>127,581</td>
<td>161,821</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(414,722)</td>
<td>429,869</td>
</tr>
<tr>
<td>Accrued salaries and benefits payable</td>
<td>(184,602)</td>
<td>371,960</td>
</tr>
<tr>
<td>Accrued compensated absences</td>
<td>(16,023)</td>
<td>(10,945)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(438,649)</td>
<td>330,508</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>15,809</td>
<td>115,800</td>
</tr>
<tr>
<td><strong>Net Cash Used in Operating Activities</strong></td>
<td>($ 7,486,901)</td>
<td>($ 9,532,735)</td>
</tr>
</tbody>
</table>

The above financial statements were audited by Windes & McLaughey Accountancy Corporation.
The full set of audited financial statements is available upon request.
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 programs of California State University, Long Beach (the University), and to accept donations, gifts and bequests for any University-related use. The Foundation is a direct support organization and component of the University.

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 Statement 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. The Foundation maintains cash with financial institutions in excess of federally insured limits.

Investments

The Foundation has adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Under GASB Statement 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 $357,000 and $456,000 at June 30, 2006 and 2005, respectively). The determination includes such factors as prior collection history, type of gift, and nature of fund-raising.

*The above financial statements were audited by Windes & McCloughry Accountancy Corporation. The full set of audited financial statements is available upon request.*
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 $11,000 and $26,000 for the years ended June 30, 2006 and 2005, 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.

Compensated Absences

Foundation employees accrue annual leave at rates based on length of service and job classification.

Classification of Revenues and Expenses

The Foundation considers operating revenues and expenses in the statement of revenues, expenses, and changes in net assets to be those revenues and expenses that result from exchange transactions or from other activities that are connected directly to the Foundation's primary functions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Certain other transactions are reported as nonoperating revenues and expenses in accordance with GASB Statement 35. These nonoperating activities include net investment income, gifts (noncapital), endowments and interest expense.

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.
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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.