

**THE CSU, CHICO  
RESEARCH FOUNDATION**

**Chico, California**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION WITH  
INDEPENDENT AUDITORS' REPORTS**

**June 30, 2007 and 2006**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The CSU, Chico Research Foundation  
Chico, California

We have audited the accompanying statements of net assets of The CSU, Chico Research Foundation (the Research Foundation), a nonprofit organization and a component unit of the California State University, Chico, California, as of June 30, 2007 and 2006, and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Research Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Research Foundation as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in note 1, the financial statements include investments valued at \$1,460,347 (7.21% of net assets) and \$1,147,004 (6.09% of net assets), as of June 30, 2007 and 2006, respectively, whose fair values have been estimated by the Research Foundation in the absence of readily determinable fair values. The Research Foundation's estimates are based on information provided by the fund managers.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2007, on our consideration of the Research Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Research Foundation has not presented management's discussion and analysis (MD&A) that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

## **INDEPENDENT AUDITORS' REPORT**

Continued

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Research Foundation taken as a whole. The accompanying schedule of expenditures of federal awards and the financial information listed as supplemental information in the table of contents are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the California State University Chancellor's Office, or by management, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Matson and Isom*

September 17, 2007

**STATEMENTS OF NET ASSETS**

*The CSU, Chico  
Research Foundation*

June 30	2007	2006
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 478,539	\$ 652,575
Short-term investments	5,819,292	4,026,009
Accounts receivable - net	6,938,846	6,832,756
Prepaid expenses and other assets	512,525	444,649
<b>Total Current Assets</b>	<b>13,749,202</b>	<b>11,955,989</b>
<b>NONCURRENT ASSETS</b>		
Other long-term investment	20,000	20,000
Capital assets - net	15,673,232	15,296,956
Other assets	419,092	403,482
<b>Total Noncurrent Assets</b>	<b>16,112,324</b>	<b>15,720,438</b>
<b>Total Assets</b>	<b>\$ 29,861,526</b>	<b>\$ 27,676,427</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,497,775	\$ 1,080,361
Accrued salaries and benefits payable	985,090	913,480
Accrued compensated absences	29,072	32,481
Deferred revenue	1,925	1,175
Long-term debt obligations - current portion	666,512	615,300
Other current liabilities	29,524	32,409
<b>Total Current Liabilities</b>	<b>3,209,898</b>	<b>2,675,206</b>
<b>NONCURRENT LIABILITIES</b>		
Accrued compensated absences - net of current portion	14,130	14,473
Long-term debt obligations - net of current portion	5,430,095	5,388,971
Depository accounts	14,536	10,275
Other long-term liabilities	940,790	741,929
<b>Total Noncurrent Liabilities</b>	<b>6,399,551</b>	<b>6,155,648</b>
<b>Total Liabilities</b>	<b>9,609,449</b>	<b>8,830,854</b>
<b>NET ASSETS</b>		
Invested in capital assets - net of related debt	9,921,833	9,639,707
Restricted for:		
Expendable:		
Research	814,484	632,952
Loans	49,129	50,056
Capital projects	15,552	-
Other	562,934	446,950
Unrestricted	8,888,145	8,075,908
<b>Total Net Assets</b>	<b>20,252,077</b>	<b>18,845,573</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 29,861,526</b>	<b>\$ 27,676,427</b>

*The accompanying notes are an integral part of these financial statements.*

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

*The CSU, Chico  
Research Foundation*

Years Ended June 30	<b>2007</b>	<b>2006</b>
<b>REVENUES</b>		
<b>OPERATING REVENUES</b>		
Student tuition and fees	\$ 319,145	\$ 328,840
Grants and contracts - noncapital:		
Federal	14,685,097	15,166,395
State	4,785,494	4,505,247
Local	1,146,534	1,262,425
Nongovernmental	3,812,053	4,079,277
Sales and services of educational activities	1,695,996	1,839,139
Sales and services of auxiliary enterprises	2,750,127	3,341,197
Other operating revenues	4,716,306	4,439,109
<b>Total Operating Revenues</b>	<b>33,910,752</b>	<b>34,961,629</b>
<b>EXPENSES</b>		
<b>OPERATING EXPENSES</b>		
Instruction	5,349,258	6,227,396
Research	2,610,181	2,883,867
Public services	15,765,432	15,279,572
Academic support	2,304,907	1,725,775
Student services	1,794,890	2,558,052
Institutional support	2,522,566	2,583,046
Operation and maintenance of plant	685,388	448,196
Student grants and scholarships	268,693	268,771
Auxiliary enterprises expenditures	1,498,344	1,263,386
Depreciation and amortization	800,763	722,863
<b>Total Operating Expenses</b>	<b>33,600,422</b>	<b>33,960,924</b>
<b>Net Operating Revenue</b>	<b>310,330</b>	<b>1,000,705</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income - net	429,705	231,798
Interest on capital related debt	(243,234)	(228,931)
Other nonoperating revenue	525,276	225,048
<b>Net Nonoperating Revenues</b>	<b>711,747</b>	<b>227,915</b>
<b>Income Before Other Additions</b>	<b>1,022,077</b>	<b>1,228,620</b>
Grants and gifts - capital	384,427	519,299
<b>Increase in Net Assets Before Cumulative Effect of Accounting Change</b>	<b>1,406,504</b>	<b>1,747,919</b>
Cumulative effect of accounting change	-	4,278,030
<b>Increase in Net Assets</b>	<b>1,406,504</b>	<b>6,025,949</b>
<b>Net Assets - Beginning of Year</b>	<b>18,845,573</b>	<b>12,819,624</b>
<b>Net Assets - End of Year</b>	<b>\$ 20,252,077</b>	<b>\$ 18,845,573</b>

*The accompanying notes are an integral part of these financial statements.*

**STATEMENTS OF CASH FLOWS***The CSU, Chico  
Research Foundation*

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Years Ended June 30	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 319,145	\$ 328,840
Federal grants and contracts	15,715,124	14,042,717
State grants and contracts	4,025,033	4,861,590
Local grants and contracts	1,057,048	-
Nongovernmental grants and contracts	3,454,865	5,422,027
Payments to suppliers	(16,518,075)	(17,853,461)
Payments to employees	(15,683,496)	(15,205,587)
Payments to students	(180,692)	(206,373)
Sales and services of auxiliary enterprises	2,688,282	3,390,089
Sales and services of educational activities	1,730,999	1,158,474
Other receipts	4,999,543	4,156,892
<b>Net Cash Provided by Operating Activities</b>	<b>1,607,776</b>	<b>95,208</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Other	525,276	284,848
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from capital debt	250,000	1,313,086
Capital grants and gifts	384,427	519,299
Proceeds from sale of capital assets	-	104,092
Acquisitions of capital assets	(1,177,038)	(2,202,316)
Principal paid on capital debt	(157,664)	(1,058,086)
Interest paid on capital debt	(243,234)	(229,097)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(943,509)</b>	<b>(1,553,022)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	246,433	166,330
Purchase of investments	(9,986,120)	(11,372,147)
Withdrawals from investments	8,376,108	11,853,550
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(1,363,579)</b>	<b>647,733</b>
<b>Decrease in Cash and Cash Equivalents</b>	<b>(174,036)</b>	<b>(525,233)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>652,575</b>	<b>1,177,808</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 478,539</b>	<b>\$ 652,575</b>

*The accompanying notes are an integral part of these financial statements.*



**STATEMENTS OF CASH FLOWS***The CSU, Chico  
Research Foundation*

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Years Ended June 30	<u>2007</u>	<u>2006</u>
<b>RECONCILIATION OF NET OPERATING REVENUE TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating revenue	\$ 310,330	\$ 1,000,705
Adjustments to reconcile operating revenue to net cash provided by operating activities:		
Depreciation and amortization expense	800,763	722,863
Change in assets and liabilities:		
Accounts receivable - net	(106,090)	(1,658,523)
Prepaid expenses and other assets	(83,486)	(64,895)
Accounts payable	417,414	(107,283)
Accrued salaries and benefits	71,610	139,253
Accrued compensated absences	(3,752)	6,575
Deferred revenue	750	(750)
Depository accounts	4,261	1,663
Other liabilities	195,976	55,600
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 1,607,776</u>	<u>\$ 95,208</u>
<b>NONCASH TRANSACTION CUMULATIVE EFFECT OF ACCOUNTING CHANGE</b>		
Change in depository accounts	\$ 4,261	\$ 4,279,693
Less: Cumulative effect of accounting change	-	4,278,030
<b>Cash Provided From Depository Accounts</b>	<u>\$ 4,261</u>	<u>\$ 1,663</u>

*The accompanying notes are an integral part of these financial statements.*

**1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities** The CSU, Chico Research Foundation (the Research Foundation) is a not-for-profit auxiliary organization of California State University, Chico (CSUC) that administers various funds and performs other activities related to the CSUC community. The Research Foundation administers the grants and contracts as well as the nonphilanthropic agency accounts, incentive accounts, and enterprise activities.

**Basis of Accounting** Pursuant to the requirements established by the Chancellor of the California State University, the Research Foundation has adopted the provisions of Statement No. 35 of the Governmental Accounting Standards Board (GASB), *Basic Financial Statements—and Management’s Discussion and Analysis—for Public Colleges and Universities*. With minor exceptions, this statement provides that public colleges and universities are subject to the financial reporting requirements of GASB Statement No. 34, applicable to state and local governments. The Research Foundation is an auxiliary organization to CSUC, and therefore, is determined to be a “component unit” of CSUC in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*. All component units are required to adopt GASB Statement Nos. 34 and 35. Management has elected not to present management’s discussion and analysis (MD&A) that GASB has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

The Research Foundation applies Financial Accounting Standards Board pronouncements issued through November 30, 1989, only to the extent that they have not been superseded by GASB pronouncements issued after GASB Statement No. 1. The Research Foundation is also exempt from applying certain GASB statements if they conflict with their adopted financial reporting standards.

The financial statements are prepared using the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

**Cash and Cash Equivalents** Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and present insignificant risk of change in value because of a change in interest rates. They consist of cash on hand and in commercial checking, money market, and savings accounts.

The Research Foundation has secured a contract for deposit of monies with Tri Counties Bank whereby all deposits will be subject to the security provided to local public agencies. The deposits are collateralized with securities held by the Union Bank of California.

**Short-Term Investments** Short-term investments consist of time certificates of deposit, investments in the Common Fund, and short-term deposits in Local Agency Investment Fund (LAIF). The Common Fund is a mutual fund consisting of U.S. government securities, short-term corporate obligations, foreign bank and U.S. bank securities, and other securities which are valued at market by the fund manager.

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

*The CSU, Chico  
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Investments for which a readily determinable fair value does not exist, are referred to as alternative investments. These investments may be structured as limited partnerships, limited liability corporations, trusts, or corporations. The fair value of these investments have been estimated by the Research Foundation. The Research Foundation's estimates are based on information provided by the fund managers. For the years ended June 30, 2007 and 2006, the Research Foundation holds alternative investments in the amount of \$1,460,347 (7.21% of net assets) and \$1,147,004 (6.09% of net assets), respectively.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value.

The Research Foundation participates in LAIF managed by the state of California. As of June 30, 2007, the LAIF pool includes structured notes and asset-backed securities which total 3.466% of the total portfolio. These structured notes and asset-backed securities are subject to market risk as interest rates change. The fair value of the Research Foundation's investment in LAIF is the same as the carrying value of the pool shares. As of June 30, 2007, the fair value of LAIF is 99.95% of the carrying value and is deemed to not represent a material difference. There are no LAIF funds invested in derivatives as of June 30, 2007. Oversight of LAIF is provided by the Local Investment Advisory Board (LIAB), which consists of five members as designated by statute. The Chairman of the LIAB is the State Treasurer or his designated representative. The Research Foundation is considered to be a voluntary participant in the LAIF investment pool.

The Research Foundation's investment policy established safety of principal as the primary investment objective to realize a reasonable interest yield.

**Accounts Receivable** Accounts receivable include amounts due from the federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the Research Foundation's grants and contracts. Additionally, accounts receivable consists of telecommunication and networking services, CSUC faculty emergency loan funds, and other miscellaneous accounts receivable. The Research Foundation utilizes the allowance method with respect to its accounts receivable. The allowance recorded was \$947 and \$-0- as of June 30, 2007 and 2006, respectively.

**Prepaid Expenses and Other Assets** Prepaid expenses and other assets include inventories and deferred crop planting expenses. Deferred crop planting expenses represent the cost of seed, fertilizer, labor, and other crop preparation expenses which will be charged to operations when the related crop revenue is recognized.

**Inventories** Feed inventory is stated at cost, and horticulture inventory is stated at average cost. Both are on a first-in, first-out basis. Feeder livestock is stated at the lower of cost or market value.

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation*

Inventories, included in prepaid expenses and other assets, consisted of the following:

	<b>2007</b>	<b>2006</b>
Feeder livestock	\$ 28,747	\$ 26,156
Meat lab	14,008	16,959
Feed	43,454	25,224
Other	36,060	36,960
<b>Total</b>	<b>\$ 122,269</b>	<b>\$ 105,299</b>

**Other Long-Term Investment** Other long-term investment is real estate held for sale. It is recorded at the fair market value determined on the date it was donated.

**Capital Assets** Capital assets are stated at cost, or if acquired by gift, are recorded at estimated market value at the date of acquisition. Livestock is recorded at a unit value which approximates average cost for the particular species, gender, size, and age of the animal. Capital assets are not capitalized by the Research Foundation if the title remains with or reverts to the grantor. Expenditures for new construction, major renewals and replacements, and equipment over \$5,000 are capitalized.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Depreciation for capital assets purchased with grant and contract funds has been charged using an estimated useful life of five years. Livestock is not depreciated because management considers the unit values to approximate amounts to be realized on the ultimate disposition of livestock.

**Net Assets** Net assets are restricted due to constraints imposed by donors or by funding sources. Current restricted net assets include a donor restricted research endowment, faculty emergency loan fund, and funds held for CSUC for campus licensing agreements. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

**Depository Accounts** Depository accounts represent the amount of tenant security deposits on property the Research Foundation leases through a property management company.

**Operating and Nonoperating Revenues (Expenses)** All revenues that relate to the ongoing operations of the Research Foundation are included in operating revenues. Gains and losses not directly related to the ongoing operations and interest incurred on capital related debt is reported as nonoperating.

Charges for services include revenues based on exchange transactions, namely sales of educational and student activities and sales of agricultural products.

Grants and contracts are received from federal and state governmental agencies and various other organizations. The Research Foundation receives an administration fee to cover indirect overhead costs and recognizes this fee as income over the life of the grant or contract as a percentage of total expenditures or salaries and wages as specified in the grant or contract. Grants and contracts to be expended are not reflected in the financial statements of the Research Foundation. The balance of these accounts totaled \$15,795,845 and \$14,804,554 at June 30, 2007 and 2006, respectively.

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation*

Grants and gifts-capital includes real property or equipment received from donors, federal, state, and other funding agencies.

***Operating Expenses*** Administrative overhead charges are included in operating expenses. When these charges are made to various programs, they are included in the direct expenses of those programs. Allocations of overhead expenses from one function to another, and within one function, are eliminated in the statement of activities so that allocated expenses are reported only by the function to which they were allocated.

***Use of Estimates*** The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

***Operating Lease and Facility Use Agreements*** The Research Foundation operates as an auxiliary organization to CSUC under an operating agreement negotiated every five years. The current operating and lease agreements expire on June 30, 2007. The Research Foundation uses certain CSUC and other facilities under lease agreements requiring annual or monthly rental payments, or space trades. All leases are cancelable with 30 days notice to the lessor. Lease payments amounted to \$147,445 and \$166,093 for the years ended June 30, 2007 and 2006, respectively.

***Business, Financial, and Information Technology Services*** The Associated Students of CSU, Chico (Associated Students) by contract provides business, financial, and information technology services to the Research Foundation. The cost of these services was \$745,322 and \$700,122 for the years ended June 30, 2007 and 2006, respectively.

The Research Foundation provides administrative and financial services to the University Foundation. The revenue for these services was \$386,950 and \$362,094 for the years ended June 30, 2007 and 2006, respectively.

***Receivable From the Associated Students*** As required by the operating lease agreement between CSUC and the Associated Students, all payments related to this agreement are directed to the Research Foundation. The amount receivable from the Associated Students for this obligation was \$587,403 and \$580,432 at June 30, 2007 and 2006, respectively.

***Receivable/Payable From CSUC*** Receivables and payables with CSUC are a result of grant and contract transactions and other miscellaneous supplies and services. The amounts receivable and payable for the year ended June 30, 2007, for these obligations were \$117,275 and \$307,134, respectively. The respective amounts for the year ended June 30, 2006, were \$75,893 and \$109,552.

***Income Taxes*** The Research Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, income from certain activities not directly related to the tax-exempt purpose is subject to taxation as unrelated business income. The Research Foundation has been classified as an organization that is not a private foundation under Section 509(a)(2).

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation*

**Personnel** The Research Foundation provides personnel services to the University Foundation under contract. The University Foundation reimburses the Research Foundation for the cost of these services. Employees of the University Foundation participate in the Research Foundation's benefit plans. The amount receivable from the University Foundation was \$104,638 and \$33,021 at June 30, 2007 and 2006, respectively.

**Classification** Certain accounts in prior-year financial statements have been reclassified for comparative purposes to conform with presentation in the current year financial statements.

**2. CASH AND CASH EQUIVALENTS**

Custodial credit risk is the risk that, in the event of a bank failure, the Research Foundation's deposits may not be returned. The Research Foundation does not have a policy for custodial credit risk. As of June 30, 2007, \$1,016,381 of the Research Foundation's bank balance of \$1,028,126 was uninsured and collateralized with securities held by the pledging financial institutions' trust department. As of June 30, 2006, \$1,767,588 of the Research Foundation's bank balance of \$1,773,731 was uninsured and collateralized with securities held by the pledging financial institutions' trust department.

**3. INVESTMENTS**

Investments for the year ended June 30, 2007, were as follows:

	<b>Current</b>	<b>Noncurrent</b>	<b>Total (Calculated)</b>
State of California Local Agency Investment Fund	\$ 4,160,945	\$ -	\$ 4,160,945
Real estate	-	20,000	20,000
Certificates of deposit	198,000	-	198,000
Common Fund - mutual funds	1,460,347	-	1,460,347
<b>Total Investments</b>	<b>\$ 5,819,292</b>	<b>\$ 20,000</b>	<b>\$ 5,839,292</b>

Investments for the year ended June 30, 2006, were as follows:

	<b>Current</b>	<b>Noncurrent</b>	<b>Total (Calculated)</b>
State of California Local Agency Investment Fund	\$ 2,681,005	\$ -	\$ 2,681,005
Real estate	-	20,000	20,000
Certificates of deposit	198,000	-	198,000
Common Fund - mutual funds	1,147,004	-	1,147,004
<b>Total Investments</b>	<b>\$ 4,026,009</b>	<b>\$ 20,000</b>	<b>\$ 4,046,009</b>

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation***Credit Risk**

The Research Foundation's investment policy does not limit its investment choices. The Research Foundation's investments in mutual funds and Local Agency Investment Funds (LAIF) are unrated.

**Concentration of Credit Risk**

Financial instruments which potentially subject the Research Foundation to concentrations of credit risk consist primarily of cash investments. More than 5% of the Research Foundation's investments are in LAIF and mutual funds. At June 30, 2007, these investments were 25.01% and 71.26%, respectively, of the Research Foundation's total investments. At June 30, 2006, these investments were 28.35% and 66.26%, respectively, of the Research Foundation's total investments.

**Interest Rate Risk**

Interest rate risk is the risk whereby changes in market interest rates could adversely affect the fair value of an investment. The Research Foundation does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following:

	<b>2007</b>	<b>2006</b>
Federal, state, and other grants and contracts	\$ 5,780,771	\$ 5,603,663
CSUC faculty emergency loan funds	50,076	50,056
Other	1,108,946	1,179,037
<b>Subtotal</b>	6,939,793	6,832,756
Less: Allowance for doubtful accounts	(947)	-
<b>Total</b>	<b>\$ 6,938,846</b>	<b>\$ 6,832,756</b>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>NONDEPRECIABLE CAPITAL ASSETS</b>					
Land and land improvements	\$ 5,742,392	\$ 190,051	\$ -	\$ -	\$ 5,932,443
Construction in progress	179,534	251,034	-	(128,522)	302,046
Breeding livestock	38,740	40,240	-	-	78,980
<b>Total Nondepreciable Capital Assets</b>	<b>5,960,666</b>	<b>481,325</b>	<b>-</b>	<b>(128,522)</b>	<b>6,313,469</b>
<b>DEPRECIABLE CAPITAL ASSETS</b>					
Building and improvements	10,190,727	194,020	(1,025)	128,522	10,512,244
Equipment and furnishings	4,241,252	501,694	(111,834)	-	4,631,112
<b>Total Depreciable Capital Assets</b>	<b>14,431,979</b>	<b>695,714</b>	<b>(112,859)</b>	<b>128,522</b>	<b>15,143,356</b>
<b>Subtotal</b>	<b>20,392,645</b>	<b>1,177,039</b>	<b>(112,859)</b>	<b>-</b>	<b>21,456,825</b>
<b>LESS: ACCUMULATED DEPRECIATION</b>					
Building and improvements	(2,317,812)	(350,206)	1,025	-	(2,666,993)
Equipment and furnishings	(2,777,877)	(450,557)	111,834	-	(3,116,600)
<b>Total Accumulated Depreciation</b>	<b>(5,095,689)</b>	<b>(800,763)</b>	<b>112,859</b>	<b>-</b>	<b>(5,783,593)</b>
<b>Total Net Capital Assets</b>	<b>\$ 15,296,956</b>	<b>\$ 376,276</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,673,232</b>

Capital asset activity for the year ended June 30, 2006, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>NONDEPRECIABLE CAPITAL ASSETS</b>					
Land and land improvements	\$ 4,863,191	\$ 879,201	\$ -	\$ -	\$ 5,742,392
Construction in progress	49,800	129,734	-	-	179,534
Breeding livestock	61,060	-	(22,320)	-	38,740
<b>Total Nondepreciable Capital Assets</b>	<b>4,974,051</b>	<b>1,008,935</b>	<b>(22,320)</b>	<b>-</b>	<b>5,960,666</b>
<b>DEPRECIABLE CAPITAL ASSETS</b>					
Building and improvements	9,637,325	574,048	(20,646)	-	10,190,727
Equipment and furnishings	4,633,098	624,323	(1,016,169)	-	4,241,252
<b>Total Depreciable Capital Assets</b>	<b>14,270,423</b>	<b>1,198,371</b>	<b>(1,036,815)</b>	<b>-</b>	<b>14,431,979</b>
<b>Subtotal</b>	<b>19,244,474</b>	<b>2,207,306</b>	<b>(1,059,135)</b>	<b>-</b>	<b>20,392,645</b>
<b>LESS: ACCUMULATED DEPRECIATION</b>					
Building and improvements	(1,991,843)	(341,625)	15,656	-	(2,317,812)
Equipment and furnishings	(3,271,235)	(381,238)	874,596	-	(2,777,877)
<b>Total Accumulated Depreciation</b>	<b>(5,263,078)</b>	<b>(722,863)</b>	<b>890,252</b>	<b>-</b>	<b>(5,095,689)</b>
<b>Total Net Capital Assets</b>	<b>\$ 13,981,396</b>	<b>\$ 1,484,443</b>	<b>\$ (168,883)</b>	<b>\$ -</b>	<b>\$ 15,296,956</b>

The detail of depreciation and amortization expense was as follows:

	2007	2006
<b>Depreciation and Amortization Expense Related to Capital Assets</b>	<b>\$ 800,763</b>	<b>\$ 722,863</b>



**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation***6. OTHER ASSETS**

Other assets consisted of the following:

	<u>2007</u>	<u>2006</u>
Deposits held by property managers	\$ 106,616	\$ 91,134
Bond reserve accounts held by trustee	<u>312,476</u>	<u>312,348</u>
<b>Total Other Assets</b>	<u>\$ 419,092</u>	<u>\$ 403,482</u>

**7. SHORT-TERM DEBT**

The Research Foundation borrowed \$933,086 from CSUC and repaid the monies with interest by June 30, 2006. This loan paid for the acquisition of residential real estate which will eventually be sold to CSUC for student housing. There were no short-term loans outstanding as of June 30, 2007 and 2006.

**8. LONG-TERM DEBT OBLIGATIONS**

Long-term debt obligations comprise the following:

	<u>2007</u>	<u>2006</u>
Noninterest bearing agreements with the state of California, payable in cash or in-kind upon mutual agreement or 30 days notice by either party. The agreements are secured by cattle, sheep, swine, and horticulture.	\$ 73,971	\$ 73,971
Noninterest bearing note payable to the City of Chico to be repaid in 20 annual payments of \$25,000. The note is secured by cash reserves and other assets.	325,000	350,000
Note payable to River Network to be repaid in the future or forgiven. The note was to be repaid to the extent the Foundation was able to raise funds for acquisition of the land for the Big Chico Creek Ecological Preserve. New management of River Network and the Foundation will discuss ways to raise additional funds to repay the note. To the extent additional funds are not raised, River Network and the Foundation plan to sign an agreement to forgive the unpaid balance on the note. Interest accrued at 5% for the year ended June 30, 2003. Per a revised agreement dated July 1, 2003, no additional interest is to accrue. The note is secured by real property.	490,300	490,300
Note payable to a private party, due and payable five years after close of escrow on the purchased property. Interest on the installment agreement is at 6% per annum, payable monthly. The note is secured by real property.	380,000	380,000
Note payable to a private party, due and payable five years after close of escrow on the purchased property. Interest on the installment agreement is at 7% per annum, payable monthly. The note is secured by real property.	217,336	-
Public auxiliary organization revenue bonds payable of \$5,115,000 acquired through A.G. Edwards & Sons, Inc. The bonds were acquired to fund the cost of a building located at 25 Main Street, Chico, California, and to refinance the outstanding amount of the Foundation's auxiliary organization revenue bonds Series 2000, which were originally acquired to fund the cost of the CSU, Chico soccer stadium and the building located at 35 Main Street, Chico, California. The bonds will be repaid to the trustee in 30 annual installments, including principal, interest, and sinking fund payments, beginning June 2003 with interest rates ranging from 2.00% to 4.75%. The bonds are secured by revenues of the Foundation.	4,610,000	4,710,000
<b>Total</b>	<u>\$ 6,096,607</u>	<u>\$ 6,004,271</u>

Long-term liability obligation activity for the year ended June 30, 2007, was as follows:

<u>Description</u>	<u>Balance</u>			<u>Balance</u>	<u>Long-Term</u>	<u>Current</u>
	<u>June 30, 2006</u>	<u>Additions</u>	<u>Reductions</u>			
ACCRUED COMPENSATED ABSENCES	\$ 46,954	\$ 47,943	\$ (51,695)	\$ 43,202	\$ 14,130	\$ 29,072
LONG-TERM DEBT OBLIGATIONS:						
Revenue bonds payable	4,710,000	-	(100,000)	4,610,000	4,505,000	105,000
Notes payable	1,294,271	250,000	(57,664)	1,486,607	925,095	561,512
<b>Total Long-Term Debt Obligations</b>	<b>6,004,271</b>	<b>250,000</b>	<b>(157,664)</b>	<b>6,096,607</b>	<b>5,430,095</b>	<b>666,512</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 6,051,225</b>	<b>\$ 297,943</b>	<b>\$ (209,359)</b>	<b>\$ 6,139,809</b>	<b>\$ 5,444,225</b>	<b>\$ 695,584</b>

Long-term liability obligation activity for the year ended June 30, 2006, was as follows:

<u>Description</u>	<u>Balance</u>			<u>Balance</u>	<u>Long-Term</u>	<u>Current</u>
	<u>June 30, 2005</u>	<u>Additions</u>	<u>Reductions</u>			
ACCRUED COMPENSATED ABSENCES	\$ 40,379	\$ 52,328	\$ (45,753)	\$ 46,954	\$ 14,473	\$ 32,481
LONG-TERM DEBT OBLIGATIONS:						
Revenue bonds payable	4,810,000	-	(100,000)	4,710,000	4,610,000	100,000
Notes payable	939,271	1,313,086	(958,086)	1,294,271	778,971	515,300
<b>Total Long-Term Debt Obligations</b>	<b>5,749,271</b>	<b>1,313,086</b>	<b>(1,058,086)</b>	<b>6,004,271</b>	<b>5,388,971</b>	<b>615,300</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 5,789,650</b>	<b>\$ 1,365,414</b>	<b>\$(1,103,839)</b>	<b>\$ 6,051,225</b>	<b>\$ 5,403,444</b>	<b>\$ 647,781</b>

	<u>Low</u>	<u>High</u>
<b>INTEREST RATES</b>		
<b>Range of Interest Rates on Outstanding Debt</b>	2.00%	7.00%

Debt service requirements are as follows:

<u>Years Ending</u>	<u>Revenue Bonds</u>		<u>All Other</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 105,000	\$ 204,156	\$ 561,512	\$ 36,588	\$ 666,512	\$ 240,744
2009	105,000	201,531	74,589	33,211	179,589	234,742
2010	110,000	198,513	78,174	29,626	188,174	228,139
2011	115,000	195,075	462,017	6,782	577,017	201,857
2012	115,000	191,165	136,344	112	251,344	191,277
2013-2017	655,000	884,819	173,971	-	828,971	884,819
2018-2022	635,000	751,550	-	-	635,000	751,550
2023-2027	760,000	585,675	-	-	760,000	585,675
2028-2032	-	477,375	-	-	-	477,375
2033-2036	2,010,000	47,738	-	-	2,010,000	47,738
<b>Total</b>	<b>\$ 4,610,000</b>	<b>\$ 3,737,597</b>	<b>\$ 1,486,607</b>	<b>\$ 106,319</b>	<b>\$ 6,096,607</b>	<b>\$ 3,843,916</b>

**9. OTHER LONG-TERM LIABILITIES**

Other long-term liabilities consisted of the following:

	<u>2007</u>	<u>2006</u>
Reserve for grant cost disallowance	\$ 405,454	\$ 395,122
Postretirement health benefit reserve	531,624	346,807
Other	3,712	-
<b>Total Other Long-Term Liabilities</b>	<b>\$ 940,790</b>	<b>\$ 741,929</b>

**10. ACCRUED COMPENSATED ABSENCES**

Employees of the Research Foundation are entitled to paid vacation and paid sick leave based on length of service and other factors. It is impractical to estimate the amount of compensation for future paid sick days, and accordingly, no liability for these amounts has been recorded in the accompanying financial statements. The Research Foundation's policy is to recognize the costs of those compensated absences when actually paid to employees as sick leave does not vest to the employee. The liability for compensated absences has not been accrued for employees funded by grants and contracts. The compensated absences liability will be paid by both the General Fund and the Auxiliary Activities Fund.

**11. HEALTH CARE BENEFITS**

As of January 1, 2005, the Research Foundation entered into a contract with the California Public Employers Program (CAPEP) to provide a fully insured healthcare plan for eligible employees. Postretirement health benefits are not required as a part of the CAPEP contract, however, the Research Foundation has elected to provide that benefit.

As of July 1, 2003, the Research Foundation contracted with Fortis Benefits to provide a fully insured dental plan and with American International Group's Medical Eye Service to provide a fully insured vision plan for eligible employees.

Total health, dental, and vision insurance expense amounted to \$213,164 and \$182,818 for the years ended June 30, 2007 and 2006, respectively.

**12. RETIREMENT PLANS**

The Research Foundation sponsors a 401(k) savings plan which covers fully benefited employees in a funded position. The amount of contributions to the plan is at the discretion of the Board of Directors. The employer contribution is based upon an employee's years of service. At the beginning of the second year of service, the Research Foundation contributes 2% of the employee's pay to the plan. The percentage increases by 2% for each year of service up to a maximum contribution of 8%. Employer contributions vest immediately to the employee. Expense recognized amounted to \$69,440 and \$66,311 for the years ended June 30, 2007 and 2006, respectively. The expense amounts for the 401(k) savings plan do not include amounts paid for employees funded by grants and contracts.

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation***13. ACCUMULATED POSTRETIREMENT BENEFITS**

The Research Foundation sponsors an endowment-funded postretirement health care plan that covers both salaried and nonsalaried benefited employees. The plan provides medical benefits to qualified retirees to the extent sustainable by the provided endowment. The postretirement health care plan is contributory with retiree contributions adjusted annually. Employees are qualified after 15 years of credited service and attainment of age 55. The plan can be terminated at any time. At June 30, 2007, 8 participants met these eligibility requirements and an estimated 29 participants will be eligible in future years.

The accumulated postretirement benefit obligation (APBO) is a standardized measure of the present value of postretirement benefits estimated to be payable in the future as a result of an employee's service to date. The postretirement benefit obligation at June 30, 2007 and 2006, was computed based on an estimate of the number of employees who may retire and the estimated expense.

The Research Foundation has chosen to recognize the transition obligation in the statement of net assets and statement of revenues, expenses, and changes in net assets on a delayed basis over the plan participants' future service periods. The full APBO is calculated to be \$377,623 and \$496,245 for the years ended June 30, 2007 and 2006, respectively. The APBO recognized is \$560,624 and \$408,722 at June 30, 2007 and 2006, respectively. An outside actuarial computation of the liability will be performed during the 2006-07 plan year. The amount paid on behalf of current retirees was \$20,100. The expected benefits to be paid over the next 10 years are as follows:

Years Ending	
2008	\$ 20,100
2009	28,800
2010	28,800
2011	28,800
2012	36,000
2013-2017	222,222
<b>Total</b>	<b>\$ 364,722</b>

The expense amounts for the postretirement benefit plan for the year ended June 30, 2007, were:

	<b>2007</b>	<b>2006</b>
Service cost estimate	\$ 87,141	\$ 28,413
Interest cost estimate	32,533	36,726
<b>Total expense</b>	<b>\$ 119,674</b>	<b>\$ 65,139</b>

Significant actuarial assumptions used in the in-house valuation include: 1) a discount rate of 7% used to calculate the present value of the future benefit payment, 2) a health care cost trend rate of 4% compounded annually, and 3) mortality rates based on the 1983-GAM Tables.

**14. JOINT POWERS AGREEMENT**

The Research Foundation participates in a joint powers agreement with California State University Risk Management Authority (CSURMA). CSURMA arranges for and provides liability, property, and workers' compensation insurance for its members. The Research Foundation pays a premium commensurate with the level of coverage requested.

The relationship between the Research Foundation and CSURMA is such that it is not a component unit of the Research Foundation for financial reporting purposes. The Research Foundation's share of year-end assets, liabilities, or fund equity is not calculated by CSURMA. The condensed audited financial information for CSURMA as of June 30, 2006, is as follows:

Total assets	\$ 173,245,000
Total liabilities	173,245,000
<b>Net Assets</b>	<b>\$ -</b>
Total operating revenues	\$ 91,867,000
Total operating expenses	66,636,000
Net nonoperating revenues	5,308,000
Reductions to future funding commitment from California State University	30,539,000
<b>Total Change in Net Assets</b>	<b>\$ -</b>

CSURMA is economically dependent on the California State University (CSU) for funding. CSURMA has secured a commitment from the CSU to provide sufficient cash flow to CSURMA to meet its operating needs and to fund losses over a period of time. The liability to CSURMA for workers' compensation insurance was \$31,287 at June 30, 2007.

**15. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Research Foundation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**16. NET OPERATING LOSS**

The Research Foundation has net operating loss (NOL) carryforwards as a result of unrelated business income. At June 30, 2007 and 2006, the NOL carryforwards are approximately \$270,000 and will expire beginning in 2020. A deferred tax asset valuation allowance has been established to the extent of the full NOL as it is unlikely that a benefit will be realized.

**17. COMMITMENTS AND CONTINGENCIES**

**Property Purchase** The Research Foundation has committed to the purchase of two properties located in Chico, California. The property escrows closed in July 2007 with a combined purchase price of \$725,000. The property is being purchased to increase storage availability for the University until the property is ready for development.

**KCHO-FM Radio Loan** The Research Foundation Board of Directors accepted a proposal from the CSUC Provost's office to forgive \$73,600 in interest accrued on the KCHO-FM Radio loan. The loan principal balance of \$394,955 is expected to be paid in full during the 2007-08 fiscal year.

**35 Main Street Loan** The Research Foundation has committed to the purchase of a heating ventilation air conditioning (HVAC) system for the second floor of the building located at 35 Main Street. The installation of the new HVAC system began in August 2007. The cost is estimated to be \$250,000, of which one half will be paid by CSUC, leaving \$125,000 to be paid by the Research Foundation. The terms of payment have not been finalized, however, the amount will likely be a note payable to CSUC and repaid over 10 years with interest at a rate comparable to the State of California Local Agency Investment Fund.

**18. CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE**

The statement of revenues, expenses, and changes in net assets for the year ended June 30, 2006, reflects a change in reporting for certain campus programs accounts. These campus programs accounts were previously identified as agency accounts whose funds were classified as deposits held for others. Based on new guidelines issued by the California State University Chancellor's Office, these accounts were evaluated during 2005-06 and then reclassified as Research Foundation-affiliated accounts whose funds are classified as unrestricted net assets.

The effect of this change in reporting on the statement of revenues, expenses, and changes in net assets for the year ended June 30, 2006, is to increase unrestricted net assets by \$4,278,030. If the newly adopted accounting principle had been adopted in the prior year, the increase to unrestricted net assets would have been \$4,234,699.

**SUPPLEMENTAL INFORMATION**



**SCHEDULES OF FINANCIAL POSITION**

*The CSU, Chico  
Research Foundation*

June 30							<u>Totals</u>	
	General Fund	Plant and Bond Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Programs Fund	2007	2006
<b>ASSETS</b>								
Cash and cash equivalents	\$ 5,050	\$ 1,546	\$ 118,607	\$ 58,976	\$ 7,555	\$ 286,805	\$ 478,539	\$ 652,575
Short-term investments	510,646	13,852	1,058,206	777,930	1,005,323	2,453,335	5,819,292	4,026,009
Net accounts and other receivables	194,482	155	61,627	149,685	90,995	752,126	1,249,070	1,319,480
Sponsored programs receivable	-	-	-	-	5,689,776	-	5,689,776	5,513,276
Interfund receivables (payables)	(472,333)	-	1,083,185	(614,412)	(3,619,016)	3,622,576	-	-
Inventories	-	-	-	122,269	-	-	122,269	105,299
Prepaid and deferred crop planting expenses	226,193	362,388	20,999	180,175	6,375	13,218	809,348	742,832
Property held for sale	20,000	-	-	-	-	-	20,000	20,000
Land, buildings, and equipment - net of accumulated depreciation	-	14,391,827	88,053	1,193,352	-	-	15,673,232	15,296,956
<b>Total Assets</b>	<b>\$ 484,038</b>	<b>\$ 14,769,768</b>	<b>\$ 2,430,677</b>	<b>\$ 1,867,975</b>	<b>\$ 3,181,008</b>	<b>\$ 7,128,060</b>	<b>\$ 29,861,526</b>	<b>\$ 27,676,427</b>
<b>LIABILITIES AND NET ASSETS</b>								
<b>LIABILITIES</b>								
Accounts payable	\$ 44,707	\$ -	\$ 79,885	\$ 120,544	\$ 1,098,600	\$ 154,039	\$ 1,497,775	\$ 1,114,174
Accrued expenses	734,945	17,180	14,923	11,700	704,990	109,414	1,593,152	1,305,837
Deferred revenue	-	-	-	1,925	-	-	1,925	1,175
Deposits held for others	14,536	-	-	-	-	-	14,536	10,275
Notes payable	-	1,412,636	-	73,971	-	-	1,486,607	1,294,271
Bonds payable	-	4,610,000	-	-	-	-	4,610,000	4,710,000
Reserve for grant cost disallowance	405,454	-	-	-	-	-	405,454	395,122
<b>Total Liabilities</b>	<b>1,199,642</b>	<b>6,039,816</b>	<b>94,808</b>	<b>208,140</b>	<b>1,803,590</b>	<b>263,453</b>	<b>9,609,449</b>	<b>8,830,854</b>
<b>NET ASSETS (DEFICIT)</b>	<b>(715,604)</b>	<b>8,729,952</b>	<b>2,335,869</b>	<b>1,659,835</b>	<b>1,377,418</b>	<b>6,864,607</b>	<b>20,252,077</b>	<b>18,845,573</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 484,038</b>	<b>\$ 14,769,768</b>	<b>\$ 2,430,677</b>	<b>\$ 1,867,975</b>	<b>\$ 3,181,008</b>	<b>\$ 7,128,060</b>	<b>\$ 29,861,526</b>	<b>\$ 27,676,427</b>

See notes to the supplemental information.

**SCHEDULES OF FUNCTIONAL ACTIVITIES AND  
CHANGES IN NET ASSETS (DEFICIT)**

*The CSU, Chico  
Research Foundation*

Years Ended June 30	General Fund	Plant and Bond Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Programs Fund	Totals	
							2007	2006
<b>REVENUES AND OTHER SUPPORT</b>								
Agriculture and enterprise sales	\$ -	\$ -	\$ -	\$ 1,004,335	\$ -	\$ -	\$ 1,004,335	\$ 1,062,503
Sponsored programs fees	2,096,102	-	-	-	-	-	2,096,102	1,928,867
Sponsored programs receipts	-	-	-	-	24,429,178	-	24,429,178	25,013,344
Agriculture Research Initiative	-	-	-	-	507,286	-	507,286	624,526
University programs receipts	-	-	-	-	-	3,619,304	3,619,304	4,139,924
Interest and investment income	248,913	15,459	17,210	-	148,123	-	429,705	231,798
Other income	1,195,675	459,979	9,290	104,969	138,485	87,355	1,995,753	1,939,820
<b>Total Revenues and Other Support</b>	<b>3,540,690</b>	<b>475,438</b>	<b>26,500</b>	<b>1,109,304</b>	<b>25,223,072</b>	<b>3,706,659</b>	<b>34,081,663</b>	<b>34,940,782</b>
<b>EXPENSES</b>								
Auxiliary activities cost of sales	-	-	-	203,421	-	-	203,421	75,986
Auxiliary activities expense	-	-	-	1,334,650	-	-	1,334,650	1,213,138
Sponsored programs disbursements	-	-	-	-	23,016,574	-	23,016,574	24,475,070
University programs expenses	-	-	-	-	-	3,621,962	3,621,962	3,285,824
Scholarships and research grants	-	-	-	-	604,126	-	604,126	722,936
Foundation administration	2,997,629	-	-	-	-	-	2,997,629	2,836,858
Faculty and grant development	-	-	1,004,729	-	-	-	1,004,729	863,033
Interest expense	-	208,098	-	-	-	-	208,098	209,931
Other expenses	-	371,628	-	67,672	-	-	439,300	384,326
<b>Total Expenses</b>	<b>2,997,629</b>	<b>579,726</b>	<b>1,004,729</b>	<b>1,605,743</b>	<b>23,620,700</b>	<b>3,621,962</b>	<b>33,430,489</b>	<b>34,067,102</b>
<b>Change in Net Assets Before Transfers</b>	<b>543,061</b>	<b>(104,288)</b>	<b>(978,229)</b>	<b>(496,439)</b>	<b>1,602,372</b>	<b>84,697</b>	<b>651,174</b>	<b>873,680</b>
<b>TRANSFERS</b>								
Board of Directors allocations	(192,154)	-	192,154	-	-	-	-	-
Administration fee transfers	7,612	-	-	-	(7,612)	-	-	-
Other fund transfers	(16,588)	108,680	1,124,314	88,079	(1,233,542)	(70,943)	-	-
Transfers from other auxiliaries	(200)	-	28,312	412,083	(8,347)	655,995	1,087,843	901,912
Plant fund transfers:								
Purchased assets - net	(439,876)	439,876	-	-	-	-	-	-
Depreciation	319,238	(319,238)	-	-	-	-	-	-
CSUC	(9,034)	-	(161,438)	(68,800)	(55,355)	(37,886)	(332,513)	(27,673)
<b>Net Transfers</b>	<b>(331,002)</b>	<b>229,318</b>	<b>1,183,342</b>	<b>431,362</b>	<b>(1,304,856)</b>	<b>547,166</b>	<b>755,330</b>	<b>874,239</b>
<b>Increase in Net Assets Before Cumulative Effect of Accounting Change</b>	<b>212,059</b>	<b>125,030</b>	<b>205,113</b>	<b>(65,077)</b>	<b>297,516</b>	<b>631,863</b>	<b>1,406,504</b>	<b>1,747,919</b>
Cumulative effect of accounting change	-	-	-	-	-	-	-	4,278,030
<b>Increase in Net Assets</b>	<b>212,059</b>	<b>125,030</b>	<b>205,113</b>	<b>(65,077)</b>	<b>297,516</b>	<b>631,863</b>	<b>1,406,504</b>	<b>6,025,949</b>
<b>Net Assets - Beginning of Year</b>	<b>(927,663)</b>	<b>8,604,922</b>	<b>2,130,756</b>	<b>1,724,912</b>	<b>1,079,902</b>	<b>6,232,744</b>	<b>18,845,573</b>	<b>12,819,624</b>
<b>Net Assets (Deficit) - End of Year</b>	<b>\$ (715,604)</b>	<b>\$ 8,729,952</b>	<b>\$ 2,335,869</b>	<b>\$ 1,659,835</b>	<b>\$ 1,377,418</b>	<b>\$ 6,864,607</b>	<b>\$ 20,252,077</b>	<b>\$ 18,845,573</b>

See notes to the supplemental information.

**SCHEDULES OF ACTIVITY  
OF THE GENERAL FUND**

*The CSU, Chico  
Research Foundation*

Years Ended June 30	<b>2007</b>	<b>2006</b>
<b>REVENUES</b>		
Sponsored programs administration fees	\$ 2,096,102	\$ 1,928,867
Interest and investment income	248,913	157,709
Other income	1,195,175	1,124,191
Auxiliary activities fund reimbursements	407,231	331,480
<b>Total Revenues</b>	<b>3,947,421</b>	<b>3,542,247</b>
<b>EXPENSES</b>		
Salaries and related costs	1,698,040	1,503,863
Professional services	280,771	296,877
Insurance	161,801	150,469
Office and operating supplies	42,078	41,262
Depreciation	319,238	308,254
Administrative services	495,012	436,913
Grant cost disallowance	11,346	16,220
Other operating expenses	396,074	413,979
<b>Total Expenses</b>	<b>3,404,360</b>	<b>3,167,837</b>
<b>Excess Revenues Over Expenses From Operations</b>	<b>543,061</b>	<b>374,410</b>
Administration fees	7,612	6,520
<b>Excess Revenues Over Expenses</b>	<b>\$ 550,673</b>	<b>\$ 380,930</b>

**SCHEDULES OF ACTIVITY OF THE  
AUXILIARY ACTIVITIES FUND**

*The CSU, Chico  
Research Foundation*

Years Ended June 30	University		Totals	
	Farm	Enterprise	2007	2006
<b>SALES</b>				
Livestock and dairy	\$ 254,277	\$ -	\$ 254,277	\$ 235,613
Crop and orchard	361,637	-	361,637	483,878
Horticulture	80,527	-	80,527	42,932
Campground receipts	-	-	-	149
Enterprise receipts	-	307,894	307,894	299,931
<b>Total Sales</b>	<b>696,441</b>	<b>307,894</b>	<b>1,004,335</b>	<b>1,062,503</b>
<b>COST OF SALES</b>				
Livestock and dairy	203,421	-	203,421	75,986
<b>Total Cost of Sales</b>	<b>203,421</b>	<b>-</b>	<b>203,421</b>	<b>75,986</b>
<b>Gross Profit</b>	<b>493,020</b>	<b>307,894</b>	<b>800,914</b>	<b>986,517</b>
<b>OPERATING EXPENSES</b>				
Salaries and employee benefits	229,389	231,609	460,998	401,191
Accounting and professional costs	94,533	19,001	113,534	139,900
Utilities and telephone	3,891	18,884	22,775	24,145
Travel and meetings	7,930	20,650	28,580	14,819
Operating supplies and customer telephone	197,369	53,370	250,739	204,908
Depreciation	85,444	21,955	107,399	98,035
Insurance	-	1,425	1,425	1,425
Student payments	8,203	-	8,203	14,845
Veterinary costs	19,840	-	19,840	21,685
Machine hire	17,053	-	17,053	1,812
Repair and maintenance	77,849	21,924	99,773	114,451
Rent and leasing	9,779	51,027	60,806	60,541
Registration fees	1,851	-	1,851	3,780
Postage and printing	-	4,936	4,936	4,951
Other operating expenses	24,857	111,881	136,738	106,650
<b>Total Operating Expenses</b>	<b>777,988</b>	<b>556,662</b>	<b>1,334,650</b>	<b>1,213,138</b>
<b>Loss From Operations</b>	<b>(284,968)</b>	<b>(248,768)</b>	<b>(533,736)</b>	<b>(226,621)</b>
<b>OTHER INCOME (EXPENSE)</b>				
Other income	71,620	-	71,620	91,307
Interest income	33,349	-	33,349	27,354
Interest expense	-	(23,612)	(23,612)	(21,690)
Other expense	-	(44,060)	(44,060)	(48,558)
<b>Total Other Income (Expense)</b>	<b>104,969</b>	<b>(67,672)</b>	<b>37,297</b>	<b>48,413</b>
<b>TRANSFERS IN (OUT)</b>				
In	85,545	16,447	101,992	26,071
Out	(5,779)	(8,134)	(13,913)	(292,424)
To CSU, Chico	(20,825)	(47,975)	(68,800)	-
From other auxiliaries	67,452	344,631	412,083	297,708
<b>Net Transfers</b>	<b>126,393</b>	<b>304,969</b>	<b>431,362</b>	<b>31,355</b>
<b>Net Loss, Including Administration</b>				
<b>Fees Paid to General Fund</b>	<b>\$ (53,606)</b>	<b>\$ (11,471)</b>	<b>\$ (65,077)</b>	<b>\$ (146,853)</b>

**SCHEDULES OF SOURCE OF FUNDING AND  
EXPENDITURES FOR GRANTS AND CONTRACTS  
(SPONSORED PROGRAMS FUND)**

*The CSU, Chico  
Research Foundation*

Years Ended June 30	<b>2007</b>	<b>2006</b>
<b>SOURCE OF DIRECT FUNDING</b>		
Federal funds	\$ 13,468,474	\$ 14,108,205
State of California and local governments	5,483,380	5,329,233
Agricultural Research Initiative	507,286	624,526
Foundations and other tax exempts	1,465,724	2,257,427
Profit-oriented organizations	1,892,226	1,406,899
<b>Total Direct Sources and Transfers</b>	<b>22,817,090</b>	<b>23,726,290</b>
<b>SOURCE OF INDIRECT COST REIMBURSEMENTS</b>		
Federal government	1,216,623	1,058,190
State of California and local government	448,648	438,439
Foundations and other tax exempts	159,557	199,945
Profit-oriented organizations	270,082	227,068
<b>Total Indirect Cost Reimbursements</b>	<b>2,094,910</b>	<b>1,923,642</b>
<b>Total</b>	<b>\$ 24,912,000</b>	<b>\$ 25,649,932</b>
<b>DIRECT EXPENDITURES</b>		
Personnel services:		
Salaries and wages	\$ 8,208,856	\$ 8,609,159
Fringe benefits	2,586,710	2,559,725
Operating expenses	9,744,962	9,840,046
Equipment	1,009,991	1,754,498
Student support	1,266,571	962,862
<b>Total Direct Expenditures</b>	<b>22,817,090</b>	<b>23,726,290</b>
<b>INDIRECT EXPENDITURES</b>		
Personnel services:		
Salaries, wages, and fringe benefits	890,133	814,899
Administration expenses	527,756	472,647
Development	43,132	28,000
Programming allocation	600,802	556,643
Other	33,087	51,453
<b>Total Indirect Expenditures</b>	<b>2,094,910</b>	<b>1,923,642</b>
<b>Total</b>	<b>\$ 24,912,000</b>	<b>\$ 25,649,932</b>

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation*

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Catalog Number	Project Number	Project Title	Award/Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/2006	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/2007
<b>Credit Community Corporation Funds</b>								
<b>Pass Through Awards</b>								
CSU, Fresno								
02.SPC	63427	OLIVE HARVESTING TECHNOLOGY	SA 33321/02-0353	243,988.85	(8,921.93)	(1,411.15)	7,510.78	-
Sub-total PassThrough Awards				243,988.85	(8,921.93)	(1,411.15)	7,510.78	-
<b>Total Credit Community Corporation Funds</b>				243,988.85	(8,921.93)	(1,411.15)	7,510.78	-
<b>Department of Agriculture</b>								
<b>Direct Awards</b>								
10.202	60356	LAKE TAHOE BASIN SURVEY	05-CR-11051900-061	53,485.96				-
10.202	60085	CARMAN VALLEY WATERSHED	PA-05-99-17-018	26,299.44	4,607.93	4,607.93		-
10.652	60326	LASSEN FOREST FIELD SURVEY	05-CR-11050650-001	106,309.70	(26.58)	(26.58)		-
10.664	60038	LNF:DEER, MILL, ANTELOPE CREEK	LNF-CCS-5-98-06-017	12,666.15	763.36			763.36
10.672	60282	ANGELES CREST SCENIC BYWAY	None	74,880.00	60,153.33		6,002.55	66,155.88
10.672	60295	CARSON PASS SCENIC BYWAY	04-CR-11052008-023	50,920.00	12,145.29	12,145.29	660.09	660.09
10.769	60320	RBEG ASSISTANCE 04/05	None	50,285.14				-
10.769	60364	OPEN FOR BUSINESS VIDEO	04-004-68038	72,800.00	23,207.94	32,038.99	15,238.26	6,407.21
10.XXX	60368	HARVEST PLANS/PLUMAS NATL FOR	None	1,858.36	86.24	86.24		-
10.XXX	60380	INYO NATIONAL FOREST SURVEY	06-CR-11050466-011	65,284.15	19,152.32	65,284.15	46,131.83	-
Sub-total Direct Awards				514,788.90	120,089.83	114,136.02	68,032.73	73,986.54
<b>Pass Through Awards</b>								
Ca. Department of Food and Agriculture								
10.025	63748	BEEF ACADEMY PHASE II 06/07	06-0548 rcvd LOC on 7/5/06	69,300.00		44,452.34	51,218.76	6,766.42
10.025	63778	NATL ANIMAL ID PHASE II	06-628	27,145.00		27,145.00	27,145.00	-
10.025	63659	BEEF IDENTIFICATN ACADMY YR 1	05-0595	42,250.00	8,114.83	39,386.28	33,913.17	2,641.72
10.25	63660	EVANS NATIONAL BEEF ID	05-0595	104,260.00	36,206.60	84,387.52	48,960.37	779.45
10.XXX	63773	CDFA SURVEY PROJECT 2006	06-0556	15,400.05		15,400.05	15,400.05	-
CSU, Fresno								
10.2	63790	TOMATO TRANSPLANTER STUDY	SC 37488-06-01	176,057.00			15,525.18	15,525.18
Lawrence Livermore National Lab								
10.206	63760	ROAD CLEARING ROBOT	Sub K B563027	496,384.00		249,310.72	321,288.28	71,977.56
Jack Faucett Associates								
10.25	63674	HGQLG - QUINCY LIBRARY	AG-9JNE-C-06-0003	800.00	631.05	800.00	168.95	-
Utah State University (Sponsored Programs Office)								
10.5	63531	NICHE MARKET GRASS-FED BEEF	04-159004	57,911.61	8,041.88	23,184.16	15,142.28	-
CA Department of Education								
10.559	63812	SUMMER FOODS 07	4-9040-1T	38,023.00				-
10.559	63746	SUMMER FOODS 06/7	4-9040-1T	36,056.83		36,056.83	36,056.83	-
10.559	63569	SUMMER FOOD PROGRAM 2005	4-9040-1T	35,784.18	3,350.82	3,350.82		-
CA Department of Health Services								
10.561	63533	SCNAC 04/05	04-35438	857,307.08	195.36	1,774.08	1,578.72	-
10.561	63549	SCNAC 05/06	04-35438	1,467,296.99	806,824.00	1,259,173.69	452,349.69	-
10.561	63763	SCNAC SIERRA CASCADE YR3 06/07	04-35438	1,586,228.00		275,076.41	1,070,946.47	795,870.06
10.561	63436	SIERRA CASCADE NUTRITION 03/04	03-75583	353,294.13				-
California Health Collaborative								
10.564	63551	CALIFORNIA 5 A DAY	None	88,769.61	12.30		(12.30)	-
10.564	63776	CNAP EXERCISE SPECIALIST	None	17,010.00		9,403.44	14,030.59	4,627.15
10.564	63645	CA 5 A DAY YEAR 2	04-35891	119,662.78	27,906.17	64,915.27	37,009.10	-
10.564	63646	5 A DAY EVALUATION YEAR 2	04-35891	19,911.10	8,522.20	14,583.85	6,061.65	-
10.564	63757	CA 5 A DAY YEAR 3	04-35891	125,000.00		55,629.90	92,583.27	36,953.37
10.564	63758	5 A DAY EVALUATION	04-35891	24,931.00		385.72	17,734.08	17,348.36
Washington DC Public Schools								
10.564	63623	5 A DAY EVALUATION		15,812.17				-
Grindstone Rancheria								
10.67	63666	GRNDSTN RNCHRA MKTG STUDY	06-257SF	740.72	4.27		(4.27)	-
Mother Lode Job Training								
10.67	63665	CALAVERAS CHIPS/MOTHER LODE	Professional Service Agmnt	11,000.00	8,744.23	11,000.00	2,255.77	-
CA Department of Parks and Recreation								
10.902	63682	NRCS GIS CA OFFICE HIS PRES	C0511025	88,229.75	6,661.26	55,901.50	58,490.05	9,249.81
Sub-total Pass Through Awards				5,874,565.00	915,214.97	2,271,317.58	2,317,841.69	961,739.08
<b>Total Department of Agriculture</b>				6,389,353.90	1,035,304.80	2,385,453.60	2,385,874.42	1,035,725.62
<b>Department of Commerce</b>								
<b>Direct Awards</b>								
11.303	60318	EDA ADMIN SUPPORT 06/07	07-66-05873	150,000.00		127,254.38	106,857.06	(20,397.32)
11.303	60344	ECONOMIC DEVELOPMNT CNTR 05/07	07-66-05707	146,667.00	46,305.65	44,974.54	(1,331.11)	-
11.429	60365	HAWAIIAN ARTIFACT CONSERV/NOA/ NCND6000-5-00034		1,000.00	991.62	1,000.00	8.38	-
Sub-total Direct Awards				297,667.00	47,297.27	173,228.92	105,534.33	(20,397.32)
<b>Total Department of Commerce</b>				297,667.00	47,297.27	173,228.92	105,534.33	(20,397.32)
<b>Department of Defense</b>								
<b>Direct Awards</b>								
12.3	60296	LOWCOST HIGHSPEED PWR ELEC SY	N00014-04-1-0373	1,087,006.00	157,461.94	377,831.35	373,899.74	153,530.33
12.3	60355	UNDERWATER VEHICLES SIMULATIO	N00014-05-1-0534	75,000.00	40,057.71	49,176.78	13,965.92	4,846.85
12.3	60366	CSUC/OPAL SIMULATION	N00014-05-1-0877	97,916.00	38,353.46	46,707.17	30,904.93	22,551.22
12.XXX	60388	TOKYO WORKSHOP NOVEMBER 2006	HEI 1260-06-P-6011	9,661.71		9,661.71	9,661.71	-
Sub-total Direct Awards				1,269,583.71	235,873.11	483,377.01	428,432.30	180,928.40
<b>Total Department of Defense</b>				1,269,583.71	235,873.11	483,377.01	428,432.30	180,928.40
<b>Department of Interior</b>								
<b>Direct Awards</b>								
15.223	60216	BLM 95 CF (OLD UF 02813)	1422-B950-A5-0017		873.92			873.92
15.224	60291	BLM TO#4 THOMPSON CANYON	BCA991001 TO#4	14,426.81	8,126.81			8,126.81
15.224	60348	TO #6 CACHE CREEK	BCA 991001	10,000.00	10,000.00	10,000.00		-
15.224	60029	TURTLE CREEK III AMD 6	B300-A8-1004 TO #1	17,400.00	5,800.00			5,800.00
15.224	60073	TURTLE CREEK III AMD 6	B300-A8-1004 TSK2 #4	16,000.00	3,000.00			3,000.00

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation*

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Catalog Number	Project Number	Project Title	Award/Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/2006	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/2007
15.224	60264	BLM TO#1 BITNER/MASSACRE	BCA032002 TO 001	35,000.00	1,253.52	2,243.52	3,427.61	2,437.61
15.224	60311	CACHE CREEK TO #5	BC-A99-1001	10,000.00	238.38		(238.38)	-
15.224	60328	PAYNES CREEK	BAA040085	23,500.00	11,755.98			11,755.98
15.224	60359	NATIVE GRASS 05/06	BAA 04-0085	19,160.01	5,176.21	5,176.21		-
15.225	60298	SANTA FE PRESENTATION	BAA040001	2,662.00	0.01		(0.01)	-
15.225	60190	BLM PA001 TO #2	PAF 01 700102 AM2	118,000.00	678.22			678.22
15.8XX	60379	ROSEBURG BLM 2006 SURVEY	HAP061003	56,000.00	22,552.16	56,000.00	33,447.84	-
15.504	60395	WTR CONSVTN & ED PGM 07-09	04FG203085	287,082.00				-
15.504	60324	WTR CONSVTN & ED PGM 04/05	04FG203085	300,000.00	6,478.06	55,362.38	101,853.04	52,968.72
15.507	60369	SACRAMENTO VALLEY WATER MGMT	05FG230814	50,000.00	2,907.04	25,519.12	23,655.69	1,043.61
15.555	60376	2005-2010 RECORD SEARCH	06PB202006	15,000.00	130.07	10,981.53	10,661.00	(190.46)
15.6	60321	BUTTE/BCC SLMN/STEELHD 04/05	113324J001	254,305.00	10,652.37	81,239.11	123,020.62	52,433.88
15.6	60327	BROOM ERADICATION-BC CREEK	1448-11620-4-J326	46,289.00	5,338.59	4,627.11	8,367.55	9,079.03
15.608	60307	GRANT DEVELOPMENT SUPPORT	11332 4 G003	5,000.00				-
15.646	60381	CORDYLANTHUS PALMATUS REST/M	06FG202069	158,379.00	26,628.86	45,042.89	44,929.62	26,515.59
15.806	60313	WHISKEYTOWN BIOASSESSMENT	1434CA04SA0030	19,278.00				-
15.916	60374	JUAN BAUTISTA DE ANZA TRAIL	H8C0703001	25,000.00				-
15.DAV	60397	FUEL TREATMENT LASSEN N'TL PRK	JBC0707004	59,690.00				-
15.FFB	60385	GIANT GARTER SNAKE GENETICS	802-706 G 121	60,210.00		40,264.84	47,779.11	7,514.27
15.FFC	60373	HOSTPLANT QUALITY VELB 06/08	816206G234	57,500.00		12,193.90	18,318.52	6,124.62
15.XXX	60402	MODPATH-LFR & SAMM	07CRSA0384	58,680.00				-
Sub-total Direct Awards				1,718,561.82	121,590.20	348,650.61	415,222.21	188,161.80
<b>Pass Through Awards</b>								
MWH Americas, Inc. / USDI Bureau of Reclamation								
15.504	63695	UPPER SAN JOAQUIN MWH TASK 1	Task Order No. 1	24,818.34		18,618.34	23,312.77	4,694.43
15.504	63709	SHASTA LAKE TASK 2	LOC	20,000.00	6,234.38	18,104.02	16,193.64	4,324.00
CA Dept of Fish & Game DFG								
15.615	63425	VERNAL POOLS SHASTA P&G	P0210712	4,743.95	474.39		0.01	474.40
15.615	63420	SHASTA PLAINS/VERNAL POOL CONE	P0210712	66,246.00	10,340.85		22.75	10,363.60
15.615	63524	TEHAMA CNTY VERNAL POOL GRZINC	P0310730	38,300.00	397.00		(453.04)	(56.04)
CA Department of Parks and Recreation								
15.904	63764	NORTHEAST INFO CENTER 06/07	06-06-21507	4,128.00			4,964.61	4,964.61
15.904	63690	NRCS 05/06 SEARCHES	C0510007	4,000.00	1,799.45	936.85	847.34	1,709.94
15.904	63640	NORTHEAST INFO CENTER 05/06	C8942506	4,128.00	4,127.99	4,128.00		(0.01)
Office of Historic Preservation								
15.904	63532	OHP RECORD SEARCHES 04/05	C8940506	6,000.00	(0.01)			(0.01)
Sub-total Pass Through Awards				172,364.29	23,374.05	41,787.21	44,888.08	26,474.92
<b>Total Department of Interior</b>				1,890,926.11	144,964.25	390,437.82	460,110.29	214,636.72
<b>U.S. Dept of Labor</b>								
<b>Direct Awards</b>								
17.246	60341	INNOVATIVE POLYMERS INITIATIVE	AF-14580-05-60	497,050.00	126,285.95	193,434.36	67,148.41	-
Sub-total Direct Awards				497,050.00	126,285.95	193,434.36	67,148.41	-
<b>Pass Through Awards</b>								
Sierra Economic Development District								
17.002	63656	CREP CLUSTERS ANALYSIS	SP 06-235 SF	7,220.00	(297.45)		297.45	-
North Central Counties Consortium								
17.253	63655	SUMMER WORK EXP. 05-06	05-23	17,170.00	19,688.21	17,170.00	(2,518.21)	-
17.253	63807	SUMMER WORK EXPERIENCE 06/07	06-23				14,614.00	14,614.00
NORTEC								
17.258	63797	WIRED 2007	Personel Services Cntr	100,000.00			8,266.60	8,266.60
Sub-total Pass Through Awards				124,390.00	19,390.76	17,170.00	20,659.84	22,880.60
<b>Total U.S. Depart of Labor</b>				621,440.00	145,676.71	210,604.36	87,808.25	22,880.60
<b>Department of State</b>								
<b>Pass Through Awards</b>								
American Councils for Int'l Education								
19.419	63557	EXCELLENCE IN TEACHING 2005	ACIE Award letter	110,400.00	(10.70)		10.70	-
19.419	63562	TEACHERS TRAINING TEACHERS	ACIE Award letter	50,000.00	(5,346.25)		5,346.25	-
19.419	63553	EURASIAN SCHOOL DIRECTORS 05	ACIE Award letter	34,712.00	30,331.41	33,800.00	3,468.59	-
19.43	63644	RUSSIAN TCHR TRAINING PGM 0506	NONE	38,400.00	34,620.81	38,400.00	3,779.19	-
Sub-total Pass Through Awards				233,512.00	59,595.27	72,200.00	12,604.73	-
<b>Total Department of State</b>				233,512.00	59,595.27	72,200.00	12,604.73	-
<b>Department of Transportation</b>								
<b>Pass Through Awards</b>								
Science Applications International Corporation								
20.205	63767	RECORD SEARCH FOR SAIC	p.o. 4400133583	1,245.00		1,007.66	1,016.22	8.56
Butte County Association of Governments (BCAG)								
20.514	63621	BCAG GIS 05/06	BCAG	40,000.00	4,148.36	6,670.00	2,521.64	-
County of Lassen, Dept of Public Works								
20.514	63570	LAMBERT LANE BRIDGE	NONE	1,757.00				-
20.514	63571	LEAVITT LANE BRIDGE	NONE	1,498.00				-
20.514	63653	HARTSON SLOUGH LMBRTLN BRIDGE	7c-51	1,307.00				-
20.514	63788	HACKSTAFF 7-C-12 07/08 FINAL	NONE	3,247.00			1,540.76	1,540.76
CA. State University Fresno								
20.6	63626	ALCHOL TRAFFIC SFTY 05/06	SC 39016 05 03	38,757.00	22,291.57	29,908.68	7,776.58	159.47
Sub-total Pass Through Awards				87,811.00	26,439.93	37,586.34	12,855.20	1,708.79
<b>Total Department of Transportation</b>				87,811.00	26,439.93	37,586.34	12,855.20	1,708.79

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Catalog Number	Project Number	Project Title	Award/Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/2006	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/2007
<b>National Endowment for the Arts and Humanities</b>								
<b>Direct Awards</b>								
45.024	60389	N STATE SYMPHONY 2006	06-7900-7062	10,000.00		10,000.00	10,000.00	-
45.16	60343	NEH/ED & PUB POL-PHILIPPINES	FB-51443	40,000.00				-
		Sub-total Direct Awards		50,000.00	-	10,000.00	10,000.00	-
<b>Total National Endowment for the Arts and Humanities</b>								
				50,000.00	-	10,000.00	10,000.00	-
<b>National Science Foundation</b>								
<b>Direct Awards</b>								
47.049	60310	REU/RET SITE IN MATH	DMS-0354174	199,516.00	41,148.49	79,695.54	46,734.81	8,187.76
47.049	60396	MATH FOR UNDERGRADS & TEACHE	DMS-068764	101,639.00			32,575.30	32,575.30
47.05	60306	EMILANIA HUXLEYI COLLAB RSRCH	0350359	117,488.25	917.82	15,002.83	18,347.51	4,262.50
47.05	60391	TEEPPEE BLUFFS (COLORADO)	EAR -0650657	8,993.00		2,908.04	4,591.29	1,683.25
47.05	60275	PHYTOPLANKTON DMSP 03/04	OCE-0325025	181,109.00	15,987.02	21,149.35	31,922.09	26,759.76
47.07	60280	INTELLIGENT SYST LAB ROBOTICS	EIA-0321385	346,188.00	28,024.83	51,843.84	66,232.55	42,413.54
47.074	60286	DUP GENES IN POLYPOID SPECIES	0343463	51,923.69		1,884.53		
47.074	60345	GENE BASIS EXITOTOXIC RESIST	NSF Award Letter	100,851.64	2,556.22	35,945.34	49,522.51	16,133.39
47.074	60377	EAGLE LAKE FIELD STATION	DBI-0533714	24,970.00	195.80	195.80		
47.074	60398	RUI GENETIC RSRCH UNDRGRAD	IOS-0447192 Amd 1	5,976.00			859.12	859.12
47.075	60232	3 ENDANGERED LANGUAGES CHINA	BCS 0220354 AMD 1	188,340.00	7,839.74	14,133.10	6,543.30	249.94
47.076	60290	CS/ENG/MATH SCHOLARSHIPS 03/0	DUE 0323882	400,000.00	(10,551.00)	27,059.01	41,329.82	3,719.81
47.076	60315	CSEMS SCHOLARSHIPS 04/05	0422452	398,592.00		112,799.00	123,372.00	10,573.00
47.076	60274	PHYSICS FORMATIVE ASSESS 03/04	DIE-0242845	91,972.00		9,004.50	9,004.50	-
		Sub-total Direct Awards		2,217,558.58	88,003.45	371,620.88	431,034.80	147,417.37
<b>Pass Through Awards</b>								
<b>Makel Engineering</b>								
43.002	63575	PLASTICS/COMPOSITE EXPLORATION SP 05-322		10,000.00				-
<b>WESTAF</b>								
45.024	63745	URBAN BUSH WOMAN PERFORMANC	06371	2,125.00		2,125.00	2,125.00	-
45.024	63744	TANGO FIRE	06370	2,125.00		2,125.00	2,125.00	-
<b>Middle Tennessee State University</b>								
47.041	63687	CONCRETE MANAGMENT 06/07	EEC-0438679	97,140.00	38,921.76	42,322.84	39,997.78	36,596.70
<b>Mathematical Assoc. of America</b>								
47.049	63451	NEW MATH COURSE DESIGN ELEM	MOU DUE-0230847	4,000.00				-
<b>University of Nebraska Lincoln</b>								
47.049	63787	NEBRASKA IMMERS PGM 07	25-0517-0057-302	7,500.00			6,855.80	6,855.80
<b>American Assoc 4 Advncmnt Scnc</b>								
47.07	63357	RENNER TRAVEL GRANT YR 2003	NONE	3,949.87				-
<b>University of Virginia</b>								
47.074	63811	ROA UNIV OF VA	GA10608-128169	16,987.00			1,283.86	1,283.86
<b>CSU Sacramento Foundation</b>								
47.076	63639	AMP 0506/CSU SAC FND/NSF	507953	71,591.30	1,740.32	62,293.74	60,553.42	-
47.076	63446	SUMMER AMP '04	HRD-0331537-507951	55,379.14	15.57		(15.57)	-
47.076	63527	CSUSAC FND AMP 04/05	HRD-0331537-507951	65,952.84				-
47.076	63768	AMP 06/07 CSU SAC FND/NSF	HRD-0331537-507951-amd. 5079	91,734.00		6,241.96	11,916.51	5,674.55
<b>University of California, Office of the President</b>								
47.076	63667	CA COMM CLG TFR SCHL 04/08	03-MESA-DUE0422499-03	28,125.00				-
47.076	63197	CA COMMUNITY COLLEGE TFR SCHL	00-MEP-NSF-1 AM 1	97,474.00				-
47.076	63538	CA COMM CLG TSFR SCHOL 04/05	03-MESA-DUE0324218-03	28,125.00	9,376.00		15,625.00	25,001.00
		Sub-total Pass Through Awards		582,208.15	50,053.65	115,108.54	140,466.80	75,411.91
<b>Total National Science Foundation</b>								
				2,799,766.73	138,057.10	486,729.42	571,501.60	222,829.28
<b>U.S. Small Business Administration</b>								
<b>Direct Awards</b>								
59.037	60340	SMALL BUSINESS ASSC 05	5-603001-063	1,049,431.00	4.97		(4.97)	-
59.037	60375	SBA 2006	6-603001-Z-0063-04	1,039,066.87	266,474.03	797,795.86	531,321.83	-
59.037	60392	SBA 2007	7-603001-A-0063-05	1,039,880.00		259,435.12	158,824.94	(100,610.18)
59.037	60357	SBA SACRAMENTO CARRY FRWRD 04	5-603001-0063-03	8,497.00				-
		Sub-total Direct Awards		3,136,874.87	266,479.00	1,057,230.98	690,141.80	(100,610.18)
<b>Total U.S. Small Business Administration</b>								
				3,136,874.87	266,479.00	1,057,230.98	690,141.80	(100,610.18)
<b>Veterans Administration</b>								
<b>Direct Awards</b>								
64.116	60386	DISABLED VETS TUTOR SRVS 06/07	V343-V4668	10,000.00				-
		Sub-total Direct Awards		10,000.00				-
<b>Total Veterans Administration</b>								
				10,000.00				-
<b>Environmental Protection Agency</b>								
<b>Direct Awards</b>								
66.436	60378	EPA LOW GRADIENT STREAMS IN CA	X7-96955501-0	30,000.00	4,932.49	14,301.25	24,437.18	15,068.42
66.606	60145	CA WASTEWATER WORKSHOP	X 98973201-0	85,207.00				-
		Sub-total Direct Awards		115,207.00	4,932.49	14,301.25	24,437.18	15,068.42
<b>Pass Through Awards</b>								
<b>The Bishop Paiute Tribe</b>								
66.419	63761	BIG PINE PAIUTE	SF 07059	315.00		302.50	237.15	(65.35)
66.419	63630	BISHOP PAIUTE OWENS RIVER	SP 06-118 Mini	3,969.00	31.50	3,811.50		(3,780.00)
<b>State Water Resources Ctrl Bd</b>								
66.46	63802	STE SAFT 07/08	06-119-250-0	27,813.00			115.65	115.65
<b>Tehama Co Resource Conservation District</b>								
66.46	63472	TCRCD ERADICATION TASK 1	04-299	11,757.00		10,903.09	10,903.09	-
66.46	63473	TCRCD ERADICATION TASK 6	04-299	55,072.00	4,348.59	29,134.90	25,071.32	285.01
66.46	63464	TCRCD LANDOWNER ASST TASK 1	04-299 AMD 1	41,223.00	8,820.33	15,575.75	6,555.49	(199.93)
66.46	63465	TCRCD LANDOWNER ASST TASK 2	04-299 AMD 1	1,979.00	(0.01)	1,352.91	1,352.91	(0.01)
66.46	63466	TCRCD LANDOWNER ASST TASK 3	04-299 AMD 1	979.00	(0.01)	373.90	373.90	(0.01)
66.46	63467	TCRCD LANDOWNER ASST TASK 4	04-299 AMD 1	979.00	(108.01)	(110.72)	(2.72)	(0.01)



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66.46	63468	TCRCD LANDOWNER ASST TASK 5	04-299 AMD 1	126,289.00	11,063.79	29,846.55	18,782.75	(0.01)
66.46	63469	TCRCD LANDOWNER ASST TASK 6	04-299 AMD 1	178,480.00	11,303.15	76,228.43	64,925.25	(0.03)
66.46	63470	TCRCD LANDOWNER ASST TASK 7	04-299 AMD 1	1,677.00		1,541.30	1,541.30	-
Bishop Paiute Tribe								
66.605	63752	BISHOP PAIUTE SAMPLES 06	SF 06-461	4,630.50		4,630.50	4,522.32	(108.18)
Yurok Tribe								
66.605	63785	MCGARVEY/ROACHES CREEK BIOUS SF 07-201		504.00		504.00	309.10	(194.90)
Sub-total Pass Through Awards				455,666.50	35,459.33	174,094.61	134,687.51	(3,947.77)
<b>Total Environmental Protection Agency</b>				<b>570,873.50</b>	<b>40,391.82</b>	<b>188,395.86</b>	<b>159,124.69</b>	<b>11,120.65</b>
<b>Department of Energy</b>								
<b>Pass Through Awards</b>								
Lawrence Livermore National Laboratory								
81.113	63624	SPIRAL TUBE ROBOT	B549721	115,680.00	42,497.33	55,680.00	13,182.67	-
81.113	63625	GLOBAL WAR ON TERRORISM WORK	B549720	158,999.99	13,782.32	21,176.90	7,394.58	-
81.XXX	63711	ADVANCED CONTROLLABLE ROBOT	B554656	25,000.00		25,000.00	25,000.00	-
US Dept of Energy								
81.113	63743	ADVANCE CONTROLLABLE ROBOT 2	PO B554666	70,000.00		70,000.00	70,000.00	-
The Great Valley Center								
81.117	63677	MILLION SOLAR ROOF PGM	NONE	26,330.00	1,566.04	7,201.07	25,809.30	20,174.27
LLNL								
81.121	63683	TETHERED ROBOTIC VEHICLE PJT06	PO# B554651	25,000.00	25,000.00	25,000.00	-	-
Sub-total Pass Through Awards				421,009.99	82,845.69	204,057.97	141,386.55	20,174.27
<b>Total Department of Energy</b>				<b>421,009.99</b>	<b>82,845.69</b>	<b>204,057.97</b>	<b>141,386.55</b>	<b>20,174.27</b>
<b>US Department of Education</b>								
<b>Direct Awards</b>								
84.1162	60354	PLASTICS LAB II 05/06	P1162050083	496,000.00	13,565.20	13,565.20	-	-
84.335	60390	CCAMPIS 06/07 YR 1	P335A060217	86,199.00		2,418.71	5,516.68	3,097.97
84.042A	60316	04/05 STUDENT SUPPORT SERVICES	P042A011157-04	266,942.45				-
84.042A	60350	STDTN SUPPORT SRVCS YR 1 05/06	P042A050994	227,403.08	19,422.82	118,862.62	103,090.20	3,650.40
84.042A	60353	STDTN SUPPORT SRVCS YR 2 06/07	P042A050994-06	235,689.00		160,077.60	185,706.59	25,628.99
84.044A	60352	TALENT SEARCH 06/07 YR 1	P044A060323	367,980.00		273,237.01	305,428.37	32,191.36
84.047A	60314	04/05 UPWARD BOUND ESL	PO47A041064	360,590.10				-
84.047A	60317	UPWARD BOUND ESL 05/06	PO47A041064-05	389,802.08	180,492.59	209,733.67	29,241.08	-
84.047A	60338	UPWARD BOUND ESL 06/07	PO47A041064-06	379,496.00		196,313.53	260,034.30	63,720.77
84.047A	60349	UPWARD BOUND YEAR 3 05/06	PO47A030869-05	680,035.60	33,827.61	31,051.06	(2,776.55)	-
84.047A	60394	UPWARD BOUND 07/08 YR 5 OF 5	PO47A030869	559,731.00			74,164.30	74,164.30
84.047M	60334	UPWRD BND MATH/SCIENCE 06/07	PO47M030128-06	220,000.00		99,521.44	137,314.02	37,792.58
84.047M	60305	UPWARD BND MATH/SCIENCE 04/05	PO47M030128-04	213,638.41	71.71		(71.71)	-
84.047M	60347	UPWRD BND MATH/SCIENCE 05/06	PO47M030128-04	236,953.59	35,728.79	132,369.07	97,036.01	395.73
84.116J	60240	EC US JNT PROP HIGH/VOC ED YR3	P116J000043-02	72,172.60				-
84.116J	60323	USE/E-NET IN SCIENCE & ENGRNRG	P116J040009	85,376.00		30,737.22	37,520.11	6,782.89
84.153A	60351	INTERNATL E-BUSINESS 0607	P153A060062	84,374.00		62,231.96	78,335.59	16,103.63
84.195A	60331	04/05 PROF TCHRS OF ENGL LRNR	T195A000039-04	173,282.50				-
84.195A	60230	02/03 PROF TCHRS OF ENGL LRNR	T195A000039-02	199,586.14				-
84.195E	60330	TEACHING LINKS 04/05	T195E010046-04	249,006.90		15,070.07		(15,070.07)
84.195E	60370	TEACHING LINKS 05/06	T195E010046-05	369,903.73	23,972.12	157,538.55	150,030.96	16,464.53
84.235A	60336	LDRSHP COLLAB LOW INCID YR 1	H325A040127	102,532.42				-
84.325A	60363	FKB: LOW INCIDENCE YRS-05/06	H325A010085-05	207,973.62	41,436.73	41,450.01	13.28	0.00
84.325A	60337	LDRSHP COLLAB LOW INCID YR 2	H325A040127-05	216,959.86	22,049.16	64,673.97	42,624.81	-
84.325A	60335	FKB: LOW INCIDNC 05/06 CRYFWD	H325A010085-05	414,702.01		117,477.13	189,139.15	71,662.02
84.325A	60339	TLC LOW INCIDENCE 06/07 YR 3	H325A040127-06	249,918.00		141,352.81	167,523.10	26,170.29
84.325A	60300	LOW INCIDENCE YR 4-04/05	H325A010085-04	213,082.57				-
84.325H	60332	SPECIAL ED HIGH INCIDENCE YR 1	H325H040115	167,758.02				-
84.325H	60333	SPECIAL ED HIGH INCIDENCE YR2	H325H040115	94,917.22	1,809.38	80,958.88	79,149.50	-
84.325H	60393	CONNECTION YR 3	H325H040115-06	305,082.78		15,811.58	21,833.71	6,022.13
84.325H	60301	MEETING CHGING RURAL NEEDS YR	H325H010112-04	325,800.35	1,950.49		(1,950.49)	-
84.325H	60362	FKB: HIGH-INCIDENCE 05/06	H325H0118-05	92,799.79	6,871.42	7,426.80	555.38	-
84.325H	60319	FKB HIGH INCIDNCE CRYFWD 05/06	H325H020118-05	244,011.86		160,645.13	169,797.78	9,152.65
84.325K	60371	MEETING 06/ TAYLOR (1 OF 4)	H325K053174	200,000.00	2,893.24	96,475.09	91,657.85	(1,924.00)
84.325K	60387	MTG CHNG RURAL NEEDS YR2 06/07	H325K053174-06	200,000.00		17,662.66	20,100.26	2,437.60
84.335A	60322	CSU, CHICO CCAMPIS 04/05	P 335A010064-04	141,372.09	2,718.71	1,911.97	(766.95)	39.79
84-044A	60346	TALENT SEARCH 05/06	PO44A020187-05	370,551.63	36,753.52	92,735.40	55,657.10	(324.78)
84-044A	60372	ED TALENT SEARCH II YR 1 06/07	PO44A060322	220,000.00		162,204.12	181,771.60	19,567.48
84-047A	60382	UPWARD BOUND 06/07 YR 4	PO47A030869-06	594,141.92	67,220.28	588,102.46	523,534.44	2,652.26
Sub-total Direct Awards				10,315,766.32	490,783.77	3,091,615.72	3,001,210.47	400,378.52
<b>Pass Through Awards</b>								
Brooks County Department of Education								
84.01	63673	BROOKS COUNTY	06725	4,500.00	(3,398.60)		3,398.60	-
Canton School District								
84.01	63672	CANTON 2005 QUESTIONNAIRE	26005683	6,000.00	(3,524.91)		3,524.91	-
Hillsboro City Schools								
84.01	63679	HILLSBORO CONSULTATION	06-333SF	8,298.31	(5,136.74)		5,136.74	-
Southfield Public Schools								
84.01	63693	SOUTHFIELD MI VICKIE	06-417SF	11,387.03	3,172.08	11,387.03	8,214.95	-
84.01	63694	SOUTHFIELD MI - BRAD	06-419SF	12,699.60	5,801.01	12,699.60	6,898.59	-
St. Louis Public Schools Workshop								
84.01	63689	ST. LOUIS WORKSHOP MAY 06	06-287SF	10,973.28	6,911.57	10,973.28	4,061.71	-
EdFund								
84.032	63619	EDFUND INCLASS INSTRCTN 05/06	4696-03-035a	74,287.00	(43,091.09)		43,091.09	-
84.632	63534	EDFUND INCLASS INSTRCTN 04/05		74,287.00				-
CA Department of Education								
84.048	63668	CHICO AG FIELD OFFICE 2006	5279	13,777.75	4,343.11	13,381.61	9,038.50	-

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84.048	63782	US Dept. of Education CHICO AG FIELD OFFICE 2007 YR1	CN066505	6,930.04		966.43	4,559.30	3,592.87
84.116	63675	Sonoma State University OSHER LIFE LONG LRNG INSTITUTE	P1162050295	5,000.00	(1,111.40)			(1,111.40)
84.144	63747	Butte County Office of Education - Migrant Education BUTTE COUNTY MIGRANT ED 2006	ME-9 Summer	2,636.00		2,636.00	2,636.00	-
84.215	63547	Chico Unified School District NO PAINE, NO GAIN 05/06 YR 2/3		176,328.59	73,885.18	73,885.19	0.01	(0.00)
84.283	63511	University of California - UCOP CA SCIENCE PROJECT/NCLB	0995 G EC866	190,338.00				-
84.283	63636	NCLB MATH ENG LANG DVLP 0406	NCLB2-CMP-CHICO	13,000.00	9,117.76	11,987.51	2,869.75	-
84.318	63648	Vermont Data Consortium VERMONT DATA CONSORTIUM 05	NONE	16,251.44				0.00
84.318	63651	TETRADATA/VERMONT WKSHP	D06-195 SF	16,251.45	(11,126.92)		11,126.92	0.00
84.332	63664	Michigan Key Note Address MICHIGAN KEY NOTE ADDRESS	06-268SF	5,640.23	(1,635.13)		1,635.13	0.00
84.334	63663	Project Grad Houston PROJECT GRAD HOUSTON	06-211SF	5,573.27	(910.38)		910.38	0.00
84.357	63635	UC Office of the President NCLB N STATE HIST/SOCSCI 0406	NCLB2-CHSSP-CHICO	99,440.35	17,142.84	44,509.00	27,366.16	-
84.367	63700	NCLB3 NE CA ARTS PJCT 06/07	NCLB3-TCAP-CHICO	50,000.00		27,516.60	52,419.18	24,902.58
84.367	63798	CMP STIR 07/08	UCLA SubAward 1010GHC105	124,010.00			46,425.03	46,425.03
84.367	63516	NCLB NSRLP 04/05	04 NCLB-CRLP-03	42,336.00				-
84.367	63514	NCLB #1 CA MATH PROJECT	04NCLB-CMP 04	21,600.00	(232.76)		232.76	-
84.367	63518	NCLB LDERSHP PROF DEVLPMNT 4/06	04-NCLB-CWP-10	45,446.00				-
84.367	63520	NCAP NCLB 2004 2005	04NCLB-TCAP-03	69,999.00				-
84.367	63528	MSTEP THERMALITO 04/05	SP 05-109	320,776.82	4,096.83		(4,096.83)	0.00
84.367	63576	N STATE MATH PARTNRSHP 05/06	SP 05-246	94,250.00	35,295.68	37,700.00	2,404.32	0.00
84.367	63681	PITTSFORD N.Y. WORKSHOP	06-324SF	11,527.69	173.50	11,527.69	11,354.19	0.00
84.367	63685	MICHIGAN DOE SUMMER INSTITUTE	SP 06-353 SF	16,618.79	6,855.77	16,618.79	9,763.02	0.00
84.367	63769	N STATE MATH PARTNERSHIP 06/07	SP 06-430	94,250.00		37,700.00	53,765.68	16,065.68
84.367	63799	NE CA ARTS PROJECT 07/08	NCLB4-TCAP-CHICO	45,400.00			12,526.10	12,526.10
84.367	63521	N STATE HIST/SOCSCI NCLB 04/05	04NCLB-CHSSP-06	87,829.00	34.56		(34.56)	-
84.367	63633	NCLB N.CA FOREIGN LNG 04-06	NCLB 2-CFLP-Chico	15,000.00	585.17	5,644.28	5,059.11	-
84.367	63637	NSRLP NCLB 2005/06	NCLB2-CRLP-CHICO	39,200.00	37,497.04	39,200.00	1,702.96	-
84.367	63638	NCLB NE CA ARTS PROJECT 04/06	NCLB2-TCAP-CHICO	50,000.00	13,085.04	21,064.58	7,979.54	-
84.367	63704	NCLB CA MATH PJCT 06/07	NCLB3-CMP-CHICO	14,000.00			11,695.45	11,695.45
84.367	63714	NCLB NCRLP 06/07	NCLB-CRLP-CHICO	45,500.00		3,593.32	45,500.00	41,906.68
84.367	63792	CA READING/LIT PRGM 07/08	NCLB4-CRLP-CHICO	39,000.00				-
84.367	63793	NCLB N STATE HIST/SOCSCI 07/08	NCLB4-CHSSP-CHICO	39,433.00				-
84.367	63794	NCLB CA SCIENCE PJCT 08	NCLB4-CSP-CHICO	60,000.00				-
84.367	63795	NCLB#4-N CA WRTG PRJ 07/08	NCLB4-CWP-CHICO	45,500.00				-
84.367	63796	NCLB CA MATH PJCT 07/08	NCLB4-CMP-CHICO	34,650.00				-
84.367	63555	CA SCIENCE NCLB 04/05	04NCLB-CSP-09	27,143.00	5.17		(5.17)	-
84.367	63701	NCLB N STATE HIST/SOC SCI 06/7	NCLB3-CHSSP-CHICO	28,500.00		5,287.20	36,951.19	31,663.99
84.367	63697	NCLB #3 - 06/07	NCLB3--CHICO	33,000.00		21,197.04	32,728.86	11,531.82
84.367	63634	NCLB N.CA WRITING PJCT 05-06	NCLB S CWP- CHICO	25,000.00	5,978.05	6,776.00	797.95	-
84.367	63705	CA SCIENCE PRJ-06/07	NCLB3-CSP-CHICO	31,530.00	10,866.85	19,929.52	14,753.56	5,690.89
84.184L	63770	Butte County Office of Education SAFE SCHLS LUNCH LEAG Y2 06/07	ESS-0607-032	12,789.00		2,613.25	9,241.41	6,628.16
84.184L	63771	SAFE SCHLS HLTHY STD LEAP 0607	PHS-0607-68	12,788.00		3,510.75	9,636.96	6,126.21
84.184L	63662	SAFE SCHOOLS-HLTHY STDS/LEAP	06-195 SF	8,583.47	3,179.11	6,861.47	3,682.36	-
84.184L	63661	SAFE SCHOOLS-LUNCH LEAGUES E1	06-195 SF	8,211.79	3,516.72	6,279.79	2,763.07	-
84.215L	63762	Chico Unified School District CHICO UNIFIED SRVYS/EVAL 06/07	CA 079062	15,000.00		7,500.00	9,232.82	1,732.82
84.215X	63546	NO PAINE, NO GAIN 04/05 YR 1/3	NONE	90,230.62	311.04		(311.04)	-
84.215X	63548	NO PAINE, NO GAIN 06/07 YR 3/3	CA 079031	201,929.79		112,568.95	146,002.29	33,433.34
84.215X	63652	Glenn County Office of Education E PLURIBUS UNUM	SP 05-447	310,945.00	85,541.71	125,719.72	130,271.18	90,093.17
84.319A	63620	SERVE at University of North Carolina at Greensboro SERVE WORKSHOPS	SRV05FXM-1583	7,821.00				-
84.333A	63671	Sonoma State University ENACT	MOU-GC 102789	11,868.40	8,240.18	11,868.40	3,628.22	-
84.333A	63774	ENACT Y2 06/07	IA 103424				3,245.59	3,245.59
84.367A	63765	Arizona Dept of Ed AZ DEPT OF ED OCT 06 BRAD	PO E7PD0654	16,800.00		16,800.00	16,800.00	-
84.367A	63654	AZ DATA DRIVEN WKSHP BRAD	SP 06-215 SF	16,000.00	(11,346.25)		11,346.25	-
84.3XX	63791	AZ DOE DATA ANALYSIS 06/07	PO E7PD3146	10,900.00			4,236.58	4,236.58
84.367A	63699	Houston Independent School District HOUSTON ISD	C020061349	22,200.00	7,832.32	22,200.00	14,367.68	-
84.367A	63650	Montgomery Public Schools - Professional Development Office MONTGOMERY AL WORKSHOPS	SP 06-067 SF	5,688.09				-
84.367B	63449	California Postsecondary Education Commission (CPEC) NE CA TCHR COLLABORATIVE 04/05	ITQ-01-206 &Amd 2	342,847.00	72,144.02	72,144.00	(0.02)	0.00
84.367B	63450	NE CA TCHR COLLABORATIVE 05/06	ITQ-01-206	312,555.00	160,437.37	240,411.00	79,973.63	-
84.367B	63435	NE CA TEACHER ED COLLABORATIVE	ITQ-01-206	364,265.00				-
84.3XX	63676	Centennial School District CENTENNIAL QUESTIONNAIRES	06.1875	1,500.00	(1,048.58)		1,048.58	-
84.3XX	63680	Dalton City Board Education DALTON CITY QUESTIONNAIES	06-335SF	10,000.00	(8,813.50)		8,813.50	-
84.3XX	63678	Mendham School District MENDHAM NJ	06-334SF	11,191.41	(4,847.63)		4,847.63	-
84.3XX	63696	Middle Township School District MIDDLE TOWNSHIP	06-416SF	7,717.56		7,717.56	6,216.88	(1,500.68)

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation*

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Catalog Number	Project Number	Project Title	Award/ Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/2006	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/2007
St. Louis Board of Education								
84.3XX	63755	ST LOUIS SEPT 13 2006	SF 06-437	10,444.78		10,444.78	5,592.53	(4,852.25)
84.3XX	63756	ST. LOUIS SET 14, 15 2006	SF 06-453	11,533.25		11,533.25	5,884.57	(5,648.68)
Unionville-Chadds Ford School District								
84.3XX	63707	UNIONVILLE CHADDS FORD	06-400SF	5,590.50	123.39	5,590.50	5,839.53	372.42
Washington D.C. Public Schools								
84.3XX	63631	WASHINGTON DC DATA SESSION	SP 06-105	17,000.00				-
National Writing Project								
84.928A	63753	NWP ADD SITE SUPPORT 06/07	Amd #6	223,526.54		223,526.54	202,343.80	(21,182.74)
84.928A	63781	TECHNOLOGY MATTERS 2007	NONE	4,000.00		4,000.00	151.49	(3,848.51)
84.928A	63543	RURAL SITES NETWORK RETREAT	NWP Ck# 13846	12,000.00				-
84.928A	63628	ADDITIONAL SITE SUPPORT 05/06	Amnd 5	228,671.46	(27,545.07)	(6,847.74)	20,697.33	-
84.928A	63523	NWP ADDTNL SITE SUPPORT04/05	AMD 3 - AGRMNT 5/13/02	219,239.25	(1,615.16)			(1,615.16)
84.928A	63698	SISKIYOU SI 06/07	AMD# 23 - 92-CA04	25,000.00	881.61	25,000.00	24,118.39	-
84.928A	63706	NWP SITE 06/07	92-CA04-AMD #28	78,718.76	9,333.77	78,718.76	64,357.13	(5,027.86)
84.928A	63459	NWP SITE 04/05	amd 17 to 92-CA04	65,347.69	(6.81)	(100.80)	(93.99)	-
84.928A	63563	NWP SITE 05/06	92-CA04 Amd 21	86,775.37	(1,732.47)	(1,732.47)		-
84.928A	63568	SISKIYOU SITE 05/06	92-CA04 Amd 21	25,000.00	(143.28)	(143.28)		-
84.928A	63808	NWP 07/08 SITE SUPPORT	92-CA04 - Amnd # 29	52,000.00		52,000.00		(52,000.00)
84.928A	63810	SISKIYOU 07/08	92-CA04 - Amnd # 29	25,000.00		25,000.00	10,297.37	(14,702.63)
Area 2 Respro								
84.3XX	63751	AREA 2 RESPRO KIDS	06-482SF	5,879.21		5,879.21	5,879.21	-
The Metiri Group								
84.3XX	63772	METIRI CONSULTING 06/07	SF 07-089	9,000.00		9,000.00	5,449.82	(3,550.18)
Sub-total Pass Through Awards				5,211,656.58	459,121.77	1,514,244.31	1,291,951.83	236,829.29
<b>Total Department of Education</b>				15,527,422.90	949,905.54	4,605,860.03	4,293,162.30	637,207.81
<b>Total Department of Health and Human Services</b>								
Direct Awards								
93.853	60267	SYNAPTOGENESIS 03/04	1R15 N5004062-01A1	93,926.00	16,945.35	20,250.24	3,304.89	-
93.28X	60358	MEXICAN AMERICAN WEIGHT REDUC 1 R15 AG025731-01		172,422.00	22,464.68	55,549.14	54,422.29	21,337.83
Sub-total Direct Awards				266,348.00	39,410.03	75,799.38	57,727.18	21,337.83
Pass Through Awards								
CA Dept of Aging								
93.043	63237	JLC AAA PREV HEALTH 0102/CDA	FF010203	18,100.00				-
93.043	63421	MT SHA/YRKA RESP 0203/PSA2	6001-0203	8,209.00	69.20		(69.20)	-
93.043	63283	MT SHASTA/YREKA RESPTIE 01/02	6001-0102	5,102.00				-
93.044	63618	PASSAGES EXEC DIRECTOR 0506	AP-0506-03		(3,004.13)		3,004.13	-
93.044	63226	JLC AAA/OAA ADMIN 0102/CDA	FF010203	96,752.00				-
93.044	63304	JLC AAA/OAA ADMIN 0203/CDA	FF-0203-03	116,144.00	116,154.14	116,144.00	(10.14)	(0.00)
93.044	63305	JLC AAA ADV CNCL 0202/CDA	FF-0203-03	3,845.00	3,849.36	3,845.00	(4.36)	0.00
93.044	63306	JLC AAA PROG DEV 0203/CDA	FF-0203-03	3,697.00	3,696.04	3,697.00	0.96	(0.00)
93.044	63307	JLC AAA COORD 0203/CDA	FF-0203-03	3,697.00	3,697.40	3,697.00	(0.40)	0.00
93.044	63308	JLC AAA INFO & ASST 0203/CDA	FF-0203-03	254,684.00	254,684.27	254,684.00	(0.27)	(0.00)
93.044	63309	JLC AAA ELDER AB 0203/CDA	FF-0203-03	10,514.00	544.52	545.00	0.48	(0.00)
93.044	63310	JLC AAA OMBUDSMAN 0203/CDA	FF-0203-03	124,254.00	100,073.58	99,838.00	(235.58)	0.00
93.044	63311	JLC AAA 3B SUBK 0203/CDA	FF-0203-03	329,910.00	(399,574.00)	(399,574.00)		-
93.044	63312	JLC AAA 3C1 SUBK 0203/CDA	FF-0203-03	442,196.00	(56,439.14)	(56,442.00)	(2.86)	0.00
93.044	63313	JLC AAA 3C2 SUBK 0203/CDA	FF-0203-03	470,909.00	(28,653.86)	(28,655.00)	(1.14)	(0.00)
93.044	63314	JLC AAA 3D SUBK 0203/CDA	FF-0203-03	16,561.00	2,566.26	2,561.00	(5.26)	0.00
93.044	63315	JLC AAA PREV HEALTH 0203/CDA	FF-0203-03	22,943.00	(1,010.49)	(963.00)	47.49	-
93.044	63316	JLC AAA MEDS MGMT 0203/CDA	FF-0203-03	624.00	624.03	624.00	(0.03)	(0.00)
93.044	63373	AAA ADMIN-OAA 0304/CDA	FF-0304-03	118,628.00	(18,775.73)	(18,920.00)	(144.27)	0.00
93.044	63374	AAA ADVISORY COUNCIL 0304/CDA	FF-0304-03	3,903.00	208.67	213.00	4.33	(0.00)
93.044	63375	AAA PROG DEV-OAA 0304/CDA	FF-0304-03	5,243.00	252.72	252.00	(0.72)	(0.00)
93.044	63376	AAA COORD 0304/CDA	FF-0304-03	5,212.00	251.00	251.00		-
93.044	63377	AAA INFO & ASST 0304/CDA	FF-0304-03	239,481.00	12,088.41	11,529.00	(559.41)	-
93.044	63378	AAA ELDER ABUSE 0304/CDA	FF-0304-03	8,407.00	407.14	400.00	(7.14)	(0.00)
93.044	63379	AAA OMBUDSMAN 0304/CDA	FF-0304-03	118,245.00	52,929.06	52,921.00	(8.06)	(0.00)
93.044	63380	AAA 3B SUBK 0304/CDA	FF-0304-03	315,972.00	(48,372.00)	(53,216.00)	(4,844.00)	-
93.044	63381	AAA 3C1 SUBK 0304/CDA	FF-0304-03	369,931.00	1,249.13	(284.00)	(1,533.13)	-
93.044	63382	AAA 3C2 SUBK 0304/CDA	FF-0304-03	536,699.00	(1,918.39)	29.00	1,947.39	-
93.044	63383	AAA 3D SUBK 0304/CDA	FF-0304-03	9,059.00	(3,941.00)	(3,941.00)		-
93.044	63384	AAA HEALTH PROMO 0304/CDA	FF-0304-03	19,426.00	2,085.67	2,086.00	0.33	0.00
93.044	63385	AAA MEDS MGMT 0304/CDA	FF-0304-03	2,255.00	2,254.71	2,255.00	0.29	0.00
93.044	63412	OMB/FED PEN CITATIONS 03/04	FF-0304-03	34,146.00	54.69		(54.69)	-
93.044	63477	AAA AP ADMIN 0405	AP-0405-03 & Amd 1	139,371.05	128,019.92	134,925.88	6,905.96	-
93.044	63478	AAA ADV COUNCIL 0405	AP-0405-03	2,608.00	2,607.57	2,608.00	0.43	0.00
93.044	63479	AAA PROG DEV 0405	AP-0405-03	1,605.00	2,304.17	1,605.00	(699.17)	-
93.044	63480	AAA COORD 0405	AP-0405-03	1,402.00	8,097.47	1,402.00	(6,695.47)	-
93.044	63481	AAA I&A 0405	AP-0405-03	243,596.00	244,213.62	243,596.00	(617.62)	(0.00)
93.044	63482	AAA EAP 0405	AP-0405-03	4,866.00	(1,528.33)	(1,529.00)	(0.67)	0.00
93.044	63483	AAA OMBUDSMAN 0405	AP-0405-03	124,784.00	116,198.40	116,426.00	227.60	(0.00)
93.044	63484	AAA 3B SUBK 0405	AP-0405-03	322,414.00	(408,811.63)	(408,762.00)	49.63	(0.00)
93.044	63485	AAA 3C1 SUBK 0405	AP-0405-03	389,019.00	(89,797.00)	(89,797.00)		-
93.044	63486	AAA 3C2 SUBK 0405	AP-0405-03	489,039.00	(61,605.50)	(61,606.00)	(0.50)	-
93.044	63487	AAA 3D SUBK 0405	AP-0405-03	9,600.00	(119,031.75)	(119,032.00)	(0.25)	-
93.044	63488	AAA HEALTH PROMO 0405	AP-0405-03	21,924.00	13,866.50	14,136.00	269.50	-
93.044	63489	AAA MEDS MGMT 0405	AP-0405-03	1,540.00	1,539.60	1,540.00	0.40	(0.00)
93.044	63490	AAA OMB INIT 0405	AP-0405-03	18,859.00	(4,058.57)	(4,064.00)	(5.43)	(0.00)
93.044	63491	AAA FCSP ALL 0405	AP-0405-03	67,995.75	(157,375.39)	(157,671.65)	(296.26)	(0.00)
93.044	63493	AAA FCSP I&A 0405	AP-0405-03	99,729.00	99,728.57		0.43	0.00
93.044	63494	AAA FCSP ASSESSMT 0405	AP-0405-03	1,113.00	1,112.54	1,113.00	0.46	(0.00)
93.044	63495	AAA FCSP COUNSLING 0405	AP-0405-03	1,058.00	1,058.40	1,058.00	(0.40)	0.00

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2007 and 2006

Catalog Number	Project Number	Project Title	Award/ Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/2006	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/2007
93.044	63498	AAA FCSP RESPITE 0405	AP-0405-03	15,393.00	15,392.98	15,393.00	0.02	(0.00)
93.044	63499	AAA FCSP SUPPL SERV 0405	AP-0405-03	24,100.00	24,100.50	24,100.00	(0.50)	-
93.044	63500	AAA OSFG ADMIN 0405	AP-0405-03	21,469.00	(238,860.93)	(241,066.00)	(2,205.07)	0.00
93.044	63501	AAA LINKG 0405	AP-0405-03	234,168.00	233,667.12	234,168.00	500.88	(0.00)
93.044	63502	AAA LINKG POS 0405	AP-0405-03	6,265.00	11,583.45	6,265.00	(5,318.45)	-
93.044	63503	AAA SCP 0405	AP-0405-03	19,826.00	19,826.03	19,826.00	(0.03)	(0.00)
93.044	63504	AAA ADCRC 0405	AP-0405-03	3,217.00	2,627.55	3,217.00	589.45	-
93.044	63505	AAA ADCRC SUBK 0405	AP-0405-03	71,500.00	71,500.11	71,500.00	(0.11)	0.00
93.044	63585	AAA ADMIN AP 0506	AP-0506-03	155,980.00	155,988.20	155,980.00	1,160.05	1,168.25
93.044	63586	AAA ADV COUNCIL 0506	AP-0506-03	-	3.95	-	(3.95)	-
93.044	63588	AAA COORD 0506	AP-0506-03	-	(3.95)	-	3.95	-
93.044	63589	AAA I&A 0506	AP-0506-03	228,478.00	222,300.61	228,478.00	44.56	(6,132.83)
93.044	63590	AAA EAP 0506	AP-0506-03	9,900.00	1,952.55	1,953.00	(270.00)	(270.45)
93.044	63591	AAA OMBUDSMAN 0506	AP-0506-03	73,664.00	98,448.64	56,394.00	89.37	42,144.01
93.044	63592	AAA 3B SUBK 0506	AP-0506-03	320,951.00	(326,501.00)	(290,680.00)	1,134.00	(34,687.00)
93.044	63593	AAA 3C1 SUBK 0506	AP-0506-03	423,662.00	11,264.00	(3,883.00)	(16,136.00)	(9,899.00)
93.044	63594	AAA 3C2 SUBK 0506	AP-0506-03	528,468.00	55,249.00	38,703.00	954.00	177,500.00
93.044	63595	AAA 3D SUBK 0506	AP-0506-03	10,400.00	(12,047.00)	(12,047.00)	-	-
93.044	63596	AAA PREV HEALTH 0506	AP-0506-03	17,703.00	15,922.85	15,703.00	(220.65)	(0.80)
93.044	63597	AAA MEDS MGMT 0506	AP-0506-03	544.00	544.43	544.00	(0.43)	(0.00)
93.044	63598	AAA OMB INIT 0506	AP-0506-03	22,923.00	1.36	-	(1.36)	-
93.044	63599	AAA FCSP ALL 0506	AP-0506-03	48,862.00	(133,279.52)	(131,103.67)	142.71	(2,033.14)
93.044	63601	AAA FCSP I&A 0506	AP-0506-03	91,047.00	91,000.60	117,774.00	46.38	(26,727.02)
93.044	63602	AAA FCSP ASSESSMT 0506	AP-0506-03	424.00	423.08	-	0.31	423.39
93.044	63606	AAA FCSP RESPITE 0506	AP-0506-03	13,703.00	13,529.93	-	172.80	13,702.73
93.044	63607	AAA FCSP SUPPL SERV 0506	AP-0506-03	12,600.00	12,600.14	-	-	12,600.14
93.044	63608	AAA ADMIN-CBSP 0506/CDA	AP-0506-03	(996.00)	(366,535.01)	(367,531.00)	-	995.99
93.044	63609	AAA CBSP ALZ INHOUSE 0506	AP-0506-03	-	(0.13)	-	0.13	-
93.044	63610	AAA CBSP ALZ SUBK 0506/CDA	AP-0506-03	71,000.00	71,000.00	71,000.00	-	-
93.044	63611	AAA CBSP LINKG 0506/CDA	AP-0506-03	234,433.00	236,796.28	234,433.00	(2,363.28)	-
93.044	63612	AAA CBSP LINKG POS 0506/CDA	AP-0506-03	-	1,363.03	-	(1,767.03)	(404.00)
93.044	63613	AAA CBSP SCP 0506/CDA	AP-0506-03	28,444.00	27,738.76	29,440.00	704.86	(996.38)
93.044	63614	AAA IIIB RESP REG 0506	AP-0506-03	4,980.00	4,392.22	4,980.00	587.29	(0.49)
93.044	63719	AAA AP RECVBLS 0607/CDA	AP-0607-03	-	-	1,084,231.00	-	(1,084,231.00)
93.044	63720	AAA AP ADMIN 0607/CDA - Federal \$	AP-0607-03	160,048.00	37,058.00	136,356.82	136,356.82	99,298.82
93.044	63720	AAA AP ADMIN 0607/CDA - State \$	AP-0607-03	37,058.00	35,157.00	37,058.00	37,058.00	1,901.00
93.044	63721	AAA 3B I&A 0607/CDA - Federal \$	AP-0607-03	263,929.00	17,294.00	236,920.48	236,920.48	219,626.48
93.044	63721	AAA 3B I&A 0607/CDA State \$	AP-0607-03	17,294.00	(15,905.00)	17,294.00	33,199.00	33,199.00
93.044	63722	AAA 7B EAP 0607/CDA - Federal \$	AP-0607-03	8,095.00	324.00	6,150.00	5,826.70	-
93.044	63722	AAA 7B EAP 0607/CDA - State \$	AP-0607-03	324.00	2,982.00	324.00	(2,658.00)	-
93.044	63723	AAA 3B & 7A OMB 0607/CDA - Federal	AP-0607-03	74,480.00	50,665.00	70,138.09	19,473.09	-
93.044	63723	AAA 3B & 7A OMB 0607/CDA - State	AP-0607-03	50,665.00	51,998.15	50,665.00	(1,333.15)	-
93.044	63724	AAA OMB INIT 0607/CDA - Federal \$	AP-0607-03	-	22,923.00	-	(22,923.00)	-
93.044	63724	AAA OMB INIT 0607/CDA - State \$	AP-0607-03	22,923.00	160.00	22,923.00	22,763.00	-
93.044	63725	AAA 3B SUBK 0607/CDA	AP-0607-03	308,774.00	168,476.00	305,168.00	136,692.00	-
93.044	63726	AAA 3C1 SUBK 0607/CDA - Federal \$	AP-0607-03	382,109.00	105,043.00	300,864.52	195,821.52	-
93.044	63726	AAA 3C1 SUBK 0607/CDA - State \$	AP-0607-03	105,043.00	29,817.00	105,043.00	75,226.00	-
93.044	63727	AAA 3C2 SUBK 0607/CDA - Federal \$	AP-0607-03	380,191.00	161,944.00	359,080.46	197,136.46	-
93.044	63727	AAA 3C2 SUBK 0607/CDA - State \$	AP-0607-03	161,944.00	100,541.00	161,944.00	61,403.00	-
93.044	63728	AAA 3D SUBK MED MGMT 0607/CDA	AP-0607-03	7,503.00	7,503.00	7,503.00	-	-
93.044	63729	AAA 3D DISEASE PREV 0607/CDA - F	AP-0607-03	24,515.00	1,263.00	24,339.69	23,076.69	-
93.044	63729	AAA 3D DISEASE PREV 0607/CDA - S	AP-0607-03	1,263.00	9,801.00	1,263.00	(8,538.00)	-
93.044	63730	AAA 3E FCSP ALL 0607/CDA	AP-0607-03	161,743.00	43,432.00	137,274.69	93,842.69	-
93.044	63731	AAA 3E RESPITE 0607/CDA	AP-0607-03	64,000.00	(4,536.20)	86,278.44	90,814.64	-
93.044	63732	AAA 3E SUPP SERV 0607/CDA	AP-0607-03	21,168.00	-	11,187.82	11,187.82	-
93.044	63733	AAA CBSP SUBK ADCRC 0607/CDA -	AP-0607-03	-	71,000.00	-	(71,000.00)	-
93.044	63733	AAA CBSP SUBK ADCRC 0607/CDA -	AP-0607-03	71,000.00	(46,640.00)	71,000.00	117,640.00	-
93.044	63734	AAA CBSP LINKG 0607/CDA - Federal	AP-0607-03	-	230,433.00	(14,545.59)	(244,978.59)	-
93.044	63734	AAA CBSP LINKG 0607/CDA - State \$	AP-0607-03	230,433.00	(52,425.00)	230,433.00	282,858.00	-
93.044	63735	AAA CBSP LINKG POS 0607/CDA - Fe	AP-0607-03	-	-	26,719.04	26,719.04	-
93.044	63736	AAA CBSP SCP 0607/CDA - Federal \$	AP-0607-03	-	-	28,448.00	406.21	(28,041.79)
93.044	63736	AAA CBSP SCP 0607/CDA - State \$	AP-0607-03	28,448.00	(15,787.00)	28,448.00	44,235.00	-
93.045	63234	JLC AAA 3C1 SUBK 0102/CDA	FF010203	397,931.00	(2,770.00)	(2,770.00)	-	-
93.045	63235	JLC AAA 3C2 SUBK 0102/CDA	FF010203	479,417.00	-	-	-	-
93.052	63622	FCSP 05-06/PSA 2	6001-0506	119,401.00	(30,705.11)	(32,423.76)	(3,221.65)	(1,503.00)
93.052	63742	FCSP 0607/PSA2	6001-0607 AMD 1	126,713.00	-	126,713.00	124,527.51	(2,185.49)
93.052	63327	JLC AAA/FCSP ADMIN 0203/CDA	FC020403	7,422.00	7,278.75	7,422.00	143.25	-
93.052	63328	JLC AAA FCSP ALL 0203/CDA	FC020403	114,477.00	(151,537.34)	(150,475.00)	1,062.34	0.00
93.052	63329	JLC AAA FCSP I&A 0203/CDA	FC020403	79,409.00	76,080.98	79,409.00	3,328.02	(0.00)
93.052	63330	JLC AAA FCSP ASSESSMT 0203/CDA	FC020403	2,298.00	2,297.66	2,298.00	0.34	(0.00)
93.052	63331	JLC AAA FCSP TRAINING 0203/CDA	FC020403	3,034.00	3,033.69	3,034.00	0.31	0.00
93.052	63332	JLC AAA FCSP RESPITE 0203/CDA	FC020403	32,382.00	32,061.80	32,382.00	320.20	(0.00)
93.052	63333	JLC AAA FCSP SUPPLSRV 0203/CDA	FC020403	23,656.00	23,624.13	23,656.00	31.87	0.00
93.052	63361	JLC AAA FCSP COMM ED 0203/CDA	FC020303	239.00	238.52	239.00	0.48	0.00
93.052	63362	JLC AAA FCSP SUPP GRP 0203/CDA	FC020403	369.00	369.32	369.00	(0.32)	(0.00)
93.052	63363	JLC AAA FCSP COUNSLNG 0203/CDA	FC020403	1,666.00	1,665.90	1,666.00	0.10	0.00
93.052	63393	AAA ADMIN-FCSP 0304/CDA	FC-0304-03	9,626.00	(9,054.43)	(9,060.00)	(5.57)	(0.00)
93.052	63394	AAA FCSP ALL 0304/CDA	FF-0304-03	90,861.00	4,374.18	4,375.00	0.82	0.00
93.052	63395	AAA FCSP COMM ED 0304/CDA	FF-0304-03	54.00	2.43	3.00	0.57	-
93.052	63396	AAA FCSP I&A 0304/CDA	FF-0304-03	35,889.00	1,719.93	1,721.00	1.07	0.00
93.052	63397	AAA FCSP ASSESSMENT 0304/CDA	FF-0304-03	1,493.00	71.57	72.00	0.43	(0.00)
93.052	63398	AAA FCSP TRAINING 03/04 CDA	FF-0304-03	2,893.00	139.84	139.00	(0.84)	0.00
93.052	63399	AAA FCSP SUPP GRP 0304/CDA	FC-0304-03	683.00	32.61	33.00	0.39	(0.00)
93.052	63400	AAA FCSP COUNSLNG 0304/CDA	FC-0304-03	3,486.00	169.09	168.00	(1.09)	0.00

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

June 30, 2007 and 2006

*The CSU, Chico  
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Catalog Number	Project Number	Project Title	Award/ Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/2006	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/2007
93.052	63401	AAA FCSP RESPITE 0304/CDA	FC-0304-03	27,509.00	1,325.17	1,325.00	(0.17)	0.00
93.052	63402	AAA FCSP SUPPL SERV 0304/CDA	FC-0304-03	25,279.00	1,224.12	1,224.00	(0.12)	(0.00)
93.778	63162	JLC MSSP ADMIN 0001/CDA	MS000110	195,900.28				-
93.778	63813	TCM 0506 ENCOUNTERS	16129	27,968.67		27,968.67		(27,968.67)
93.778	63163	JLC MSSP CASE MGMT 0001/CDA	NONE	306,938.36				-
93.778	63370	PASSAGES MSSP ADMIN 0304 /CDA	MS-0304-10	179,089.19	(2,581.84)	(4,569.84)	(1,988.00)	-
93.778	63371	PASSAGES CASE MGMT 0304 /CDA	MS-0304-10	335,227.53	221.19	3.80	(217.39)	-
93.778	63372	PASGS MSSP WAVD SRV 0304/CDA	MS-0304-10	208,547.94	243.75	176.61	(67.14)	-
93.778	63474	PASSAGES MSSP ADMIN 0405 /CDA	MS-0405-10 AMD 1	199,802.11	(32,288.31)	(31,360.31)	928.00	-
93.778	63475	PASSAGES CARE MGMT 0405 /CDA	MS-0405-10	341,536.87	32,996.95	29,982.77	(3,014.18)	-
93.778	63476	PASGS MSSP WAVD SRV 0405/CDA	MS-0405-10	188,958.32	533.86	533.86		-
93.778	63581	PASSAGES MSSP ADMIN 0506 /CDA	MF-0506-10	222,486.36	65,975.26	108,752.43	1,753.18	(41,023.99)
93.778	63582	PASSAGES CARE MGMT 0506 /CDA	MS-0506-10	323,646.30	204,490.49	166,572.74	640.49	38,558.24
93.778	63583	PASGS MSSP WAVD SRV 0506/CDA	MS-0506-10	186,625.00	96,585.07	85,974.28	2,916.38	13,527.17
93.778	63716	MSSP ADMIN 0607/CDA	MF-0607-10	281,703.00		187,612.00	195,691.61	8,079.61
93.778	63717	MSSP CARE MGMT 0607/CDA	MS-0607-10	385,297.00		255,697.00	424,005.41	168,308.41
93.778	63718	MSSP WAIVED SERV 0607/CDA	MS-0607-10	190,000.00		147,526.46	231,616.39	84,089.93
93.779	63647	HICAP MMA STATE 0506	HI-0506-03	52,568.00	52,776.44	52,568.00	(208.44)	0.00
93.779	63317	JLC AAA/CBSP ADMIN 0203/CDA	CB-0203-03 AMD2	23,118.00	(8,258.19)	(8,258.00)	33.19	(0.00)
93.779	63669	MEDICARE PART D ENROLLMENT	06-254	23,447.00	8,834.62	11,551.50	2,712.31	(4.57)
93.779	63318	JLC AAA HICAP 0203/CDA	FC-0203-03	131,962.00	8,228.14	8,225.00	(3.14)	(0.00)
93.779	63319	JLC AAA ALZ DIRECT 0203/CDA	FC-0203-03	8,405.00	(72,132.96)	(72,100.00)	32.96	(0.00)
93.779	63320	JLC AAA CBSP SUBK 0203/CDA	FC-0203-03	72,100.00	72,100.00	72,100.00		-
93.779	63321	JLC AAA LINKAGES 0203/CDA	FC-0203-03	196,340.00	(22.36)	(54.00)	(31.64)	-
93.779	63322	JLC AAA LINKAGES POS 0203/CDA	FC-0203-03	23,657.00	57.52	54.00	(3.52)	-
93.779	63324	JLC AAA FGP 0203/CDA	FC-0203-03	35,308.00				-
93.779	63325	JLC AAA RESPITE REG 0203/CDA	FC-0203-03	6,967.00	82.15		(82.15)	-
93.779	63326	JLC AAA RESPITE POS 0203/CDA	FC-0203-03	9,282.00	(0.24)		0.24	-
93.779	63386	AAA CBSP ADMIN 0304/CDA	CB-0304-03	20,733.00	144.78		(144.78)	-
93.779	63387	AAA HICAP 0304/CDA	CB-0304-03	142,334.00	1,030.58	712.00	(318.58)	-
93.779	63388	AAA ALZ DIRECT 0304/CDA	CB-0304-03	7,637.00	80.90		(80.90)	-
93.779	63389	AAA CBSP SUBK 0304/CDA	CB-0304-03	71,960.00				-
93.779	63390	AAA LINKAGES 0304/CDA	CB-0304-03	214,832.00	(141.16)	(141.00)	0.16	0.00
93.779	63391	AAA LINK POS 0304/CDA	CB-0304-03	22,623.50	(114.49)	(114.50)	(0.01)	0.00
93.779	63392	AAA RESPITE POS 0304/CDA	CB-0304-03	9,528.00	121.00	121.00		-
93.779	63411	AAA SCP 0304/CDA	CB-0304-03	19,826.00	398.49		(398.49)	-
93.779	63506	AAA HICAP ADMIN 0405	HI-0405-03 AMD 1 & 2	5,029.00	3,498.76	3,618.00	119.24	0.00
93.779	63507	AAA HICAP 0405	HI-0405-03	132,432.00	1,672.37	1,930.12	257.75	-
93.779	63508	AAA HICAP MMA 0405	HI-0405-03	25,807.00	18,551.91	18,467.88	(84.03)	(0.00)
93.779	63615	AAA HICAP ADMIN 0506	HI-0506-03	12,220.00	5,847.57	5,848.00	(108.00)	(108.43)
93.779	63616	AAA HICAP 0506	HI-0506-03	132,278.00	(65,222.95)	(64,773.50)	40.44	(409.01)
93.779	63617	AAA HICAP MMA 0506	HI-0506-03	32,657.00	29,738.83	29,714.00	24.83	24.83
93.779	63737	AAA HICAP ADMIN 0607/CDA	HI-0607-03	17,403.00		10,233.00	14,411.10	4,178.10
93.779	63738	AAA HICAP PROGRAM 0607/CDA	HI-0607-03	130,322.00		119,883.00	132,465.16	12,582.16
93.779	63739	AAA HICAP MMA FED 0607/CDA	HI-0607-03	33,764.00		24,659.00	33,755.98	9,096.98
93.779	63740	AAA HICAP MMA STATE 0607/CDA	HI-0607-03	52,568.00		44,336.00	52,567.99	8,231.99
93.779	63552	AAA RESPITE POS 04/05	AP-0405-03 & Amd 1	4,764.00	4,764.00	4,764.00		-
93.107		MWH Americas, Inc. / USDI Bureau of Reclamation						
	63708	SCAHEC ON-LINE MSN SUM 06	06-025SF	31,125.36		31,125.36	31,125.36	
93.107		Northern Sierra Rural Health Network						
	63805	LVN TO BSN	VA-06/07-33-29	33,788.00				
		Prevention Research Center						
93.891	63440	ALCOHOL&DRUG PREVNTN RSRCH P	MOU	120,000.00	(29,687.98)	30,841.41	37,602.20	(22,927.19)
93.891	63642	UNDERAGE DRINKING EDUCATION	NONE	42,000.00	(19,313.26)	14,000.00	6,345.18	(26,968.08)
93.107	63554	SCAHEC ONLINE MSN 04/05	SP 05-238	31,868.24				
		Sonoma State University						
93.247	63544	NURSE PRACTITIONER PGM 04/05	GC 101935	7,708.88				
93.247	63641	NURSE PRACTITIONER PGM 05/06	GC 102447	51,149.19	21,252.52	21,252.52		
		CA Dept of Social Services						
93.558	63710	CALWORKS 06/07	04-.3026	500,000.00		262,008.39	451,173.96	189,165.57
93.558	63584	CALWORKS 05/06	04-3026	445,827.28	120,906.62	120,906.62		
		CA Department of Education						
93.575	63715	INFANT NUTRITION 06/07	5456	9,929.85			8,516.19	8,516.19
		University of California, Berkeley						
93.648	63712	BACHELOR'S SOCIAL WK 06/07	5381	300,687.00		21,168.94	91,796.49	70,627.55
93.648	63713	MASTERS SOCIAL WORK 06/07	5381	939,004.00		341,273.91	827,779.93	486,506.02
93.658	63579	MASTERS SOCIAL WORK 2005/06	SA4962-15785	686,568.26	520,287.83	521,669.93	1,382.10	0.00
93.658	63580	BACHELOR SOCIAL WRK CHLD 05/06	SA4962-15785	95,644.19	87,183.29	87,183.92	0.63	(0.00)
		Regents of the University of California						
93.658	63460	MASTERS SOCL WRK CHLD 04/05	SA 4537/ UCB PO#944835	706,104.27	(0.14)		0.14	-
93.658	63513	BACHELOR SOCIAL WRK CHLD 04/05	SA 4537/ UCB PO#944835	158,278.12	41,876.07	41,779.58	(96.49)	(0.00)
		Butte County						
93.778	63779	03/04 TARGETED CASE MGMT	X16129	40,657.35		40,657.35	20,902.77	(19,754.58)
93.778	63880	TARGETED CASE MGMT 04/05	X 16129	38,020.25		38,020.25		(38,020.25)
93.779	63419	AAA TCM POS 0304/BUTTE CO	X14145	29,661.83	1,079.40		(1,079.40)	-
		Sub-total Pass Through awards		21,304,741.30	1,228,018.97	4,979,948.75	4,357,184.24	605,254.46
		<b>Total Department of Health and Human Services</b>		<b>21,571,089.30</b>	<b>1,267,429.00</b>	<b>5,055,748.13</b>	<b>4,414,911.42</b>	<b>626,592.29</b>
		<b>Corporation for National and Community Services</b>						
		<b>Direct Awards</b>						
94.011	60360	PASSAGES FGP 05/06	05 SFPCA005	306,987.00	102,241.13	99,878.00	(2,363.13)	0.00
94.011	60308	PASSAGES FGP 04/05	02SFPCA035	282,145.00				-
94.011	60262	PASSAGES FGP 0304/CNS	02SFPCA035	280,854.00	0.70		(0.70)	-

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation*

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Catalog Number	Project Number	Project Title	Award/ Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/2006	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/2007
94.016	60361	PASSAGES SCP 05/06 CNCS	05 SCPCA006	78,036.00	17,531.48	15,379.00	(2,152.48)	-
94.016	60309	PASSAGES SCP 04/05 CNCS	02SCPCA046	78,036.00	1,320.89		(1,320.89)	-
94.016	60383	FOSTER GRANDPARENT PGM 06/07	05 SFPCA005	306,987.00		205,005.00	308,915.25	103,910.25
94.016	60384	SENIOR COMPANION PGM 06/07	05SCPCA006	79,253.00		74,333.08	89,259.51	14,926.43
		Sub-total Direct Awards		1,412,298.00	121,094.20	394,595.08	392,337.56	118,836.68
		<b>Pass Through Awards</b>						
		Carnegie Foundation						
94.005	63814	CARNEGIE FND FOR FELLOWS Y1	NONE	4,000.00				-
		CSU Office of the Chancellor						
94.005	63515	CIVIC MISSION OF ED 04/05	#31209	23,505.29	9,444.63	17,869.29	8,424.66	-
		CSU Trustees						
94.005	63783	CIVIC LEARNING LEARN AND SRV	60356-G	11,312.00			11,879.95	11,879.95
		Sub-total Pass Through Awards		38,817.29	9,444.63	17,869.29	20,304.61	11,879.95
		<b>Total Corporation for National and Community Services</b>		1,451,115.29	130,538.83	412,464.37	412,642.17	130,716.63
		<b>United States Agency for International Development</b>						
		<b>Pass Through Awards</b>						
		Academy for Educational Development						
98.OXX	63684	EGYPT 1	263-A-00-04-00006-00	98,387.00	78,890.53	98,387.00	19,496.47	-
98.OXX	63692	IMPACT STNDRDS CURR & ASSMNT	263-A-00-04-00006-00 (Mod# 1)	94,793.40	64,899.82	94,793.40	29,893.58	-
		Sub-total Pass Through Awards		193,180.40	143,790.35	193,180.40	49,390.05	-
		<b>Total United States Agency for International Development</b>		193,180.40	143,790.35	193,180.40	49,390.05	-
		<b>Total Federal and Federal Pass Through Awards</b>		56,765,615.55	4,705,666.74	15,965,144.06	14,242,990.88	2,983,513.56
		<b>Total State and Other Awards Through Ca Dept of Aging</b>		726,395.00	-	99,699.15	726,395.00	626,695.85
		<b>Grand Total Federal, Federal Pass Through and CDA Other Awards</b>		57,492,010.55	4,705,666.74	16,064,843.21	14,969,385.88	3,610,209.41

**SCHEDULE OF SUPPLEMENTAL INFORMATION  
(CSU FORMAT)**

*The CSU, Chico  
Research Foundation*

	<b>Auxiliary Organizations GASB</b>
<b>NET ASSETS INVESTED IN CAPITAL ASSETS - NET OF RELATED DEBT</b>	
Capital assets - net of accumulated depreciation	\$ 15,673,232
Long-term debt obligations - current portion	(666,512)
Long-term debt obligations - net of current portion	(5,430,095)
Other:	
OID prepaid interest	49,912
Bond reserves	312,476
Interest payable	(17,180)
<b>Net Assets Invested in Capital Assets - Net of Related Debt</b>	<b>\$ 9,921,833</b>

## 1. FUND ACCOUNTING

The accounts of the Research Foundation are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. The funds are organized as follows:

**General Fund** This fund is used to account for all financial resources except those required to be accounted for in another fund. This fund recognizes as income various administrative fees from other funds.

**Plant and Bond Fund** This fund is used to account for acquisition of physical properties and funds expended and invested in physical properties for the General Fund, Board Designated Fund, Sponsored Programs Fund, and Campus Programs Fund.

In addition, this fund is used to account for the bond construction and the principal, interest, and reserve accounts. Bond proceeds are deposited into the bond construction account. The proceeds are used to finance the construction and acquisition of buildings and equipment as required by the Bond's resolution. The principal, interest, and reserve account is used to account for the payment obligations of the Research Foundation Auxiliary Organization Bond Series 2003.

**Board Designated Fund** This fund is used to account for all amounts specifically allocated by the Board of Directors to certain programs. These funds are used primarily for the development of grant and contract proposals. Funding is also allocated to support and to finance other CSUC-related projects. The amount expended from Board designations amounted to \$433,357 and \$257,408 in 2007 and 2006, respectively. The amount expended from incentive accounts amounted to \$571,372 and \$605,625 in 2007 and 2006, respectively.

**Auxiliary Activities Fund** This fund is used to account for the operations of the University Farm, KCHO radio station, and other enterprise activities. These operations reimburse the General Fund for accounting and data processing administration expenses based on the usage of these services.

**Sponsored Programs Fund** This fund reflects the activity of various programs designed for instruction, research, and community services. These programs are funded by federal and state governmental agencies and various other organizations. The General Fund receives administrative fees to cover the indirect overhead costs of these programs.

**Campus Programs Fund** This fund accounts for certain special activities of Research Foundation-affiliated programs. These funds are carried as unrestricted net assets. The Research Foundation receives an administrative fee equal to 8% of Campus Program Fund expenditures.

**Comparative Financial Information** The schedules of financial position and schedules of functional activities and changes in net assets include prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Research Foundation's financial statements for the year ended June 30, 2006, from which the summarized information was derived.



**NOTES TO THE SUPPLEMENTAL INFORMATION**

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation***2. INTERFUND RECEIVABLES AND PAYABLES**

The Research Foundation records direct interfund receivables and payables as they occur. As a result of the use of a general checking account for all funds except the Agriculture Fund and some sponsored program funds, indirect interfund receivables and payables entries are recorded upon receipt, disbursement, or transfer of amounts among funds. Interfund receivables and payables include several long-term notes.

	<u>2007</u>	<u>2006</u>
The environmental research lab in the Campus Programs Fund has a note payable to the General Fund to be repaid as funds are available, including interest at 5%.	\$ 87,794	\$ 83,613
KCHO radio station has a note payable to the General Fund for equipment purchased to coincide with construction costs of moving into 35 Main Street, including interest at 5%. If any partial payments are made between the annual payments, the amortization schedule will be changed accordingly.	268,160	255,390
KCHO radio station has a note payable to the General Fund for construction costs to move into 35 Main Street, including interest at 5%. If any partial payments are made between the annual payments, the amortization schedule will be changed accordingly.	<u>200,395</u>	<u>190,852</u>
<b>Total Interfund Receivables and Payables</b>	<u>\$ 556,349</u>	<u>\$ 529,855</u>

**NOTES TO THE SUPPLEMENTAL INFORMATION**

June 30, 2007 and 2006

*The CSU, Chico  
Research Foundation***3. NET ASSETS RESERVES**

The Board, under guidelines established by the Chancellor's Office, developed policies that reserve the net assets of the Research Foundation. Future increases will also be reserved by these policies.

Reservations are as follows for the year ended June 30, 2007:

	<b>Plant and Bond Fund</b>	<b>Auxiliary Activities Fund</b>
Investment in plant, equipment, and breeding herd	\$ 8,729,952	\$ 1,119,381
Inventory reserve	-	117,574
Reserve for working capital	-	233,811
Capital replacement reserve	-	120,000
<b>Total Net Assets Reserves</b>	8,729,952	1,590,766
Available for general purposes	-	69,069
<b>Total Net Assets</b>	<b>\$ 8,729,952</b>	<b>\$ 1,659,835</b>

The net deficit of the General Fund as of June 30, 2007, is due to the purchase of additional property which will eventually be sold to the CSU, Chico campus. The unrestricted dollars of the General Fund, as well as resources from the other funds, have been used for these property acquisitions which are reflected in the Plant Fund net assets balance. Therefore, there are no General Fund reserves to report, and the General Fund net deficit balance as of June 30, 2007, is \$715,604.

## **OTHER REPORTS**



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
The CSU, Chico Research Foundation  
Chico, California

We have audited the financial statements of The CSU, Chico Research Foundation (the Research Foundation), a nonprofit organization and a component unit of the California State University, Chico, California, as of and for the year ended June 30, 2007, and have issued our report thereon dated September 17, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Research Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing our opinions on the effectiveness of the Research Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Research Foundation's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Research Foundation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Research Foundation's financial statements that is more than inconsequential will not be prevented or detected by the Research Foundation's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 07-1 to be a significant deficiency in internal control over financial reporting.

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Continued

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe the significant deficiency described above is a material weakness.

**Compliance and Other Matters**

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

This report is intended solely for the information and use of the Board of Directors, management, the audit committee, and others within the Research Foundation, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Matson and Isom*

September 17, 2007



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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors  
The CSU, Chico Research Foundation  
Chico, California

### Compliance

We have audited the compliance of The CSU, Chico Research Foundation (the Research Foundation), a nonprofit organization and a component unit of the California State University, Chico, California, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The Research Foundation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Research Foundation's management. Our responsibility is to express an opinion on the Research Foundation's compliance based on our audit.

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

In our opinion, the Research Foundation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

### Internal Control Over Compliance

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Continued

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the Board of Directors, management, audit committee, others within the Research Foundation, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Matson and Isom*

September 17, 2007

**FINDINGS AND QUESTIONED COSTS SECTION**



**SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS**

June 30, 2007

*The CSU, Chico  
Research Foundation*

**A. SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of The CSU, Chico Research Foundation (the Research Foundation).
2. One significant deficiency relating to the audit of the financial statements is reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*, and also in part B of this schedule.
3. No instances of noncompliance material to the financial statements of the Research Foundation were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance Required by OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the Research Foundation expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Research Foundation are reported in part C of this schedule.
7. The programs tested as major programs include:

Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	CFDA 93.044
Special Programs for the Aging-Title III, Part C-Nutrition	CFDA 93.045
Nutrition Services Incentive Program	CFDA 93.053
National Family Caregiver Support-Title III, Part E	CFDA 93.052
Medical Assistance Program – Multipurpose Senior Services Program	CFDA 93.778
Small Business Development Center	CFDA 59.037
8. The threshold for distinguishing Types A and B programs was \$427,290.
9. The Research Foundation was determined to be a low-risk auditee.

**SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS**

June 30, 2007

*The CSU, Chico  
Research Foundation*

**B. FINDINGS  
FINANCIAL STATEMENTS AUDIT**

**INTERNAL CONTROL (Farm)**

07-1

**Significant Deficiency**

**Condition**

Journal entries prepared by farm personnel are not being reviewed.

**Criteria**

Journal entries should be reviewed for appropriateness by an individual with suitable skill, knowledge, and experience.

**Effect**

Without strengthening internal accounting policies and procedures, misstatements of financial information can occur.

***Recommendation***

We recommend the Research Foundation review existing policies and procedures for opportunities of improvement.

***Response***

Review procedures for journal entries prepared by farm personnel will be implemented during 2007-08.

**CORRECTIVE ACTION PLAN**  
June 30, 2007

*The CSU, Chico*  
*Research Foundation*

None.

**SUMMARY SCHEDULE OF  
PRIOR AUDIT FINDINGS**

June 30, 2006

*The CSU, Chico  
Research Foundation*

**INTERNAL CONTROL (Farm)**

06-1

**Reportable Condition**

**Condition**

Eight out of nineteen farm receipts tested were not deposited into the bank in a timely manner.

**Criteria**

Internal controls should be in place to provide reasonable assurance that all bank deposits are made at least once per week.

**Effect**

Without strengthening internal control procedures over farm receipts, farm assets may not be properly safeguarded and may be subject to misappropriation.

***Recommendation***

We recommend the Research Foundation review existing documented policies, procedures, and staff training for opportunities of improvement.

***Current Status***

Fully implemented.