

**THE CSU, CHICO  
RESEARCH FOUNDATION**

**Chico, California**

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

**June 30, 2008 and 2007**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement 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, 2008, and the related statements of revenues, expenses and changes in net assets, and cash flows for the year 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 audit. The prior-year summarized comparative information has been derived from the Research Foundation's 2007 financial statements and, in our report dated September 17, 2007, we expressed an unqualified opinion on those statements.

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. 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 audit provides 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, 2008, 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 \$1,458,608 (6.87% of net assets) as of June 30, 2008, 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 9, 2008, 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 audit was 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 9, 2008

**STATEMENTS OF NET ASSETS**

*The CSU, Chico  
Research Foundation*

June 30	2008	2007
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,159,418	\$ 478,539
Short-term investments	5,676,244	5,819,292
Accounts receivable - net	6,321,776	6,938,846
Prepaid expenses and other assets	503,588	512,525
<b>Total Current Assets</b>	<b>13,661,026</b>	<b>13,749,202</b>
<b>NONCURRENT ASSETS</b>		
Notes receivable	25,000	-
Other long-term investment	20,000	20,000
Capital assets - net	16,299,932	15,673,232
Other assets	399,778	419,092
<b>Total Noncurrent Assets</b>	<b>16,744,710</b>	<b>16,112,324</b>
<b>Total Assets</b>	<b>\$ 30,405,736</b>	<b>\$ 29,861,526</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,388,212	\$ 1,497,775
Accrued salaries and benefits payable	961,909	985,090
Accrued compensated absences	36,707	29,072
Deferred revenue	1,175	1,925
Long-term debt obligations - current portion	620,300	666,512
Other current liabilities	33,758	29,524
<b>Total Current Liabilities</b>	<b>3,042,061</b>	<b>3,209,898</b>
<b>NONCURRENT LIABILITIES</b>		
Accrued compensated absences - net of current portion	11,878	14,130
Long-term debt obligations - net of current portion	5,128,971	5,430,095
Depository accounts	8,400	14,536
Other long-term liabilities	995,607	940,790
<b>Total Noncurrent Liabilities</b>	<b>6,144,856</b>	<b>6,399,551</b>
<b>Total Liabilities</b>	<b>9,186,917</b>	<b>9,609,449</b>
<b>NET ASSETS</b>		
Invested in capital assets - net of related debt	10,893,343	9,921,833
Restricted for:		
Expendable:		
Research	886,438	814,484
Loans	49,601	49,129
Capital projects	26,716	15,552
Other	570,691	562,934
Unrestricted	8,792,030	8,888,145
<b>Total Net Assets</b>	<b>21,218,819</b>	<b>20,252,077</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 30,405,736</b>	<b>\$ 29,861,526</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	2008	2007
<b>REVENUES</b>		
<b>OPERATING REVENUES</b>		
Student tuition and fees	\$ 395,882	\$ 319,145
Grants and contracts - noncapital:		
Federal	14,753,742	14,685,097
State	5,152,483	4,785,494
Local	1,283,044	1,146,534
Nongovernmental	3,091,549	3,812,053
Sales and services of educational activities	1,580,103	1,695,996
Sales and services of auxiliary enterprises	3,402,476	2,750,127
Other operating revenues	5,368,467	4,716,306
<b>Total Operating Revenues</b>	<b>35,027,746</b>	<b>33,910,752</b>
<b>EXPENSES</b>		
<b>OPERATING EXPENSES</b>		
Instruction	4,821,577	5,349,258
Research	2,761,904	2,610,181
Public services	17,576,928	15,765,432
Academic support	2,193,748	2,304,907
Student services	1,710,906	1,794,890
Institutional support	2,550,098	2,522,566
Operation and maintenance of plant	537,206	685,388
Student grants and scholarships	190,729	268,693
Auxiliary enterprises expenditures	1,491,496	1,498,344
Depreciation and amortization	831,597	800,763
<b>Total Operating Expenses</b>	<b>34,666,189</b>	<b>33,600,422</b>
<b>Net Operating Revenue</b>	<b>361,557</b>	<b>310,330</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income - net	92,514	429,705
Interest on capital related debt	(234,541)	(243,234)
Other nonoperating revenue	478,937	525,276
<b>Net Nonoperating Revenues</b>	<b>336,910</b>	<b>711,747</b>
<b>Income Before Other Additions</b>	<b>698,467</b>	<b>1,022,077</b>
Grants and gifts - capital	268,275	384,427
<b>Increase in Net Assets</b>	<b>966,742</b>	<b>1,406,504</b>
<b>Net Assets - Beginning of Year</b>	<b>20,252,077</b>	<b>18,845,573</b>
<b>Net Assets - End of Year</b>	<b>\$ 21,218,819</b>	<b>\$ 20,252,077</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	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 395,882	\$ 319,145
Federal grants and contracts	14,535,648	15,715,124
State grants and contracts	6,110,083	4,025,033
Local grants and contracts	1,228,394	1,057,048
Nongovernmental grants and contracts	3,316,402	3,454,865
Payments to suppliers	(17,770,025)	(16,518,075)
Payments to employees	(16,022,741)	(15,683,496)
Payments to students	(160,250)	(180,692)
Sales and services of educational activities	1,434,413	1,730,999
Sales and services of auxiliary enterprises	3,458,902	2,688,282
Other receipts	5,236,738	4,999,543
<b>Net Cash Provided by Operating Activities</b>	<b>1,763,446</b>	<b>1,607,776</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Other	448,085	525,276
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from capital debt	-	250,000
Capital grants and gifts	268,275	384,427
Proceeds from sale of capital assets	10,345	-
Acquisitions of capital assets	(1,462,789)	(1,177,038)
Principal paid on capital debt	(347,336)	(157,664)
Interest paid on capital debt	(234,708)	(243,234)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(1,766,213)</b>	<b>(943,509)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	182,717	246,433
Purchase of investments	(16,919,015)	(9,986,120)
Withdrawals from investments	16,971,859	8,376,108
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>235,561</b>	<b>(1,363,579)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>680,879</b>	<b>(174,036)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>478,539</b>	<b>652,575</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,159,418</b>	<b>\$ 478,539</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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<u>Years Ended June 30</u>	<u>2008</u>	<u>2007</u>
<b>RECONCILIATION OF NET OPERATING REVENUE TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating revenue	\$ 361,557	\$ 310,330
Adjustments to reconcile operating revenue to net cash provided by operating activities:		
Depreciation and amortization expense	831,597	800,763
Change in assets and liabilities:		
Accounts receivable - net	617,070	(106,090)
Prepaid expenses and other assets	28,251	(83,486)
Accounts payable	(109,563)	417,414
Accrued salaries and benefits	(23,181)	71,610
Accrued compensated absences	5,383	(3,752)
Deferred revenue	(750)	750
Depository accounts	(6,136)	4,261
Other liabilities	59,218	195,976
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,763,446</b>	<b>\$ 1,607,776</b>

*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 Units*. 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.

**Investments** Short-term investments consist of time certificates of deposit, and deposits in Local Agency Investment Fund (LAIF). Investments also include Common Fund, which consists of U.S. government securities, corporate obligations, and other securities which are recorded at their estimated fair value based on information received by the fund manager.

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008 and 2007

*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, 2008 and 2007, the Research Foundation holds alternative investments in the amount of \$1,458,608 (6.87% of net assets) and \$1,460,347 (7.21% 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, 2008, the LAIF pool includes structured notes and asset-backed securities which total 14.72% 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, 2008, the fair value of LAIF is 99.99% 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, 2008. 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 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 \$490 and \$947 as of June 30, 2008 and 2007, 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.

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

	<b>2008</b>	<b>2007</b>
Feeder livestock	\$ 35,050	\$ 28,747
Meat lab	13,237	14,008
Feed	36,816	43,454
Other	33,066	36,060
<b>Total</b>	<b>\$ 118,169</b>	<b>\$ 122,269</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. Planned major maintenance is accounted for using the direct expense method. 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.

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2008 and 2007

*The CSU, Chico  
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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 \$17,534,231 and \$15,795,845 at June 30, 2008 and 2007, respectively.

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, 2012. 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 \$156,367 and \$147,445 for the years ended June 30, 2008 and 2007, 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 \$775,615 and \$745,322 for the years ended June 30, 2008 and 2007, respectively.

The Research Foundation provides administrative and financial services to the University Foundation. The revenue for these services was \$452,002 and \$386,950 for the years ended June 30, 2008 and 2007, 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 \$604,361 and \$587,403 at June 30, 2008 and 2007, respectively.

***Receivable/Payable With 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, 2008, for these obligations were \$485,790 and \$367,778, respectively. The respective amounts for the year ended June 30, 2007, were \$166,197 and \$381,435.

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2008 and 2007

*The CSU, Chico  
Research Foundation*

**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).

**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. The personnel hired are employees of the Research Foundation and participate in the Research Foundation's benefit plans. The University Foundation indemnifies the Research Foundation for the acts of its employees under the University Foundation's supervision. The amount receivable from the University Foundation was \$67,678 and \$104,638 at June 30, 2008 and 2007, respectively.

**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, 2008, \$1,141,139 of the Research Foundation's bank balance of \$1,149,603 was uninsured and collateralized with securities held by the pledging financial institutions' trust department. 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.

**3. INVESTMENTS**

Investments for the year ended June 30, 2008, were as follows:

	<b>Current</b>	<b>Noncurrent Unrestricted</b>	<b>Total (Calculated)</b>
State of California Local Agency Investment Fund	\$ 4,019,636	\$ -	\$ 4,019,636
Real estate	-	20,000	20,000
Certificates of deposit	198,000	-	198,000
Common Fund - mutual funds	1,458,608	-	1,458,608
Note receivable	-	25,000	25,000
<b>Total Investments</b>	<b>\$ 5,676,244</b>	<b>\$ 45,000</b>	<b>\$ 5,721,244</b>

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

	<b>Current</b>	<b>Noncurrent Unrestricted</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>

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2008 and 2007

*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, 2008, these investments were 70.26% and 25.49%, respectively, of the Research Foundation's total investments. At June 30, 2007, these investments were 71.26% and 25.01%, 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>2008</b>	<b>2007</b>
Federal, state, and other grants and contracts	\$ 4,871,062	\$ 5,780,771
CSUC faculty emergency loan funds	49,601	50,076
Other	1,401,603	1,108,946
<b>Subtotal</b>	6,322,266	6,939,793
Less: Allowance for doubtful accounts	(490)	(947)
<b>Total</b>	<b>\$ 6,321,776</b>	<b>\$ 6,938,846</b>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>NONDEPRECIABLE CAPITAL ASSETS</b>					
Land and land improvements	\$ 5,932,443	\$ -	\$ -	\$ -	\$ 5,932,443
Construction in progress	302,046	309,451	-	(85,988)	525,509
Breeding livestock	78,980	14,890	-	-	93,870
<b>Total Nondepreciable Capital Assets</b>	<b>6,313,469</b>	<b>324,341</b>	<b>-</b>	<b>(85,988)</b>	<b>6,551,822</b>
<b>DEPRECIABLE CAPITAL ASSETS</b>					
Building and improvements	10,512,244	746,349	(54,792)	85,988	11,289,789
Equipment and furnishings	4,631,112	392,098	(23,683)	-	4,999,527
<b>Total Depreciable Capital Assets</b>	<b>15,143,356</b>	<b>1,138,447</b>	<b>(78,475)</b>	<b>85,988</b>	<b>16,289,316</b>
<b>Subtotal</b>	<b>21,456,825</b>	<b>1,462,788</b>	<b>(78,475)</b>	<b>-</b>	<b>22,841,138</b>
<b>LESS: ACCUMULATED DEPRECIATION</b>					
Building and improvements	(2,666,993)	(358,285)	54,792	-	(2,970,486)
Equipment and furnishings	(3,116,600)	(473,312)	19,192	-	(3,570,720)
<b>Total Accumulated Depreciation</b>	<b>(5,783,593)</b>	<b>(831,597)</b>	<b>73,984</b>	<b>-</b>	<b>(6,541,206)</b>
<b>Total Net Capital Assets</b>	<b>\$ 15,673,232</b>	<b>\$ 631,191</b>	<b>\$ (4,491)</b>	<b>\$ -</b>	<b>\$ 16,299,932</b>

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>

The detail of depreciation and amortization expense was as follows:

	2008	2007
<b>Depreciation and Amortization Expense Related to Capital Assets</b>	<b>\$ 831,597</b>	<b>\$ 800,763</b>



**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2008 and 2007

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

Other assets consisted of the following:

	<b>2008</b>	<b>2007</b>
Deposits held by property managers	\$ 88,054	\$ 106,616
Bond reserve accounts held by trustee	311,724	312,476
<b>Total Other Assets</b>	<b>\$ 399,778</b>	<b>\$ 419,092</b>

**7. LONG-TERM DEBT OBLIGATIONS**

Long-term debt obligations comprise the following:

	<u>2008</u>	<u>2007</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.	300,000	325,000
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.	4,505,000	4,610,000
<b>Total</b>	<u>\$ 5,749,271</u>	<u>\$ 6,096,607</u>

Long-term liability obligation activity for the year ended June 30, 2008, was as follows:

Description	Balance	Additions	Reductions	Balance	Long-Term Portion	Current Portion
	June 30, 2007			June 30, 2008		
ACCRUED COMPENSATED ABSENCES	\$ 43,202	\$ 48,573	\$ (43,190)	\$ 48,585	\$ 11,878	\$ 36,707
LONG-TERM DEBT OBLIGATIONS:						
Revenue bonds payable	4,610,000	-	(105,000)	4,505,000	4,400,000	105,000
Notes payable	1,486,607	-	(242,336)	1,244,271	728,971	515,300
<b>Total Long-Term Debt Obligations</b>	<b>6,096,607</b>	<b>-</b>	<b>(347,336)</b>	<b>5,749,271</b>	<b>5,128,971</b>	<b>620,300</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 6,139,809</b>	<b>\$ 48,573</b>	<b>\$ (390,526)</b>	<b>\$ 5,797,856</b>	<b>\$ 5,140,849</b>	<b>\$ 657,007</b>

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

Description	Balance	Additions	Reductions	Balance	Long-Term Portion	Current Portion
	June 30, 2006			June 30, 2007		
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>

	Low	High
INTEREST RATES		
Range of Interest Rates on Outstanding Debt	2.00%	5.00%

Debt service requirements are as follows:

Years Ending	Revenue Bonds		All Other Long-Term Debt Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 105,000	\$ 201,531	\$ 515,300	\$ 22,800	\$ 620,300	\$ 224,331
2010	110,000	198,513	25,000	22,800	135,000	221,313
2011	115,000	195,075	405,000	3,800	520,000	198,875
2012	115,000	191,165	25,000	-	140,000	191,165
2013	120,000	187,025	98,971	-	218,971	187,025
2014-2018	685,000	857,569	125,000	-	810,000	857,569
2019-2023	485,000	723,350	50,000	-	535,000	723,350
2024-2028	760,000	549,575	-	-	760,000	549,575
2029-2033	2,010,000	429,638	-	-	2,010,000	429,638
<b>Total</b>	<b>\$ 4,505,000</b>	<b>\$ 3,533,441</b>	<b>\$ 1,244,271</b>	<b>\$ 49,400</b>	<b>\$ 5,749,271</b>	<b>\$ 3,582,841</b>

**8. OTHER LONG-TERM LIABILITIES**

Other long-term liabilities consisted of the following:

	<b>2008</b>	<b>2007</b>
Reserve for grant cost disallowance	\$ 369,643	\$ 405,454
Postretirement health benefit reserve	607,173	531,624
Other	18,791	3,712
<b>Total Other Long-Term Liabilities</b>	<b>\$ 995,607</b>	<b>\$ 940,790</b>

**9. 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 relating to paid vacation has been accrued for all employees, except those funded by grants and contracts. The compensated absences liability will be paid by both the General Fund and the Auxiliary Activities Fund.

**10. HEALTH CARE BENEFITS**

As of January 1, 2005, the Research Foundation entered into a contract with the California State University Risk Management Authority (CSURMA) to provide a fully insured healthcare plan for eligible employees. Postretirement health benefits are not required as a part of the CSURMA 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, except for employees funded by grants and contracts, amounts to \$240,811 and \$213,164 for the years ended June 30, 2008 and 2007, respectively.

**11. 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 \$81,580 and \$69,440 for the years ended June 30, 2008 and 2007, respectively. The expense amounts for the 401(k) savings plan do not include amounts paid for employees funded by grants and contracts.

**12. 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 and can be terminated at any time. The postretirement health care plan is contributory with retiree contributions adjusted annually. Employees who retired prior to January 1, 2006, are qualified after 15 years of credited service and attainment of age 55. Employees retiring after January 1, 2006, are qualified after 15 years of credited service and the attainment of age 60. At June 30, 2008, six participants met these eligibility requirements and an estimated thirty-seven 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, was computed based on an estimate of the number of employees who may retire and the estimated expense. The postretirement benefit obligations at June 30, 2008, were computed based on an actuarial valuation performed as of July 1, 2008.

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 \$513,989 and \$377,623 for the years ended June 30, 2008 and 2007, respectively. The APBO recognized is \$631,173 and \$560,624 at June 30, 2008 and 2007, respectively. An outside actuarial computation of the liability was performed during the 2007-08 plan year. The plan will be funded on the pay-as-you-go basis. The amount paid on behalf of current retirees was \$25,744. The expected benefits to be paid over the next 10 years are as follows:

Years Ending	
2009	\$ 35,364
2010	40,266
2011	45,168
2012	51,260
2013	56,182
2014-2018	168,475
<b>Total</b>	<b>\$ 396,715</b>

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2008 and 2007

*The CSU, Chico  
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The expense amounts for the postretirement benefit plan for the year ended June 30, 2008, were:

	<b>2008</b>	<b>2007</b>
Service cost estimate	\$ 11,761	\$ 87,141
Amortization of unfunded actuarial accrued liability	24,283	-
Age adjusted retiree cost	(35,364)	-
Interest cost estimate	-	32,533
<b>Total expense</b>	<b>\$ 680</b>	<b>\$ 119,674</b>

In 2008, the actuarial valuation was completed by an independent consultant. In 2007, the valuation was completed in-house. Significant actuarial assumptions used in the valuations include: 1) a discount rate of 5.5% and 7% in 2008 and 2007, respectively, used to calculate the present value of the future benefit payment; 2) a health care cost trend rate range of 8.6% to 5.5% compounded annually in 2008 and a cost trend rate of 4% compounded annually in 2007. 3) Fixed monthly benefit amount of the \$200 and \$400 for one or two participants; and 4) mortality rates used in the most recent California PERS pension valuations in 2008 and mortality rates based on the 1983-GAM Tables in 2007.

**13. 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, 2007, is as follows:

Total assets	\$ 178,116,000
Total liabilities	(154,488,000)
<b>Net Assets</b>	<b>\$ 23,628,000</b>
Total operating revenues	\$ 91,765,000
Total operating expenses	(67,152,000)
Net nonoperating revenues	9,724,000
Reductions to future funding commitment from California State University	(10,709,000)
<b>Total Change in Net Assets</b>	<b>\$ 23,628,000</b>

CSURMA is economically dependent on the California State University (CSU) for funding and has secured a commitment from the CSU to provide sufficient cash flow to meet its operating needs and to fund losses over a period of time. The liability to CSURMA for workers' compensation insurance was \$3,685 at June 30, 2008.

**14. 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.

**15. NET OPERATING LOSS**

The Research Foundation has net operating loss (NOL) carryforwards as a result of unrelated business income. At June 30, 2008 and 2007, 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.

**SUPPLEMENTAL INFORMATION**



**SCHEDULES OF FINANCIAL POSITION**

*The CSU, Chico  
Research Foundation*

June 30	General Fund	Plant and Bond Fund	Board Designated Fund	Auxiliary Activities Fund	Sponsored Programs Fund	Campus Programs Fund	2008	Totals 2007
<b>ASSETS</b>								
Cash and cash equivalents	\$ 5,050	\$ 5,807	\$ 107,534	\$ 199,070	\$ 13,268	\$ 828,689	\$ 1,159,418	\$ 478,539
Short-term investments	549,821	20,780	382,840	843,436	949,543	2,929,824	5,676,244	5,819,292
Net accounts and other receivables	408,281	129	51,979	92,509	94,514	897,816	1,545,228	1,249,070
Sponsored programs receivable	-	-	-	-	4,776,548	-	4,776,548	5,689,776
Inventories	-	-	-	118,169	-	-	118,169	122,269
Prepaid and deferred crop planting expenses	188,780	359,695	20,220	174,045	5,765	36,692	785,197	809,348
Property held for sale	20,000	-	-	-	-	-	20,000	20,000
Notes receivable	-	-	-	-	-	25,000	25,000	-
Land, buildings, and equipment - net of accumulated depreciation	-	14,996,042	83,720	1,220,170	-	-	16,299,932	15,673,232
<b>Total Assets</b>	<b>\$ 1,171,932</b>	<b>\$ 15,382,453</b>	<b>\$ 646,293</b>	<b>\$ 2,647,399</b>	<b>\$ 5,839,638</b>	<b>\$ 4,718,021</b>	<b>\$ 30,405,736</b>	<b>\$ 29,861,526</b>
<b>LIABILITIES AND NET ASSETS</b>								
<b>LIABILITIES</b>								
Accounts payable	\$ 165,795	\$ -	\$ 247,115	\$ 75,051	\$ 781,864	\$ 118,387	\$ 1,388,212	\$ 1,497,775
Accrued expenses	823,730	17,013	23,589	16,753	668,417	120,714	1,670,216	1,593,152
Deferred revenue	-	-	-	1,175	-	-	1,175	1,925
Deposits held for others	8,400	-	-	-	-	-	8,400	14,536
Interfund (receivables) payables	1,777,063	-	(1,878,653)	238,920	2,932,228	(3,069,558)	-	-
Notes payable	-	1,170,300	-	73,971	-	-	1,244,271	1,486,607
Bonds payable	-	4,505,000	-	-	-	-	4,505,000	4,610,000
Reserve for grant cost disallowance	369,643	-	-	-	-	-	369,643	405,454
<b>Total Liabilities</b>	<b>3,144,631</b>	<b>5,692,313</b>	<b>(1,607,949)</b>	<b>405,870</b>	<b>4,382,509</b>	<b>(2,830,457)</b>	<b>9,186,917</b>	<b>9,609,449</b>
<b>NET ASSETS (DEFICIT)</b>	<b>(1,972,699)</b>	<b>9,690,140</b>	<b>2,254,242</b>	<b>2,241,529</b>	<b>1,457,129</b>	<b>7,548,478</b>	<b>21,218,819</b>	<b>20,252,077</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,171,932</b>	<b>\$ 15,382,453</b>	<b>\$ 646,293</b>	<b>\$ 2,647,399</b>	<b>\$ 5,839,638</b>	<b>\$ 4,718,021</b>	<b>\$ 30,405,736</b>	<b>\$ 29,861,526</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	Plant	Board	Auxiliary	Sponsored	Campus	Totals	
	Fund	and Bond Fund	Designated Fund	Activities Fund	Programs Fund	Programs Fund	2008	2007
<b>REVENUES AND OTHER SUPPORT</b>								
Agriculture and enterprise sales	\$ -	\$ -	\$ -	\$ 1,291,299	\$ -	\$ -	\$ 1,291,299	\$ 1,004,335
Sponsored programs fees	2,664,287	-	-	-	-	-	2,664,287	2,096,102
Sponsored programs receipts	-	-	-	-	24,280,818	-	24,280,818	24,429,178
Agriculture Research Initiative	-	-	-	-	575,765	-	575,765	507,286
University programs receipts	-	-	-	-	-	3,978,857	3,978,857	3,619,304
Interest and investment income	109,702	10,412	9,609	-	(37,209)	-	92,514	429,705
Other income	1,141,935	385,791	24,112	130,256	238,870	100,423	2,021,387	1,995,753
<b>Total Revenues and Other Support</b>	<b>3,915,924</b>	<b>396,203</b>	<b>33,721</b>	<b>1,421,555</b>	<b>25,058,244</b>	<b>4,079,280</b>	<b>34,904,927</b>	<b>34,081,663</b>
<b>EXPENSES</b>								
Auxiliary activities cost of sales	-	-	-	186,063	-	-	186,063	203,421
Auxiliary activities expense	-	-	-	1,380,643	-	-	1,380,643	1,334,650
Sponsored programs disbursements	-	-	-	-	23,618,496	-	23,618,496	23,016,574
University programs expenses	-	-	-	-	-	3,903,435	3,903,435	3,621,962
Scholarships and research grants	-	-	-	-	739,217	-	739,217	604,126
Foundation administration	3,018,452	-	-	-	-	-	3,018,452	2,997,629
Faculty and grant development	-	-	1,278,613	-	-	-	1,278,613	1,004,729
Interest expense	-	205,932	-	-	-	-	205,932	208,098
Other expenses	-	406,268	-	42,106	-	-	448,374	439,300
<b>Total Expenses</b>	<b>3,018,452</b>	<b>612,200</b>	<b>1,278,613</b>	<b>1,608,812</b>	<b>24,357,713</b>	<b>3,903,435</b>	<b>34,779,225</b>	<b>33,430,489</b>
<b>Change in Net Assets Before Transfers</b>	<b>897,472</b>	<b>(215,997)</b>	<b>(1,244,892)</b>	<b>(187,257)</b>	<b>700,531</b>	<b>175,845</b>	<b>125,702</b>	<b>651,174</b>
<b>TRANSFERS</b>								
Board of directors allocations	(565,515)	-	565,515	-	-	-	-	-
Administration fee transfers	8,940	-	-	-	(8,940)	-	-	-
Other fund transfers	(39,125)	109,731	585,995	50,849	(602,580)	(104,870)	-	-
Transfers from other auxiliaries	(7,941)	-	20,685	249,547	(9,300)	612,896	865,887	1,087,843
Plant fund transfers:								
Purchased assets - net	(1,371,969)	1,371,969	-	-	-	-	-	-
Depreciation	305,515	(305,515)	-	-	-	-	-	-
CSUC	(15,917)	-	(8,930)	-	-	-	(24,847)	(332,513)
<b>Net Transfers</b>	<b>(1,686,012)</b>	<b>1,176,185</b>	<b>1,163,265</b>	<b>300,396</b>	<b>(620,820)</b>	<b>508,026</b>	<b>841,040</b>	<b>755,330</b>
<b>Increase (Decrease) in Net Assets Before Extraordinary Item</b>	<b>(788,540)</b>	<b>960,188</b>	<b>(81,627)</b>	<b>113,139</b>	<b>79,711</b>	<b>683,871</b>	<b>966,742</b>	<b>1,406,504</b>
Extraordinary item - debt forgiveness gain (loss)	(468,555)	-	-	468,555	-	-	-	-
<b>Increase (Decrease) in Net Assets</b>	<b>(1,257,095)</b>	<b>960,188</b>	<b>(81,627)</b>	<b>581,694</b>	<b>79,711</b>	<b>683,871</b>	<b>966,742</b>	<b>1,406,504</b>
<b>Net Assets - Beginning 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>
<b>Net Assets (Deficit) - End of Year</b>	<b>\$ (1,972,699)</b>	<b>\$ 9,690,140</b>	<b>\$ 2,254,242</b>	<b>\$ 2,241,529</b>	<b>\$ 1,457,129</b>	<b>\$ 7,548,478</b>	<b>\$ 21,218,819</b>	<b>\$ 20,252,077</b>

See notes to the supplemental information.

**SCHEDULES OF ACTIVITY  
OF THE GENERAL FUND**

*The CSU, Chico  
Research Foundation*

Years Ended June 30	2008	2007
<b>REVENUES</b>		
Sponsored programs administration fees	\$ 2,664,287	\$ 2,096,102
Interest and investment income	109,702	248,913
Other income	1,141,935	1,195,175
Auxiliary activities fund reimbursements	435,440	407,231
<b>Total Revenues</b>	<b>4,351,364</b>	<b>3,947,421</b>
<b>EXPENSES</b>		
Salaries and related costs	1,684,137	1,698,040
Professional services	271,590	280,771
Insurance	148,572	161,801
Office and operating supplies	41,811	42,078
Depreciation	305,515	319,238
Administrative services	507,236	495,012
Grant cost disallowance	(35,253)	11,346
Other operating expenses	530,284	396,074
<b>Total Expenses</b>	<b>3,453,892</b>	<b>3,404,360</b>
<b>Excess Revenues Over Expenses From Operations</b>	<b>897,472</b>	<b>543,061</b>
Administration fees	8,940	7,612
<b>Excess Revenues Over Expenses Before Extraordinary Item</b>	<b>906,412</b>	<b>550,673</b>
Extraordinary item - debt forgiveness loss	(468,555)	-
<b>Excess Revenues Over Expenses</b>	<b>\$ 437,857</b>	<b>\$ 550,673</b>

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

*The CSU, Chico  
Research Foundation*

Years Ended June 30	University Farm	Enterprise	2008	Totals 2007
<b>SALES</b>				
Livestock and dairy	\$ 401,182	\$ -	\$ 401,182	\$ 254,277
Crop and orchard	554,628	-	554,628	361,637
Horticulture	15,066	-	15,066	80,527
Enterprise receipts	-	320,423	320,423	307,894
<b>Total Sales</b>	<b>970,876</b>	<b>320,423</b>	<b>1,291,299</b>	<b>1,004,335</b>
<b>COST OF SALES</b>				
Livestock and dairy	186,063	-	186,063	203,421
<b>Total Cost of Sales</b>	<b>186,063</b>	<b>-</b>	<b>186,063</b>	<b>203,421</b>
<b>Gross Profit</b>	<b>784,813</b>	<b>320,423</b>	<b>1,105,236</b>	<b>800,914</b>
<b>OPERATING EXPENSES</b>				
Salaries and employee benefits	208,413	265,395	473,808	460,998
Accounting and professional costs	145,833	27,519	173,352	113,534
Utilities and telephone	4,371	24,544	28,915	22,775
Travel and meetings	3,515	19,128	22,643	28,580
Operating supplies and customer telephone	195,520	34,900	230,420	250,739
Depreciation	95,361	21,955	117,316	107,399
Insurance	-	1,495	1,495	1,425
Student payments	10,950	-	10,950	8,203
Veterinary costs	30,622	-	30,622	19,840
Machine hire	6,867	-	6,867	17,053
Repair and maintenance	103,060	24,649	127,709	99,773
Rent and leasing	10,899	44,889	55,788	60,806
Registration fees	5,072	-	5,072	1,851
Postage and printing	-	3,058	3,058	4,936
Other operating expenses	12,702	79,926	92,628	136,738
<b>Total Operating Expenses</b>	<b>833,185</b>	<b>547,458</b>	<b>1,380,643</b>	<b>1,334,650</b>
<b>Income (Loss) From Operations</b>	<b>(48,372)</b>	<b>(227,035)</b>	<b>(275,407)</b>	<b>(533,736)</b>
<b>OTHER INCOME (EXPENSE)</b>				
Other income	107,810	-	107,810	71,620
Interest income	22,446	-	22,446	33,349
Interest expense	-	-	-	(23,612)
Other expense	-	(42,106)	(42,106)	(44,060)
<b>Total Other Income (Expense)</b>	<b>130,256</b>	<b>(42,106)</b>	<b>88,150</b>	<b>37,297</b>
<b>TRANSFERS IN (OUT)</b>				
In	40,775	15,135	55,910	101,992
Out	(5,061)	-	(5,061)	(13,913)
To CSU, Chico	-	-	-	(68,800)
From other auxiliaries	16,547	233,000	249,547	412,083
<b>Net Transfers</b>	<b>52,261</b>	<b>248,135</b>	<b>300,396</b>	<b>431,362</b>
<b>Net Income (Loss), Including Administration Fees</b>				
<b>    Paid to General Fund, Before Extraordinary Item</b>	<b>134,145</b>	<b>(21,006)</b>	<b>113,139</b>	<b>(65,077)</b>
Extraordinary item - debt forgiveness gain	-	468,555	468,555	-
<b>Net Income (Loss), Including Administration Fees     Paid to General Fund</b>	<b>\$ 134,145</b>	<b>\$ 447,549</b>	<b>\$ 581,694</b>	<b>\$ (65,077)</b>

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

*The CSU, Chico  
Research Foundation*

Years Ended June 30	2008	2007
<b>SOURCE OF DIRECT FUNDING</b>		
Federal funds	\$ 13,485,962	\$ 13,468,474
State of California and local governments	5,754,192	5,483,380
Agricultural Research Initiative	575,765	507,286
Foundations and other tax exempts	1,432,262	1,465,724
Profit-oriented organizations	1,075,618	1,892,226
Non-cash contributions	364,450	-
<b>Total Direct Sources and Transfers</b>	22,688,249	22,817,090
<b>SOURCE OF INDIRECT COST REIMBURSEMENTS</b>		
Federal government	1,267,780	1,216,623
State of California and local government	602,853	448,648
Foundations and other tax exempts	145,363	159,557
Profit-oriented organizations	179,736	270,082
<b>Total Indirect Cost Reimbursements</b>	2,195,732	2,094,910
<b>Total</b>	\$ 24,883,981	\$ 24,912,000
<b>DIRECT EXPENDITURES</b>		
Personnel services:		
Salaries and wages	\$ 8,408,981	\$ 8,208,856
Fringe benefits	2,591,354	2,586,710
Operating expenses	9,581,837	9,744,962
Equipment	866,679	1,009,991
Student support	1,239,398	1,266,571
<b>Total Direct Expenditures</b>	22,688,249	22,817,090
<b>INDIRECT EXPENDITURES</b>		
Personnel services:		
Salaries, wages, and fringe benefits	869,468	890,133
Administration expenses	536,491	527,756
Development	56,832	43,132
Programming allocation	724,297	600,802
Other	8,644	33,087
<b>Total Indirect Expenditures</b>	2,195,732	2,094,910
<b>Total</b>	\$ 24,883,981	\$ 24,912,000

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

June 30, 2008 and 2007

*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 7/1/07	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/08
<b>Department of Agriculture</b>								
Direct Awards								
10.664	60038	LNF:DEER, MILL, ANTELOPE CREEK	LNF-CCS-5-98-06-017	12,666.15	763.36	-	-	763.36
	Sub-Total <b>Research &amp; Development</b>			12,666.15	763.36	-	-	763.36
10.672	60282	ANGELES CREST SCENIC BYWAY	None	74,880.00	66,155.88	-	8,722.01	74,877.89
10.672	60295	CARSON PASS SCENIC BYWAY	04-CR-11052008-023	50,920.00	660.09	28,020.39	27,360.30	-
10.769	60364	OPEN FOR BUSINESS VIDEO	04-004-68038	72,800.00	6,407.21	-	10,163.79	16,571.00
10.XXX	60415	KLAMATH NVUM SURVEY 0708	08-CR11050500-001	104,445.00	-	-	48,796.63	48,796.63
10.XXX	60416	SHASTA-TRIN NVUM SURVEY 0708	08-CR11050500-001	60,437.00	-	-	36,013.01	36,013.01
	Sub-Total <b>Other Direct</b>			363,482.00	73,223.18	28,020.39	131,055.74	176,258.53
Pass Through Awards								
CA Department of Food & Ag								
10.025	63659	BEEF IDENTIFICITIN ACADEMY YR 1	05-0595	42,028.00	2,641.72	2,641.72	-	-
10.025	63748	BEEF ACADEMY PHASE II 06/07	06-0548	59,294.55	6,766.42	14,842.21	8,075.79	-
	Sub-Total <b>Research &amp; Development</b> pass through CA Dept Food & Ag			101,322.55	9,408.14	17,483.93	8,075.79	-
CA Department of Food & Ag								
10.25	63660	EVANS NATIONAL BEEF ID	05-0595	104,260.00	779.45	779.20	(0.25)	0.00
	Sub-Total <b>Other</b> pass through CA Dept of Food & Ag			104,260.00	779.45	779.20	(0.25)	-
CSU, Fresno								
10.169	63878	OLIVE MECHANICAL HRVSTR 07/08	SC-37535-07-01, Amd. 1	24,283.00	-	10,337.55	11,204.92	867.37
10.200	63790	TOMATO TRANSPLANTER STUDY	SC 37488-06-01	176,057.00	15,525.18	35,113.62	53,994.98	34,406.54
	Sub-Total <b>Research &amp; Development</b> pass through CSU, Fresno			200,340.00	15,525.18	45,451.17	65,199.90	35,273.91
Lawrence Livermore National Lab								
10.206	63760	ROAD CLEARING ROBOT	B563027	490,534.37	71,977.56	241,223.65	169,246.09	-
	Sub-Total <b>Research &amp; Development</b> pass through Lawrence Livermore Nat'l Lab			490,534.37	71,977.56	241,223.65	169,246.09	-
CA Department of Education								
10.559	63812	SUMMER FOODS 07	4-9040-1T	33,379.48	-	33,379.48	33,379.48	-
	Sub-Total <b>Child Nutrition Cluster</b> pass through CA Dept Ed			33,379.48	-	33,379.48	33,379.48	-
CA Dept of Health Svcs								
10.561	63763	SCNAC SIERRA CASCADE YR3 06/07	04-35438	1,531,347.14	795,870.06	1,256,270.73	462,186.85	1,786.18
10.561	63861	SCNAC YR 1 07/08	07-65309	1,684,537.00	-	296,362.48	1,061,001.47	764,638.99
	Sub-Total <b>Other</b> pass through CA Dept of Health Services			3,215,884.14	795,870.06	1,552,633.21	1,523,188.32	766,425.17
California Health Collaborative								
10.564	63757	CA 5 A DAY YEAR 3 06/07	04-35891	121,396.85	36,953.37	65,766.95	28,813.58	-
10.564	63758	5 A DAY EVALUATION Y3 06/07	04-35891	24,558.56	17,348.36	24,172.84	6,824.48	-
10.564	63776	CNAP EXERCISE SPECIALIST	None	16,732.49	4,627.15	7,329.05	2,701.90	-
10.564	63862	CA 5 A DAY 07/08	04-35891	125,000.00	-	77,230.59	90,342.07	13,111.48
10.564	63863	5 A DAY EVALUATION 07/08	04-35891	24,931.00	-	5,950.10	15,775.70	9,825.60
10.564	63864	PA CONSULTANT 07/08	04-35891	17,010.00	-	13,094.09	14,297.07	1,202.98
10.564	63882	CHICO HIGH NUTRITION PERFORMANC	04-35891	3,031.00	-	220.24	723.47	503.23
	Sub-Total <b>Other</b> pass through California Health Collaborative			332,659.90	58,928.88	193,763.86	159,478.27	24,643.29
CA Department Parks & Recreation								
10.902	63682	NRCS GIS CA OFFICE HIS PRES	C0511025	88,229.75	9,249.81	32,328.25	23,078.44	-
	Sub-Total <b>Other</b> pass through CA Dept of Parks & Recreation			88,229.75	9,249.81	32,328.25	23,078.44	-
	Total Research & Development Cluster			804,863.07	97,674.24	304,158.75	242,521.78	36,037.27
	Total Child Nutrition Cluster			33,379.48	-	33,379.48	33,379.48	-
	Total Other			4,104,515.79	938,051.38	1,807,524.91	1,836,800.52	967,326.99
	<b>Total Department of Agriculture</b>			4,942,758.34	1,035,725.62	2,145,063.14	2,112,701.78	1,003,364.26
<b>Department of Commerce</b>								
Direct Awards								
11.303	60318	EDA ADMIN SUPPORT 06/07	07-66-05873	150,000.00	(20,397.32)	159.61	43,399.53	22,842.60
11.303	60421	EDA ADMIN SUPPORT Y2 07-08	07-66-05873-01	150,000.00	-	-	152,735.00	152,735.00
11.306	60420	EDA CONFERENCE 2008	0706-06123	47,000.00	-	-	6,917.09	6,917.09
	Total Other			347,000.00	(20,397.32)	159.61	203,051.62	182,494.69
	<b>Total Department of Commerce</b>			347,000.00	(20,397.32)	159.61	203,051.62	182,494.69
<b>Department of Defense</b>								
Direct Awards								
12.300	60296	LOWCOST HIGHSPEED PWR ELEC SYS	N00014-04-1-0373	1,087,006.00	153,530.33	254,327.76	100,797.43	-
12.300	60355	UNDERWATER VEHICLES SIMULATION	N00014-05-1-0534	75,000.00	4,846.85	11,621.09	6,774.24	-
12.300	60366	CSUC/OPAL SIMULATION	N00014-05-1-0877	97,916.00	22,551.22	23,192.77	641.55	-
12.300	60426	HIGH SPEED SIM INTRM FNDG 0708	N00014-08-1-0110	221,120.00	-	201,737.46	223,223.77	21,486.31
12.300	60430	HIGH SPEED MULTI RATE 4-9/08	N00014-08-1-0726	226,755.00	-	-	82,535.24	82,535.24
	Total Research & Development Cluster			1,707,797.00	180,928.40	490,879.08	413,972.23	104,021.55
	<b>Total Department of Defense</b>			1,707,797.00	180,928.40	490,879.08	413,972.23	104,021.55
<b>Department of Interior</b>								
Direct Awards								
15.223	60216	BLM 95 CF (OLD UF 02813)	1422-B950-A5-0017	2,409.12	873.92	-	(873.92)	-
15.224	60029	TURTLE CREEK II 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 TO #1	16,000.00	3,000.00	3,000.00	-	-
15.224	60264	BLM TO#1 BITNER/MASSACRE	BCA032002 TO #1	35,000.00	2,437.61	3,347.39	3,203.84	2,294.06
15.224	60291	BLM TO#4 THOMPSON CANYON	BCA991001 TO#4	14,426.81	8,126.81	8,126.81	-	-
15.224	60328	PAYNES CREEK	BAA040085	20,755.98	11,755.98	11,755.98	-	-
15.224	60190	BLM PA001 TO #2	PAF 01 700102 AM2	118,000.00	678.22	-	-	678.22
15.FFB	60385	GIANT GARTER SNAKE GENETICS	802706G121	80,210.00	7,514.27	17,354.24	10,119.69	279.72
15.650	60405	GIANT GARTER SNAKE II	802707G111	84,294.00	-	17,008.01	44,812.46	27,804.45
15.FCC	60428	CUCKOO HABITAT SURVEY	801817M493	42,603.00	-	5,513.05	14,450.33	8,937.28
15.FCC	60432	YELLOW BILLED CUCKOO SAC RIVER	801817M407	25,020.00	-	-	9,007.90	9,007.90
15.XXX	60402	MODPATH-LFR & SAMM	07CRSA0384	58,680.00	-	34,565.75	36,248.17	1,682.42
	Sub-Total <b>Research &amp; Development</b> Cluster			474,798.91	40,186.81	106,471.23	116,968.47	50,684.05

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

June 30, 2008 and 2007

*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 7/1/07	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/08
15.231	60404	LOST SALMON	BCA032002	13,000.00		5,240.55	6,510.15	1,269.60
15.504	60324	WTR CONSVTN & ED PGM 04/05	04FG203085	300,000.00	52,968.72	114,840.34	79,599.01	17,727.39
15.504	60395	WTR CONSVTN & ED PGM 07-09	04FG203085	143,541.00			36,631.96	36,631.96
15.507	60369	SACRAMENTO VALLEY WATER MGMT	05FG230814	50,000.00	1,043.61	18,285.68	17,244.84	2.77
15.555	60376	2005-2010 RECORD SEARCH	06PB202006	115,000.00	(190.46)	1,424.79	1,627.46	12.21
15.600	60321	BUTTE/BCC SLMN/STEELHD 04/05	113324J001	238,281.71	52,433.88	52,433.88		-
15.600	60327	BROOM ERADICATION-BC CREEK	1448-11620-4-J326	46,289.00	9,079.03	9,080.61	1.58	0.00
15.646	60381	CORDYLANTHUS PALMATUS REST/MGT	06FG202069	158,379.00	26,515.59	37,717.33	14,288.19	3,086.45
15.648	60422	IRON CANYON FISH LADDER	813327G007	222,068.00		1,435.79	17,721.93	16,286.14
15.916	60374	JUAN BAUTISTA DE ANZA TRAIL	H8C0703001	25,000.00			11,092.22	11,092.22
15.DAV	60397	CESU FUEL TRTMNT LASSEN N'TL	JBC0707004	59,690.00		32,494.86	57,176.02	24,681.16
15.FFC	60373	HOSTPLANT QUALITY VELB 06/08	816206G234	57,500.00	6,124.62	24,082.61	31,747.56	13,789.57
		<b>Sub-Total Other Direct</b>		<b>1,428,748.71</b>	<b>147,974.99</b>	<b>297,036.44</b>	<b>273,640.92</b>	<b>124,579.47</b>
		<b>Pass Through Awards</b>						
		CA Dept of Fish and Game						
15.615	63420	SHASTA PLAINS/VERNAL POOL CONS	P0210712	65,322.72	10,363.60	9,757.44		606.16
15.615	63425	VERNAL POOLS SHASTA F&G	P0210712	4,743.95	474.40	474.40		-
15.615	63524	TEHAMA CNTY VERNAL POOL GRZING	P0310730	34,951.45	(56.04)		56.04	-
		<b>Sub-Total Other Pass Through CA Dept Fish &amp; Game</b>		<b>105,018.12</b>	<b>10,781.96</b>	<b>10,231.84</b>	<b>56.04</b>	<b>606.16</b>
		CA Dept of Parks & Recreation (Office of Historic Preservation)						
15.904	63532	OHP RECORD SEARCHES 04/05	C8940506	6,000.00	(0.01)		0.01	-
15.904	63640	NORTHEAST INFO CENTER 05/06	C8942506	4,128.00	(0.01)		0.01	-
15.904	63690	NRCS 05/06 SEARCHES	C0510007	936.85	1,709.94		(1,709.94)	-
15.904	63764	NORTHEAST INFO CENTER 06/07	06-06-21507	4,128.00	4,964.61	4,128.00	(836.61)	-
15.904	63875	OHP NEIC ANNUAL GRANT 07/08	C8946514	4,128.00			4,396.32	4,396.32
		<b>Sub-Total Other Pass Through CA Dept Parks &amp; Rec</b>		<b>19,320.85</b>	<b>6,674.53</b>	<b>4,128.00</b>	<b>1,849.79</b>	<b>4,396.32</b>
		Montgomery Watson Harzqa						
15.504	63695	UPPER SAN JOAQUIN MWH TASK 1	01CS20210B-DOA01B0, TO#1	24,818.34	4,694.43	5,382.00		(687.57)
15.504	63709	SHASTA LAKE TASK 2	01CS-A01B0-85932-OF, TO#2	20,000.00	4,324.00			4,324.00
15.504	63849	UPPER SAN JOAQUIN MWH TASK 7	BRPS-A06A5-88023-OF, TO#7	7,000.00		6,624.00	11,991.36	5,367.36
15.504	63879	UPPER SAN JOAQUIN MWH TASK 8	BRPS-A06A5-89091-OF, TO#8	11,000.00			6,770.40	6,770.40
		<b>Sub-Total Other Pass Through MWH Americas</b>		<b>62,818.34</b>	<b>9,018.43</b>	<b>12,006.00</b>	<b>18,761.76</b>	<b>15,774.19</b>
		<b>Total Research &amp; Development Cluster</b>		<b>474,798.91</b>	<b>40,186.81</b>	<b>106,471.23</b>	<b>116,968.47</b>	<b>50,684.05</b>
		<b>Total Other</b>		<b>1,615,906.02</b>	<b>174,449.91</b>	<b>323,402.28</b>	<b>294,308.51</b>	<b>145,356.14</b>
		<b>Total Department of Interior</b>		<b>2,090,704.93</b>	<b>214,636.72</b>	<b>429,873.51</b>	<b>411,276.98</b>	<b>196,040.19</b>
		<b>U.S. Dept of Labor</b>						
		<b>Pass Through Awards</b>						
		North Central Counties Consortium						
17.253	63807	SUMMER WORK EXPERIENCE 06/07	06-23	14,614.00	14,614.00	14,614.00		-
17.253	63894	SUMMER WK EXPERIENCE 07/08	07-23	14,390.00			1,111.64	1,111.64
		<b>Sub-Total Other Pass Through North Central Counties Consortium</b>		<b>29,004.00</b>	<b>14,614.00</b>	<b>14,614.00</b>	<b>1,111.64</b>	<b>1,111.64</b>
		NORTEC						
17.258	63797	WIRED 2007	None	45,000.00	8,266.60	21,573.33	36,187.11	22,880.38
		<b>Sub-Total Other Pass Through NORTEC</b>		<b>45,000.00</b>	<b>8,266.60</b>	<b>21,573.33</b>	<b>36,187.11</b>	<b>22,880.38</b>
		<b>Total Other</b>		<b>74,004.00</b>	<b>22,880.60</b>	<b>36,187.33</b>	<b>37,298.75</b>	<b>23,992.02</b>
		<b>Total U.S. Department of Labor</b>		<b>74,004.00</b>	<b>22,880.60</b>	<b>36,187.33</b>	<b>37,298.75</b>	<b>23,992.02</b>
		<b>Department of Transportation</b>						
		<b>Pass Through Awards</b>						
		Science Applications International Corporation						
20.205	63767	RECORD SEARCH FOR SAIC	PO#4400133583	1,245.00	8.56			8.56
		<b>Sub-Total Other Highway Planning &amp; Construction Pass Through Science Applications</b>		<b>1,245.00</b>	<b>8.56</b>	<b>-</b>	<b>-</b>	<b>8.56</b>
		Lassen County						
20.514	63788	HACKSTAFF 7-C-12 07/08 FINAL	None	3,247.00	1,540.76	3,247.00	1,706.24	-
		<b>Sub-Total Other Pass Through Lassen County</b>		<b>3,247.00</b>	<b>1,540.76</b>	<b>3,247.00</b>	<b>1,706.24</b>	<b>-</b>
		CSU, Fresno						
20.600	63626	ALCHOL TRAFFIC SFTY 05/06	SC 39016 05 03	38,526.32	159.47		(159.47)	-
		<b>Sub-Total Other Highway Safety Pass Through CSU, Fresno</b>		<b>38,526.32</b>	<b>159.47</b>	<b>-</b>	<b>(159.47)</b>	<b>-</b>
		<b>Total Highway Planning &amp; construction Cluster</b>		<b>1,245.00</b>	<b>8.56</b>	<b>-</b>	<b>-</b>	<b>8.56</b>
		<b>Total Highway Safety Cluster</b>		<b>38,526.32</b>	<b>159.47</b>	<b>-</b>	<b>(159.47)</b>	<b>-</b>
		<b>Total Other</b>		<b>3,247.00</b>	<b>1,540.76</b>	<b>3,247.00</b>	<b>1,706.24</b>	<b>-</b>
		<b>Total Department of Transportation</b>		<b>43,018.32</b>	<b>1,708.79</b>	<b>3,247.00</b>	<b>1,546.77</b>	<b>8.56</b>
		<b>National Endowment for the Arts and Humanities</b>						
		<b>Direct Awards</b>						
45.024	60418	NORTH STATE SYMPHONY FALL 07	07-7900-7042	10,000.00		10,000.00	10,000.00	-
		<b>Sub-Total Other Direct Awards</b>		<b>10,000.00</b>	<b>-</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>-</b>
45.160	60410	GIBSON NEH FELLOWSHIP	FB-53338-07	40,000.00		40,000.00	40,000.00	-
		<b>Sub-Total Research &amp; Development Direct Award</b>		<b>40,000.00</b>	<b>-</b>	<b>40,000.00</b>	<b>40,000.00</b>	<b>-</b>
		<b>Pass Through Awards</b>						
		Westaf						
45.024	63852	TOUR WEST- PERU NEGRO	TWPO80057	1,875.00		1,875.00	1,875.00	-
45.024	63853	TOUR WEST- HOKULANI HOLT	TWPO80053	2,500.00		2,500.00	2,500.00	-
		<b>Sub-Total Other pass through Westaf</b>		<b>4,375.00</b>	<b>-</b>	<b>4,375.00</b>	<b>4,375.00</b>	<b>-</b>
		<b>Total Research &amp; Development Cluster</b>		<b>40,000.00</b>	<b>-</b>	<b>40,000.00</b>	<b>40,000.00</b>	<b>-</b>
		<b>Total Other</b>		<b>14,375.00</b>	<b>-</b>	<b>14,375.00</b>	<b>14,375.00</b>	<b>-</b>
		<b>Total National Endowment for the Arts and Humanities</b>		<b>54,375.00</b>	<b>-</b>	<b>54,375.00</b>	<b>54,375.00</b>	<b>-</b>

**SCHEDULE OF EXPENDITURES  
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June 30, 2008 and 2007

*The CSU, Chico  
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Catalog Number	Project Number	Project Title	Award/Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/07	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/08
<b>National Science Foundation</b>								
Direct Awards								
47.049	60310	REU/RET SITE IN MATH	DMS-0354174	199,514.20	8,187.76	8,267.16	79.40	0.00
47.049	60396	MATH FOR UNDERGRADS & TEACHERS	DMS-068764	204,478.00	32,575.30	93,089.11	77,767.60	17,253.79
47.050	60275	PHYTOPLANKTON DMSP 03/04	OCE-0325025	181,109.00	26,759.76	42,536.43	21,317.98	5,541.31
47.050	60306	EMILANIA HUXLEYI COLLAB RSRCH	OCE-0350359	117,488.25	4,262.50	70,684.76	74,959.48	8,537.22
47.050	60391	TEEPPEE BLUFFS (COLORADO)	EAR -0650657	8,993.00	1,683.25	3,861.00	2,776.11	598.36
47.070	60280	INTELLIGENT SYST LAB ROBOTICS	EIA-0321385	332,975.64	42,413.54	56,073.61	13,660.07	-
47.074	60345	GENE BASIS EXITOTOXIC RESIST	IOB-0447192	100,851.64	16,133.39	37,251.13	22,052.70	934.96
47.074	60377	EAGLE LAKE FIELD STATION	DBI-0533714	24,970.00		16,565.27	20,106.27	3,541.00
47.074	60398	RUI GENETIC RSRCH UNDRGRAD	IOS-0447192, Amd 1	5,976.00	859.12	3,935.67	3,076.55	-
47.074	60414	RUI VIRAL DIVRITY HOT LAKE 08	MCB-0702069	119,858.00		7,518.38	22,894.89	15,376.51
47.075	60232	3 ENDANGERED LANGUAGES CHINA	BCS-0220354, Amd 1	188,340.00	249.94	9,464.02	9,214.08	-
47.076	60274	PHYSICS FORMATIVE ASSESS 03/04	DIE-0242845	91,874.80		2,627.91	2,627.91	-
		Sub-Total <b>Research &amp; Development</b> Direct Award		1,576,428.53	133,124.56	351,874.45	270,533.04	51,783.15
47.076	60290	CS/ENG/MATH SCHOLARSHIPS 03/07	DUE-0323882	400,000.00	3,719.81	8,972.30	11,286.21	6,033.72
47.076	60315	CSEMS SCHOLARSHIPS 04/05	DUE-0422452	398,592.00	10,573.00	151,259.39	147,062.27	6,375.88
47.076	60412	NOYCE SCHOLARSHIPS Y1 07/08	DUE-0733758	749,180.00		2,086.65	4,271.65	2,185.00
		Sub-Total <b>Other</b> Direct Awards		1,547,772.00	14,292.81	162,318.34	162,620.13	14,594.60
Pass Through Awards								
University of Nebraska Lincoln								
47.049	63787	NEBRASKA IMMERSE PGM 07	25-0517-0057-302	7,061.46	6,855.80	7,061.46	205.66	-
		Sub-Total <b>Research &amp; Development</b> Pass Through Univ of Nebraska		7,061.46	6,855.80	7,061.46	205.66	-
University of Virginia								
47.074	63811	ROA UNIV OF VA	GA10608-128169	16,987.00	1,283.86	16,987.00	15,703.14	-
		Sub-Total <b>Research &amp; Development</b> pass through Univ. of Virginia		16,987.00	1,283.86	16,987.00	15,703.14	-
Middle Tennessee State University								
47.041	63687	CONCRETE MANAGEMENT 06/07	EEC-0438679	97,140.00	36,596.70	53,170.54	17,720.46	1,146.62
		Sub-Total <b>Other</b> pass through Middle Tennessee State University		97,140.00	36,596.70	53,170.54	17,720.46	1,146.62
Pacific Earthquake Eng Res Center								
47.041	63855	BENCHMARK RC FRAME BLDG	SA5751-23584	10,000.00		9,969.09	9,969.09	-
		Sub-Total <b>Other</b> pass through Pacific Earthquake Eng Res Ctr		10,000.00	-	9,969.09	9,969.09	-
UC Regents/ Office of the President								
47.076	63538	CA COMM CLG TSFR SCHOL 04/05	03-MESA-DUE0324218-03	28,125.00	25,001.00	25,001.00		-
47.076	63667	CA COMM CLG TFR SCHL 04/08	03-MESA-DUE0422499-03	28,125.00		9,752.00	20,000.00	10,248.00
		Sub-Total <b>Other</b> pass through UCOP		56,250.00	25,001.00	34,753.00	20,000.00	10,248.00
Univ Enterprise (CSU Sacto)								
47.076	63788	AMP 06/07 CSU SAC FND/NSF	HRD-0331537-507951-7955	91,734.00	5,674.55	55,771.45	50,096.90	-
47.076	63859	AMP 07/08 Y5 SAC ST FDN NSF	HRD-0331537-507951-7955	65,000.00		5,687.62	7,709.49	2,021.87
		Sub-Total <b>Other</b> pass through University Enterprises (CSU,S)		156,734.00	5,674.55	61,459.07	57,806.39	2,021.87
Total Research & Development Cluster								
Total Other								
				1,600,476.99	141,264.22	375,922.91	286,441.84	51,783.15
				1,867,896.00	81,565.06	321,670.04	268,116.07	28,011.09
		<b>Total National Science Foundation</b>		3,468,372.99	222,829.28	697,592.95	554,557.91	79,794.24
<b>U.S. Small Business Administration</b>								
Direct Awards								
59.037	60392	SBA 2007	7-603001-Z-0063-05	1,053,613.00	(100,610.18)	703,178.47	803,789.38	0.73
59.037	60427	SBA 2008	8-603001-Z-0063-06-01	1,053,613.00			131,748.76	131,748.76
		Sub-total <b>Other</b> Direct Awards		2,107,226.00	(100,610.18)	703,178.47	935,538.14	131,749.49
		<b>Total U.S. Small Business Administration</b>		2,107,226.00	(100,610.18)	703,178.47	935,538.14	131,749.49
<b>Environmental Protection Agency</b>								
Direct Awards								
66.436	60378	EPA LOW GRADIENT STREAMS IN CA	X7-96955501-0	29,369.67	15,068.42	15,068.42		-
		Sub-total <b>Other</b> Direct Awards		29,369.67	15,068.42	15,068.42	-	-
Pass Through Awards								
Tehama Co Resource Conservation District								
66.460	63464	TCRCD LANDOWNER ASST TASK 1	04-299 AMD 1	40,599.12	(199.93)	(199.93)		-
66.460	63465	TCRCD LANDOWNER ASST TASK 2	04-299 AMD 1	1,873.37	(0.01)	(0.01)		-
66.460	63466	TCRCD LANDOWNER ASST TASK 3	04-299 AMD 1	950.82	(0.01)	(0.01)		-
66.460	63467	TCRCD LANDOWNER ASST TASK 4	04-299 AMD 1	976.30	(0.01)	(0.01)		-
66.460	63468	TCRCD LANDOWNER ASST TASK 5	04-299 AMD 1	125,729.42	(0.01)	(0.01)		-
66.460	63469	TCRCD LANDOWNER ASST TASK 6	04-299 AMD 1	177,236.52	(0.03)	(0.03)		-
66.460	63473	TCRCD ERADICATION TASK 6	04-299	54,396.88	285.01	285.01		-
		Sub-Total <b>Other</b> pass through TCRCD		401,762.43	85.01	85.01	-	-
Bishop Paiute Tribe								
66.419	63630	BISHOP PAIUTE OWENS RIVER	06-118	3,969.00	(3,780.00)		3,780.00	-
66.419	63752	BISHOP PAIUTE SAMPLES 06	06-461	4,630.50	(108.18)		108.18	-
66.419	63761	BIG PINE PAIUTE	07-059	302.50	(65.35)		65.35	-
		Sub-Total <b>Other</b> pass through Bishop Paiute Tribe		8,902.00	(3,953.53)	-	3,953.53	-
Yurok Tribe								
66.419	63785	MCGARVEY/ROACHES CREEK BIOASSE	07-201	504.00	(194.90)		194.90	-
		Sub-Total <b>Other</b> pass through Yurok Tribe		504.00	(194.90)	-	194.90	-
San Jose State University Foundation								
66.4xx	63869	SWAMP 07/08 TSK 1,2,3,6	CSUCHICO-06-11-006	248,400.00		248,400.00	249,242.41	842.41
66.4xx	63870	SWAMP TASK 5 ODE SUPPORT	CSUCHICO-06-11-006	9,324.99		9,324.99	9,324.99	-
66.4xx	63871	GIS - SWAMP 07/08	CSUCHICO-06-11-006	170,000.00		170,000.00	34,692.11	(135,307.89)
		Sub-Total <b>Other</b> pass through San Jose State Univ Foundation		427,724.99	-	427,724.99	293,259.51	(134,465.48)



**SCHEDULE OF EXPENDITURES  
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Catalog Number	Project Number	Project Title	Award/Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/07	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/08
66.460	63802	State Water Resources Ctrl Bd STE SAFIT 07/08	06-119-250-0	27,813.00	115.65	14,531.40	14,416.66	0.91
		Sub-Total Other pass through State Water Resource Control Board		27,813.00	115.65	14,531.40	14,416.66	0.91
		Total Other		896,076.09	11,120.65	457,409.82	311,824.60	(134,464.57)
		<b>Total Environmental Protection Agency</b>		896,076.09	11,120.65	457,409.82	311,824.60	(134,464.57)
		<b>Department of Energy</b>						
		Pass Through Awards						
81.117	63677	The Great Valley Center MILLION SOLAR ROOF PGM	None	27,375.34	20,174.27	1,357.75	-	18,816.52
		Sub-Total Other pass through Great Valley Center		27,375.34	20,174.27	1,357.75	-	18,816.52
81.XXX	63872	Lawrence Livermore National Lab MULTIPRPOSE REMOTE ROBOT 1	B571058	359,671.00	-	91,827.02	170,542.70	78,715.68
		Sub-Total Research & Development pass through LLNL		359,671.00	-	91,827.02	170,542.70	78,715.68
		Total Research & Development Cluster		359,671.00	-	91,827.02	170,542.70	78,715.68
		Total Other		27,375.34	20,174.27	1,357.75	-	18,816.52
		<b>Total Department of Energy</b>		387,046.34	20,174.27	93,184.77	170,542.70	97,532.20
		<b>US Department of Education</b>						
		Direct Awards						
84.042A	60350	STDNT SUPPORT SRVCS YR 1 05/06	P042A050994	231,053.48	3,650.40	3,650.40	-	-
84.042A	60353	STDNT SUPPORT SRVCS YR 2 06/07	P042A050994-06	232,808.84	25,628.99	72,731.24	47,102.25	-
84.042A	60409	STUDENT SUPPORT SERVICES 07/08	P042A050994-07	243,204.68	-	169,353.27	183,391.92	14,038.65
84.044A	60346	TALENT SEARCH 05/06	P044A020187-05	370,551.63	(324.78)	-	324.78	-
84.044A	60372	ED TALENT SEARCH II YR 1 06/07	P044A060322	207,171.59	19,567.48	44,967.47	25,399.99	-
84.044A	60352	TALENT SEARCH 06/07 YR 1	P044A060323	349,830.29	32,191.36	76,593.28	44,401.92	-
84.044A	60407	TALENT SEARCH II Y2 07/08	P044A060322-07	226,600.00	-	166,220.46	190,368.64	24,148.18
84.044A	60408	TALENT SEARCH Y2 07/08	P044-060323-07	397,169.71	-	285,950.76	325,561.38	39,610.62
84.047A	60317	UPWARD BOUND ESL 05/06	P047A041064-05	388,778.07	-	(1,024.01)	(1,024.01)	-
84.047A	60338	UPWARD BOUND ESL 06/07	P047A041064-06	383,654.89	63,720.77	187,344.96	123,873.76	249.57
84.047A	60382	UPWARD BOUND 06/07 YR 4	P047A030869-06	588,222.16	2,652.26	119.70	(2,532.56)	-
84.047A	60394	UPWARD BOUND 07/08 YR 5 OF 5	P047A030869	565,650.76	74,164.30	565,920.76	500,445.36	8,688.90
84.047A	60406	UPWARD BOUND FOR ESL 07/08	P047A041064-07	339,380.00	-	200,481.41	253,501.10	53,019.69
84.047A	60431	UPWARD BOUND 08/09 Y1	P047A080258	560,001.00	-	-	74,752.52	74,752.52
84.047M	60334	UPWRD BND MATH/SCIENCE 06/07	P047M030128-06	225,268.08	37,792.58	125,320.13	87,596.89	69.34
84.047M	60347	UPWRD BND MATH/SCIENCE 05/06	P047M030128-04	236,255.98	395.73	(697.61)	(1,093.34)	-
84.047M	60411	UPWD BND MATH/SCI Y1 07/08	P047M070045	250,000.00	-	143,077.19	189,804.75	46,727.56
		Sub-Total TRIO Cluster		5,795,601.16	259,439.09	2,040,009.41	2,041,875.35	261,305.03
84.116J	60323	USE/E-NET IN SCIENCE & ENGNRNG	P116J040009	81,289.86	6,782.89	12,689.02	5,906.13	-
84.116N	60419	N AMERENGINEER INNOVTIN & TRAN	P116N070004	23,945.00	-	6,939.70	9,703.24	2,763.54
84.153A	60351	INTERNATL E-BUSINESS 0607	P153A060062	17,833.61	16,103.63	14,403.97	(1,715.47)	(15.81)
84.153A	60403	INT'L E BUSINESS 07/08 Y2	P153A060062-07	97,353.39	-	52,006.57	74,813.26	22,806.69
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	360,684.97	16,464.53	47,165.89	30,701.36	-
84.325A	60300	LOW INCIDENCE YR 4-04/05	H325A010085-04	213,082.57	-	-	-	-
84.325A	60335	FKB- LOW INCIDNC 05/06 CRYFWD	H325A010085-05	414,702.01	71,662.02	201,024.70	136,010.01	6,647.33
84.325A	60337	LDRSHIP COLLAB LOW INCID YR 2	H325A040127-05	216,719.06	-	(240.80)	(240.80)	-
84.325A	60339	TLC LOW INCIDENCE 06/07 YR 3	H325A040127-06	210,183.58	26,170.29	68,830.77	42,660.48	-
84.325A	60401	TLC LOW INCIDENCE YR 4 07/08	H325A040127-07	463,090.32	-	174,918.02	192,449.49	17,531.47
84.325H	60319	FKB HIGH INCIDENCE CRYFWD 05/06	H325H020118-05	244,011.86	9,152.65	83,080.94	74,214.08	285.79
84.325H	60393	CONNECTION YR 3	H325H040115-06	90,619.02	6,022.13	74,807.44	68,785.31	-
84.325H	60425	CONNECTION YR 4	H325H040115-07	200,000.00	-	17,356.68	25,659.23	8,302.55
84.325K	60371	MEETING CHNG RURAL NEEDS YR1	H325K053174	118,639.33	(1,924.00)	(1,924.00)	-	-
84.325K	60387	MTG CHNG RURAL NEEDS YR2 07	H325K053174-06	95,859.09	2,437.60	78,196.43	75,758.83	-
84.325K	60424	MTG CHNG RURAL NEEDS Y3 2008	H325K053174-07	200,000.00	-	50,825.01	57,828.53	7,003.52
84.335	60390	CCAMPIS 06/07 YR 1	P335A060217	35,047.71	3,097.97	32,629.00	29,531.03	-
84.335	60423	CCAMPIS Y2 07/08	P335A060217-07	86,199.00	-	6,406.87	8,215.72	1,808.85
84.335A	60322	CSU, CHICO CCAMPIS 04/05	P 335A010064-04	141,372.09	39.79	-	(39.79)	-
		Sub-total Other Direct Awards		3,613,639.37	140,939.43	904,046.14	830,240.64	67,133.93
		Pass Through Awards						
		Arizona Department of Education						
84.367A	63898	AZ TRAINING (BRAD) 2008	E9PD0351	18,000.00	-	24,146.00	-	(24,146.00)
84.XXX	63791	AZ DOE DATA ANALYSIS 06/07	E7PD3146	10,900.00	4,236.58	10,900.00	6,663.42	-
84.XXX	63851	AZ OCT 07 WKSHPS BRAD	E8PD0109	18,000.00	-	18,000.00	18,000.00	-
		Sub-Total Other pass through Arizona Dept of Education		46,900.00	4,236.58	53,046.00	24,663.42	(24,146.00)
		Butte County Office of Education						
84.184L	63809	MIGRANT ED 07	ME-9	2,600.00	-	2,600.00	2,600.00	-
84.184L	63770	SAFE SCHLS LUNCH LEAG Y2 06/07	ESS-0607-032	11,522.04	6,628.16	8,908.79	2,280.63	-
84.184L	63771	SAFE SCHLS HLTHY STD LEAP 0607	ESS-0506-037	12,179.73	6,126.21	8,668.98	2,542.77	-
84.184L	63865	SAFE SCHLS LUNCH LEAG Y3 07/08	ESS-0708-030	12,789.00	-	2,626.98	5,503.67	2,876.69
84.184L	63866	SAFE SCHLS HLTHY STD LEAP 0708	ESS-0708-030	12,788.00	-	5,840.24	9,435.36	3,595.12
		Sub-Total Other pass through Butte County Office of Ed		51,878.77	12,754.37	28,644.99	22,362.43	6,471.81
		CA Dept Education						
84.048	63857	CHICO AG FIELD OFFICE 07/08	CN066505	16,230.81	-	5,955.97	15,584.92	9,628.95
84.048	63782	CHICO AG FIELD OFFICE 2007 YR1	CN066505	4,559.30	3,592.87	3,592.87	-	-
		Sub-Total Other pass through CA Dept of Education		20,790.11	3,592.87	9,548.84	15,584.92	9,628.95
		CA Postsecondary Commission						
84.367	63860	MEG YEAR 1 07/08	ITQ-07-404	282,334.00	-	165,512.00	112,018.93	(53,493.07)
		Sub-Total Other pass through CA Postsecondary Commission		282,334.00	-	165,512.00	112,018.93	(53,493.07)
		Cal Poly San Luis Obispo						
84.048	63876	CAL POLY AG ED PRGM 0709	ALCMP-2007200114	22,705.00	-	-	10,398.85	10,398.85
		Sub-Total Other pass through Cal Poly, San Luis Obispo		22,705.00	-	-	10,398.85	10,398.85

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

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Catalog Number	Project Number	Project Title	Award/Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/07	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/08
Chico Unified School District								
84.366	63884	CAMSP MATH GRANT Y1 08/09	CA089076	299,408.00			60,797.90	60,797.90
84.215L	63762	CHICO UNIFIED SRVYS/EVAL 06/07	CA 079062	15,000.00	1,732.82	7,500.00	5,767.18	-
84.215X	63548	NO PAIN, NO GAIN 06/07 YR 3/3	CA 079031	149,553.35	33,433.34	36,984.40	4,738.52	1,187.46
84.215X	63846	NO PAIN, NO GAIN YR 4	CA089002	185,776.44		85,075.01	123,588.44	38,513.43
Sub-Total Other pass through Chico Unified School District				649,737.79	35,166.16	129,559.41	194,892.04	100,498.79
Glenn County Office of Education								
84.215X	63652	E PLURIBUS UNUM	05-447	358,195.00	90,093.17	102,488.99	121,563.08	109,167.26
Sub-Total Other pass through Glenn County Office of Education				358,195.00	90,093.17	102,488.99	121,563.08	109,167.26
Middle Township School District								
84.3XX	63696	MIDDLE TOWNSHIP	06-416	7,717.56	(1,500.68)			(1,500.68)
Sub-Total Other pass through Middle Township School District				7,717.56	(1,500.68)	-	-	(1,500.68)
National Writing Project								
84.928A	63523	NWP ADDTNL SITE SUPPORT04/05	Amd 3 - NWP AGRMNT 5/13/02	219,239.25	(1,615.16)			(1,615.16)
84.928A	63753	NWP ADD SITE SUPPORT 06/07	Amd 6 - NWP AGRMNT 5/13/02	223,048.84	(21,182.74)	(477.70)	20,770.14	65.10
84.928A	63781	TECHNOLOGY MATTERS 2007	None	4,000.00	(3,848.51)		3,848.51	-
84.928A	63808	NWP 07/08 SITE SUPPORT	92-CA04 - Amd # 29	57,027.86	(52,000.00)	5,027.86	48,252.57	(8,775.29)
84.928A	63810	SISKIYOU 07/08	92-CA04 - Amd # 29	25,000.00	(14,702.63)		10,490.29	(4,212.34)
84.928A	63706	NWP SITE 06/07	92-CA04 - Amd #28	73,690.90	(5,027.86)	(5,027.86)		-
84.928A	63854	NWP ADDTL SITE SUPPORT 07/08		217,460.70		217,460.70	193,967.63	(23,493.07)
84.928A	63858	NWP PROJECT OUTREACH 2008		15,000.00		15,000.00		(15,000.00)
Sub-Total Other pass through National Writing Project				834,467.55	(98,376.90)	231,983.00	277,329.14	(53,030.76)
Sonoma State University								
84.333A	63774	ENACT Y2 06/07	SA 103424	10,898.13	3,245.59	10,898.13	7,652.54	-
84.333A	63874	ENACT Y3 07/08	SA 103424, Amd 1	35,497.00			21,675.71	21,675.71
84.116	63675	OSHER LIFELONG LRNG INSTITUTE	None	15,000.00	(1,111.40)	10,000.00	11,620.29	508.89
Sub-Total Other pass through sonoma State University				61,395.13	2,134.19	20,898.13	40,948.54	22,184.60
St. Louis Board of Education								
84.3XX	63755	ST LOUIS SEPT 13 2006	06-437	10,500.00	(4,852.25)		4,858.17	5.92
84.3XX	63756	ST. LOUIS SET 14, 15 2006	06-453	11,533.25	(5,648.68)		5,648.68	-
Sub-Total Other pass through St. Louis Board of Education				22,033.25	(10,500.93)	-	10,506.85	5.92
Tehama Co Dept Ed								
84.367	63769	N STATE MATH PARTNERSHIP 06/07	06-430	94,250.00	16,065.68	37,700.00	19,219.54	(2,414.78)
Sub-Total Other pass through Tehama County Dept of Education				94,250.00	16,065.68	37,700.00	19,219.54	(2,414.78)
The Metiri Group								
84.3XX	63772	METIRI CONSULTING 06/07	07-089	9,000.00	(3,550.18)		3,550.18	-
Sub-Total Other pass through The Metiri Group				9,000.00	(3,550.18)	-	3,550.18	-
Regents of the UC, UCLA								
84.367	63798	CMP STIR 07/08	1010GHC105	124,010.00	46,425.03	90,389.99	81,790.60	37,825.64
84.367	63926	CMP STIR Y2 08/09	1010GHC105, Amd 2				660.70	660.70
84.367	63850	CSP TRI TEACHER RETENTION 06/07	0995GHC160, Amd 1	13,143.48		13,143.48	13,143.48	-
84.367	63873	CSP TRI CARRYFORWARD Y1 06/07	0995GHC160, Amd 1	121,856.52			108,833.75	108,833.75
84.367	63928	CSP TRI TEACHER RETNTN Y2 8/9	0995GHC160, Amd 2	135,000.00			502.24	502.24
Sub-Total Other pass through UCLA				394,010.00	46,425.03	103,533.47	204,930.77	147,822.33
Regents of the UC, Office of the President								
84.367	63700	NCLB3 NE CA ARTS PJCT 06/07	NCLB3-TCAP-CHICO	50,000.00	24,902.58	22,483.40	(2,419.18)	-
84.367	63704	NCLB CA MATH PJCT 06/07	NCLB3-CMP-CHICO	13,925.70	11,695.45	13,925.70	2,230.25	-
84.367	63714	NCLB NCLRP 06/07	NCLB3-CRLP-CHICO	45,500.00	41,906.68	41,906.68		-
84.367	63792	CA READING/LIT PRGM 07/08	NCLB4-CRLP-CHICO	40,500.00		13,010.60	39,000.00	25,989.40
84.367	63793	NCLB N STATE HIST/SOCSOCI 07/08	NCLB4-CHSSP-CHICO	39,433.00		6,844.72	38,678.49	31,833.77
84.367	63794	NCLB CA SCIENCE PJCT 08	NCLB4-CSP-CHICO	60,000.00		34,042.23	46,199.67	12,157.44
84.367	63795	NCLB4-N CA WRTG PRJ 07/08	NCLB4-CWP-CHICO	45,500.00		34,087.58	43,673.49	9,585.91
84.367	63796	NCLB CA MATH PJCT 07/08	NCLB4-CMP-CHICO	34,650.00		12,860.50	35,967.17	23,106.67
84.367	63799	NE CA ARTS PROJECT 07/08	NCLB4-TCAP-CHICO	45,400.00	12,526.10	45,400.00	35,570.77	2,696.87
84.367	63877	NCLB NCWP SUPPLEMENT 07/08	NCLBS-CWP-Chico, Amd 1	20,000.00		10,110.50	20,881.33	10,770.83
84.367	63886	07/08 NCLB SUPLMNT CA READ-LIT	NCLBS-CRLP-Chico	20,000.00			17,074.80	17,074.80
84.367	63887	07/08 SUPPLEMENT NE CA ARTS	NCLBS-TCAP, Shico	20,000.00			9,055.97	9,055.97
84.367	63888	07/08 NCLB SUPPLEMENT CMP	NCLBS-CMP-Chico	20,000.00		4,225.17	12,689.61	8,464.44
84.367	63701	NCLB N STATE HIST/SOC SCI 06/07	NCLB3-CHSSP-CHICO	28,500.00	31,663.99	23,212.80	(8,451.19)	-
84.367	63697	NCLB #3 - 06/07	NCLB3-CWP-CHICO	33,000.00	11,531.82	11,802.96	271.14	0.00
84.367	63705	CA SCIENCE PRJ-06/07	NCLB3-CSP-CHICO	31,457.17	5,690.89	11,527.65	5,836.76	-
84.928A	63889	07/08 NCLB SUPLMNT SCI PJCT	NCLBS-CSP-Chico	28,467.00			7,983.30	7,983.30
84.928A	63890	NSHSP NCLB SUPLMNT 07/08	NCLBS-CHSSP-Chico	20,000.00			19,929.16	19,929.16
Sub-Total Other pass through UCOP				596,332.87	139,917.51	285,440.49	324,171.54	178,648.56
Unionville-Chadds Ford School District								
84.3XX	63707	UNIONVILLE CHADDS FORD	06-400	5,590.50	372.42		(372.42)	-
Sub-Total Other pass through Unionville-Chadds Ford School District				5,590.50	372.42	-	(372.42)	-
Total TRIO Cluster				5,795,601.16	259,439.09	2,040,009.41	2,041,875.35	261,305.03
Total Other				7,070,976.90	377,768.72	2,072,401.46	2,212,008.45	517,375.71
<b>Total Department of Education</b>				<b>12,866,578.06</b>	<b>637,207.81</b>	<b>4,112,410.87</b>	<b>4,253,883.80</b>	<b>778,680.74</b>
<b>Total Department of Health and Human Services</b>								
Direct Awards								
93.28X	60358	MEXICAN AMERICAN WEIGHT REDUC	1 R15 AG025731-01	172,422.00	21,337.83	55,000.27	40,858.45	7,196.01
Sub-total Research & Development Direct Awards				172,422.00	21,337.83	55,000.27	40,858.45	7,196.01

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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Catalog Number	Project Number	Project Title	Award/Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/07	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/08
<b>Pass Through Awards</b>								
<b>CA Dept of Aging</b>								
93.044	63380	AAA 3B SUBK 0304/CDA	FF-0304-03	315,972.00		4,844.00	4,844.00	-
93.045	63381	AAA 3C1 SUBK 0304/CDA	FF-0304-03	384,076.00		1,533.00	1,533.00	-
93.045	63382	AAA 3C2 SUBK 0304/CDA	FF-0304-03	536,698.00		(1,948.00)	(1,948.00)	-
93.044	63585	AAA 3B ADMIN AP 0506	AP-0506-03	156,970.00	1,168.25	990.00	(178.25)	-
93.044	63589	AAA I&A 0506	AP-0506-03	222,247.00	(6,132.83)	(6,231.00)	(163.00)	(64.83)
93.041	63590	AAA EAP 0506	AP-0506-03	9,900.00	(270.45)		270.45	-
93.042	63591	AAA OMBUDSMAN 0506	AP-0506-03	120,931.00	42,144.01			42,144.01
93.044	63592	AAA 3B SUBK 0506	AP-0506-03	361,332.00	(34,687.00)	6,231.00		(40,918.00)
93.045	63593	AAA 3C1 SUBK 0506	AP-0506-03	359,875.00	(989.00)	(990.00)		1.00
93.045	63594	AAA 3C2 SUBK 0506	AP-0506-03	489,175.00	17,500.00		(17,500.00)	-
93.043	63596	AAA PREV HEALTH 0506	AP-0506-03	17,703.00	(0.80)		0.80	-
93.052	63599	AAA FCSP ALL 0506	AP-0506-03	48,862.00	(2,033.14)		2,197.08	163.94
93.052	63601	AAA FCSP I&A 0506	AP-0506-03	91,047.00	(26,727.02)	(26,727.00)	0.02	(0.00)
93.052	63602	AAA FCSP ASSESSMT 0506	AP-0506-03	424.00	423.39	424.00	0.61	(0.00)
93.052	63606	AAA FCSP RESPITE 0506	AP-0506-03	13,703.00	13,702.73	13,703.00	0.27	(0.00)
93.052	63607	AAA FCSP SUPPL SERV 0506	AP-0506-03	12,600.00	12,600.14	12,600.00	(0.14)	(0.00)
	63608	AAA ADMIN-CBSP 0506/CDA - state \$	AP-0506-03		995.99	996.00	0.01	0.00
	63612	AAA CBSP LINKG POS 0506/CDA - state \$	AP-0506-03		(404.00)		404.00	-
	63613	AAA CBSP SCP 0506/CDA - state \$	AP-0506-03	28,444.00	(996.38)	(996.00)	0.38	0.00
93.044	63614	AAA IIIB RESP REG 0506	AP-0506-03	4,980.00	(0.49)		0.49	-
	63719	AAA AP RECVBLS 0607/CDA	AP-0607-03		(1,084,231.00)	(1,084,231.00)		-
93.044	63720	AAA 3B ADMIN 0607/CDA	AP-0607-03	54,682.00	54,682.00	45,312.18	13.97	9,383.79
93.045	63720	AAA 3C1 ADMIN 0607/CDA	AP-0607-03	52,989.00	46,517.82	46,517.82		-
93.044	63721	AAA 3B I&A 0607/CDA	AP-0607-03	251,861.00	252,825.48	250,472.00	(2,399.52)	(46.04)
93.041	63722	AAA 7B EAP 0607/CDA	AP-0607-03	6,405.00	3,168.70	3,099.00	(69.70)	(0.00)
93.044	63723	AAA 3B OMB 0607/CDA	AP-0607-03	49,699.00	18,139.94	17,917.00	(222.94)	(0.00)
	63724	AAA OMB INIT 0607/CDA - state \$	AP-0607-03	22,923.00	(160.00)	(127.34)	32.66	-
93.044	63725	AAA 3B SUBK 0607/CDA	AP-0607-03	306,101.00	136,692.00	137,625.00	933.00	-
93.045	63726	AAA 3C1 SUBK 0607/CDA	AP-0607-03	403,458.00	271,047.52	264,857.00	(1,056.53)	5,133.99
93.045	63727	AAA 3C2 SUBK 0607/CDA	AP-0607-03	525,355.00	258,539.46	262,870.00	4,053.54	(277.00)
93.043	63729	AAA 3D DISEASE PREV 0607/CDA	AP-0607-03	25,602.00	14,538.69	14,538.00	(0.69)	0.00
93.052	63730	AAA 3E FCSP ALL 0607/CDA	AP-0607-03	150,219.17	93,842.69	100,662.00	(1,458.56)	(8,277.87)
93.052	63731	AAA 3E RESPITE 0607/CDA	AP-0607-03	86,815.00	90,814.64	90,815.00	0.36	(0.00)
93.052	63732	AAA 3E SUPP SERV 0607/CDA	AP-0607-03	11,188.00	11,187.82	11,188.00	0.18	(0.00)
	63733	AAA CBSP SUBK ADCRC 0607/CDA-state\$	AP-0607-03	71,000.00	46,640.00	46,640.00		-
	63734	AAA CBSP LINKG 0607/CDA - state \$	AP-0607-03	218,122.00	37,879.41	40,114.00	2,234.59	0.00
	63735	AAA CBSP LINKG POS 0607/CDA - state \$	AP-0607-03	12,311.00	26,719.04	12,311.00	(14,408.04)	-
	63736	AAA CBSP SCP 0607/CDA - state \$	AP-0607-03	28,448.00	16,193.21	15,787.00	(406.21)	(0.00)
	63824	AAA AP RECVBLS 0708 CDA	AP-0708-03			106,096.00		(106,096.00)
93.044	63825	AAA 3B ADMIN 0708	AP-0708-03	53,575.00	33,299.21	53,575.00	20,275.79	20,275.79
93.045	63825	AAA 3C1 ADMIN 0708	AP-0708-03	55,013.00	40,891.00	55,013.00	14,322.00	14,322.00
93.045	63825	AAA 3C2 ADMIN 0708	AP-0708-03	29,408.00	13,810.79	20,761.79	6,951.00	6,951.00
93.052	63825	AAA 3E ADMIN 0708	AP-0708-03	23,382.00	23,382.00	23,382.00		-
	63825	AAA AP ADMIN 0708-- State \$	AP-0708-03	37,054.00	37,054.00	37,054.00		-
93.044	63826	AAA 3B I&A 0708/ CDA	AP-0708-03	258,556.00	196,076.00	241,176.08	45,100.08	45,100.08
	63826	AAA 3B I&A 0708/ CDA -- State \$	AP-0708-03	17,112.00	17,112.00	17,112.00		-
93.044	63827	AAA 3B OUTREACH 0708/CDA	AP-0708-03	750.00		750.00	750.00	750.00
93.041	63828	AAA ELDER ABUSE 0708 CDA	AP-0708-03	9,187.00		9,230.60	43.60	-
	63828	AAA ELDER ABUSE 0708 CDA -- State \$	AP-0708-03	320.00		320.00		-
93.044	63829	AAA 3B OMB 0708/CDA	AP-0708-03	55,158.00	34,778.00	42,994.06	8,216.06	8,216.06
93.042	63829	AAA 7A OMB 0708/CDA	AP-0708-03	25,461.00	25,461.00	25,461.00		-
	63829	AAA 3B & 7A OMB 0708/CDA -- State \$	AP-0708-03	51,673.00	51,673.00	51,673.00		-
	63830	AAA OMB INIT 0708/CDA -- State \$	AP-0708-03	22,923.00	23,050.34	23,003.14	(47.20)	(47.20)
93.044	63831	AAA 3B VISITING 0708/CDA	AP-0708-03	17,800.00	14,925.00	15,073.35	148.35	148.35
93.044	63832	AAA 3B SUBK 0708 CDA	AP-0708-03	300,917.00	261,727.00	295,443.00	33,716.00	33,716.00
93.045	63833	AAA 3C1 SUBK 0708 CDA	AP-0708-03	322,957.00	163,666.00	291,000.00	127,334.00	127,334.00
	63833	AAA 3C1 SUBK 0708 CDA -- State \$	AP-0708-03	104,219.00	104,219.00	104,219.00		-
93.053	63833	AAA 3C1 SUBK 0708 CDA -- NSIP \$	AP-0708-03	65,869.00	65,869.00	65,869.00		-
93.045	63834	AAA 3C2 SUBK 0708/CDA	AP-0708-03	318,321.00	292,876.00	312,060.00	19,184.00	19,184.00
	63834	AAA 3C2 SUBK 0708/CDA -- State \$	AP-0708-03	163,391.00	163,391.00	163,391.00		-
93.053	63834	AAA 3C2 SUBK 0708/CDA -- NSIP \$	AP-0708-03	66,260.00	66,260.00	66,260.00		-
93.043	63835	AAA 3D SUBK 0708 CDA	AP-0708-03	7,411.00	9,855.00	6,600.00	(3,255.00)	(3,255.00)
93.043	63836	AAA DISEASE PREVENT 0708/CDA	AP-0708-03	21,700.00	18,849.00	19,151.07	302.07	302.07
	63836	AAA DISEASE PREVENT 0708/CDA -- State \$	AP-0708-03	1,247.00	1,247.00	1,247.00		-
93.052	63837	AAA 3E FCSP-ALL 0708/CDA	AP-0708-03	136,029.00	103,610.00	123,970.96	20,360.96	20,360.96
93.052	63838	AAA 3E FCSP RESPITE 0708/CDA	AP-0708-03	32,500.00	31,389.00	37,356.15	5,967.15	5,967.15
93.052	63839	AAA 3E FCSP SUPP SERV 0708/CDA	AP-0708-03	37,000.00	10,699.00	11,714.88	1,015.88	1,015.88
	63840	AAA CBSP SUBK ADCRC 0708/CDA -- State \$	AP-0708-03	71,000.00	66,706.00	71,000.00	4,294.00	4,294.00
	63841	AAA CBSP LINKG 0708/CDA -- State \$	AP-0708-03	230,433.00	204,959.00	222,520.61	17,561.61	17,561.61
	63843	AAA CBSP SCP 0708/CDA-- State \$	AP-0708-03	28,448.00	24,037.00	28,562.59	4,525.59	4,525.59
	Sub-Total Federal \$ Aging Cluster pass through CA Dept of Aging			6,908,123.17	184,463.55	1,688,577.00	1,705,692.38	201,578.93
	Sub-Total State \$ for Aging Cluster from CA Dept of Aging			1,109,068.00	126,867.27	808,493.00	707,959.73	26,334.00
<b>CA Dept of Aging</b>								
93.778	63581	PASSAGES MSSP ADMN 0506 /CDA	MS-0506-10	180,401.36	(41,023.99)	(42,085.00)		1,061.01
93.778	63582	PASSAGES CARE MGMT 0506 /CDA	MS-0506-10	365,731.30	38,558.24	30,152.20		8,406.04
93.778	63583	PASGS MSSP WAVD SRV 0506/CDA	MS-0506-10	186,625.00	13,527.17	11,932.80		1,594.37
93.778	63716	MSSP ADMIN 0607/CDA	MS-0607-10	196,154.11	8,079.61	8,858.80		(47.50)
93.778	63717	MSSP CARE MGMT 0607/CDA	MS-0607-10	425,183.89	168,308.41	169,486.89	1,178.79	0.31
93.778	63718	MSSP WAIVED SERV 0607/CDA	MS-0607-10	232,235.00	84,089.93	83,888.65	912.85	1,114.13
93.778	63818	MSSP ADMINISTRATION 0708	MS-0708-10	268,664.00		156,822.00	210,116.67	53,294.67
93.778	63819	0724 CARE MANAGEMENT 0708	MS-0708-10	398,336.00		232,575.00	430,690.83	198,115.77
93.778	63820	MSSP WAIVED SERVICES 07 08	MS-0708-10	190,000.00		125,455.89	198,293.20	72,837.31
	Sub-Total Medicaid Cluster pass through CA Dept of Aging			2,443,330.66	271,539.37	776,887.29	841,724.03	336,376.11

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

June 30, 2008 and 2007

*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 7/1/07	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/08
CA Dept of Aging								
93.779	63615	AAA HICAP ADMIN 0506	HI-0506-03	12,220.00	(108.43)			(108.43)
93.779	63616	AAA HICAP 0506	HI-0506-03	132,278.00	(409.01)	(140.00)		(269.01)
93.779	63617	AAA HICAP MMA 0506	HI-0506-03	32,657.00	24.83	140.00		(115.17)
93.779	63737	AAA HICAP ADMIN 0607/CDA	HI-0607-03	14,863.00	4,178.10	4,006.00	451.67	623.77
93.779	63738	AAA HICAP PROGRAM 0607/CDA	HI-0607-03	130,322.00	12,582.16	12,069.92	(512.24)	-
93.779	63739	AAA HICAP MMA FED 0607/CDA	HI-0607-03	33,756.00	9,096.98	9,097.00	0.02	(0.00)
93.779	63740	AAA HICAP MMA STATE 0607/CDA	HI-0607-03	52,568.00	8,231.99	8,232.00	0.01	(0.00)
93.779	63821	AAA HICAP ADMIN 07/08	HI-0708-03	17,498.00		7,944.00	14,477.28	6,530.28
93.779	63822	AAA HICAP 07/08	HI-0708-03	217,106.00		163,989.25	217,260.14	53,270.89
93.779	63823	AAA HICAP RURAL 07/08	HI-0708-03	4,532.00		2,466.00	4,384.15	1,918.15
		Sub-Total Other Pass through CA Dept of Aging		647,800.00	33,596.62	207,804.17	236,061.03	61,853.48
National Association of Area Agencies on Aging								
93.779	63669	MEDICARE PART D ENROLLMENT	06-254	23,447.00	(4.57)		4.57	-
		Sub-Total Other Pass through Natl Assoc. of Area Agencies on Aging		23,447.00	(4.57)	-	4.57	-
Butte County								
93.778	63779	03/09 TARGETED CASE MGMT	X16129	40,657.35	(19,754.58)		19,754.58	-
93.778	63880	TARGETED CASE MGMT 04/05	X16129	38,020.25	(38,020.25)		31,800.20	(6,220.05)
93.778	63813	TCM 0506 ENCOUNTERS	X16129	27,968.67	(27,968.67)			(27,968.67)
		Sub-Total Medicaid Cluster Pass through Butte County		106,646.27	(85,743.50)	-	51,554.78	(34,188.72)
PSA2 Area Agency on Aging								
93.052	63622	FCSP 05-06/PSA 2	6001-0506	119,401.00	(1,503.00)	47.61	1,503.00	(47.61)
93.052	63742	FCSP 0607/PSA2	6001-0607 AMD 1	124,032.00	(2,185.49)	(2,681.00)	(495.51)	-
93.052	63845	FCSP 07/08 PSA 2	6001-0708	107,876.00		110,557.00	106,518.35	(4,038.65)
		Sub-Total Other Pass through PSA2 Area Agency		351,309.00	(3,688.49)	107,923.61	107,525.84	(4,086.26)
Northern Sierra Rural Health Network								
93.107	63805	LVN TO BSN	VA-06/07-33-29	24,648.31		24,648.31	24,648.31	-
		Sub-Total Other Pass through Northern Sierra Rural Health Network		24,648.31	-	24,648.31	24,648.31	-
Sonoma State University								
93.247	63892	ADVANCED ED NURSING GRANT '08	SA104088	16,375.00			14,754.96	14,754.96
		Sub-Total Other Pass through Sonoma State University		16,375.00	-	-	14,754.96	14,754.96
CA Dept of Social Services								
93.558	63710	CALWORKS 06/07	04-3026	451,173.96	189,165.57	189,165.57		-
93.558	63804	CALWORKS 07	04-3026	75,233.89		75,233.89	75,233.89	-
93.558	63856	CALWORKS 07/08	07-3010	400,000.00		332,321.67	380,926.35	48,604.68
93.667	63848	ERLY CHLD DEVELOP TRAIN Y10708	07-3023	13,833.00			14,509.70	14,509.70
		Sub-Total Other Pass through CA Dept of Social Services		940,240.85	189,165.57	596,721.13	470,669.94	63,114.38
CA Department of Education								
93.575	63715	INFANT NUTRITION 06/07	5456	9,929.85	8,516.19	9,929.85	1,413.66	-
		Sub-Total CCDF Cluster Pass through CA Dept of Education		9,929.85	8,516.19	9,929.85	1,413.66	-
Prevention Research Center								
93.891	63440	ALCOHOL&DRUG PREVNTN RSRCH PGM	None	135,000.00	(22,927.19)	15,000.00	15,716.25	(22,210.94)
93.891	63642	UNDERAGE DRINKING EDUCATION	None	49,000.00	(26,968.08)	7,000.00	13,185.05	(20,783.03)
		Sub-Total Other Pass through Prevention Research Center		184,000.00	(49,895.27)	22,000.00	28,901.30	(42,993.97)
University of California, Berkeley								
93.648	63712	BACHELOR'S SOCIAL WK 06/07	5381	91,796.49	70,627.55	70,627.55		-
93.648	63815	BSW 07/08	SA5838-77618	200,554.00		79,166.51	155,256.29	76,089.78
93.648	63713	MASTERS SOCIAL WORK 06/07	5381	826,591.29	486,506.02	485,317.38	(1,188.64)	0.00
93.648	63816	MSW 2007-2008	SA5838-77618	1,057,278.00		244,345.78	819,356.21	575,010.43
		Sub-Total Other Pass through UC Berkeley/CALSWEC		2,176,219.78	557,133.57	879,457.22	973,423.86	651,100.21
		Total Research & Development Cluster		172,422.00	21,337.83	55,000.27	40,858.45	7,196.01
		Total Federal \$ Aging Cluster		6,908,123.17	184,463.55	1,688,577.00	1,705,692.38	201,578.93
		Total State \$ Aging Cluster		1,109,068.00	126,867.27	808,493.00	707,959.73	26,334.00
		Total CCDF Cluster		9,929.85	8,516.19	9,929.85	1,413.66	-
		Total Medicaid Cluster		2,549,976.93	185,795.87	776,887.29	893,278.81	302,187.39
		Total Other		4,364,039.94	726,307.43	1,838,554.44	1,855,989.81	743,742.80
		<b>Total Department of Health and Human Services</b>		<b>15,113,559.89</b>	<b>1,253,288.14</b>	<b>5,177,441.85</b>	<b>5,205,192.84</b>	<b>1,281,039.13</b>
<b>Corporation for National and Community Services</b>								
Direct Awards								
94.011	60383	FOSTER GRANDPARENT PGM 06/07	05 SFPCA005	306,987.00	103,910.25	101,982.00	(1,928.25)	-
94.011	60400	FGP 07/08	05SFPCA005	306,987.00		204,752.00	308,741.05	103,989.05
94.016	60384	SENIOR COMPANION PGM 06/07	05SCPCA006	79,253.00	14,926.43	15,107.77	181.34	-
94.016	60399	SENIOR COMPANION PGM 07/08	05SCPCA006	79,253.00		71,660.15	93,524.64	21,864.49
		Sub-total Foster Grandparent/Senior Companion Cluster		772,480.00	118,836.68	393,501.92	400,518.78	125,853.54
Pass Through Awards								
CSU Trustees								
94.005	63783	CIVIC LEARNING LEARN AND SRV	60356-G	11,286.27	11,879.95	11,286.27	(593.68)	-
		Sub-Total Other Pass through CSU Trustees		11,286.27	11,879.95	11,286.27	(593.68)	-
Carnegie Foundation								
94.005	63814	CARNEGIE FND FOR FELLOWS	None	4,000.00			1,786.29	1,786.29
		Sub-Total Other Pass through Carnegie Foundation		4,000.00	-	-	1,786.29	1,786.29
		Total Foster Grandparent/Senior Companion Cluster		772,480.00	118,836.68	393,501.92	400,518.78	125,853.54
		Total Other		15,286.27	11,879.95	11,286.27	1,192.61	1,786.29
		<b>Total Corporation for National and Community Services</b>		<b>787,766.27</b>	<b>130,716.63</b>	<b>404,788.19</b>	<b>401,711.39</b>	<b>127,639.83</b>

**SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**

June 30, 2008 and 2007

*The CSU, Chico  
Research Foundation*

Page 8 of 8

Catalog Number	Project Number	Project Title	Award/Contract Number	Program or Award Amount	Accrued (Deferred) Revenue 7/1/07	Cash/Other Received	Expenditures	Accrued (Deferred) Revenue 6/30/08
<b>United States Agency for International Development</b>								
Pass Through Awards								
Academy for Educational Development								
98.001	63893	AED CONFERENCE - JORDAN '08	PO#3180-1502	21,068.50		21,068.50	7,885.97	(13,182.53)
98.001	63867	EGYPT SCHOOL REFORM TOUR 1/AED	PSA	100,932.32		100,932.32	100,932.32	-
98.001	63883	SCHOOL REFORM EGYPT TOUR 2	PSA	92,088.00			74,230.82	74,230.82
98.001	63891	TOUR 3 SCHOOL REFORM EGYPT	PSA	101,808.86			90,040.22	90,040.22
Sub-Total Other pass through Academy for Educational Dev				315,897.68	-	122,000.82	273,089.33	151,088.51
<b>Total United States Agency for International Development</b>				<b>315,897.68</b>	<b>-</b>	<b>122,000.82</b>	<b>273,089.33</b>	<b>151,088.51</b>
Total Research & Development Cluster				5,160,028.97	481,391.50	1,464,259.26	1,311,305.47	328,437.71
Total Child Nutrition Cluster				33,379.48	-	33,379.48	33,379.48	-
Total Highway Planning & Construction Cluster				1,245.00	8.56	-	-	8.56
Total Highway Safety Cluster				38,526.32	159.47	-	(159.47)	-
Total TRIO Cluster				5,795,601.16	259,439.09	2,040,009.41	2,041,875.35	261,305.03
Total Federal \$ Aging Cluster				6,908,123.17	184,463.55	1,688,577.00	1,705,692.38	201,578.93
Total State \$ Aging Cluster				1,109,068.00	126,867.27	808,493.00	707,959.73	26,334.00
Total CCDF Cluster				9,929.85	8,516.19	9,929.85	1,413.66	-
Total Medicaid Cluster				2,549,976.93	185,795.87	776,887.29	893,278.81	302,187.39
Total Foster Grandparent/Senior Companion Cluster				772,480.00	118,836.68	393,501.92	400,518.78	125,853.54
Total Other				22,823,822.03	2,244,731.23	7,712,755.20	8,245,299.65	2,777,275.68
Total Federal, Federal Pass Through and CDA Other Awards				45,202,180.91	3,610,209.41	14,927,792.41	15,340,563.84	4,022,980.84
<b>Total Federal and Federal Pass Through Awards</b>				<b>44,093,112.91</b>	<b>3,483,342.14</b>	<b>14,119,299.41</b>	<b>14,632,604.11</b>	<b>3,996,646.84</b>
<b>Total State and Other Awards Through Ca Dept of Aging</b>				<b>1,109,068.00</b>	<b>126,867.27</b>	<b>808,493.00</b>	<b>707,959.73</b>	<b>26,334.00</b>
<b>Grand Total Federal, Federal Pass Through and CDA Other Awards</b>				<b>45,202,180.91</b>	<b>3,610,209.41</b>	<b>14,927,792.41</b>	<b>15,340,563.84</b>	<b>4,022,980.84</b>

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

*The CSU, Chico  
Research Foundation*

June 30, 2008	<b>Auxiliary Organizations GASB</b>
<b>NET ASSETS INVESTED IN CAPITAL ASSETS - NET OF RELATED DEBT</b>	
Capital assets - net of accumulated depreciation	\$ 16,299,932
Long-term debt obligations - current portion	(620,300)
Long-term debt obligations - net of current portion	(5,128,971)
Other:	
OID prepaid interest	47,971
Bond reserves	311,724
Interest payable	(17,013)
<b>Net Assets Invested in Capital Assets - Net of Related Debt</b>	<b>\$ 10,893,343</b>

June 30, 2008	<b>Auxiliary Organizations GASB</b>
<b>TRANSACTIONS WITH RELATED ENTITIES</b>	
Reimbursements to University for salaries of University personnel working on contracts, grants, and other programs	\$ 2,299,124
Reimbursements to University for other than salaries of University personnel	\$ 1,493,911
Payments received from University for services, space, and programs	\$ 2,361,698
Gifts-in-kind to the University from Auxiliary Organizations	\$ 52,143
Amounts (payable to) University	\$ (367,778)
Amounts receivable from University	\$ 485,790

## 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 \$262,388 and \$433,357 in 2008 and 2007, respectively. The amount expended from incentive accounts amounted to \$1,016,225 and \$571,372 in 2008 and 2007, 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, 2007, from which the summarized information was derived.

**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>2008</u>	<u>2007</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%.	\$ 92,196	\$ 87,794
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%. The loan balance, including interest accrual, was forgiven in 2008.	-	268,160
KCHO radio station has a note payable to the General Fund for construction costs to move into 35 Main Street. Interest was accrued at 5% through 2007. The loan balance, including interest accrual, was forgiven in 2008.	-	200,395
<b>Total Interfund Receivables and Payables</b>	<u>\$ 92,196</u>	<u>\$ 556,349</u>

**3. EXTRAORDINARY ITEM**

Forgiveness of debt resulted in extraordinary activity for the year ended June 30, 2008. This activity represents the forgiveness of the KCHO radio station interfund notes payable, which was forgiven by the General Fund. The gain (loss) activity is as follows:

<b>DEBT FORGIVENESS</b>	
<b>AUXILIARY ACTIVITIES</b>	
Equipment loan principal portion	\$ 229,258
Construction loan principal portion	165,697
Interest accrued	73,600
<b>Total Auxiliary Activities Gain</b>	<u>468,555</u>
<b>GENERAL FUND LOSS</b>	<u>(468,555)</u>
<b>Total Debt Forgiveness - net</b>	<u>\$ -</u>



**4. 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, 2008:

	<b>Plant and Bond Fund</b>	<b>Auxiliary Activities Fund</b>
Investment in plant, equipment, and breeding herd	\$ 9,690,140	\$ 1,146,199
Inventory reserve	-	108,821
Reserve for working capital	-	266,164
Capital replacement reserve	-	175,000
<b>Total Net Assets Reserves</b>	9,690,140	1,696,184
Available for general purposes	-	545,345
<b>Total Net Assets</b>	<b>\$ 9,690,140</b>	<b>\$ 2,241,529</b>

The net deficit of the General Fund as of June 30, 2008 and 2007, respectively, are 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, 2008 and 2007, are \$1,972,699 and \$715,604, respectively.

## **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, 2008, and have issued our report thereon dated September 9, 2008. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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.

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.

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

**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

**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 9, 2008



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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, 2008. 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, 2008.

### 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 9, 2008

**FINDINGS AND QUESTIONED COSTS SECTION**

**SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS**

June 30, 2008

*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. No deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*, or 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:

State Administrative Matching Grants for Food Stamp Program	CFDA 10.561
Improving Teacher Quality State Grants, Title II, Part A Services	CFDA 84.367
Child Welfare Services Training Grants	CFDA 93.648
<b>Research and Development Cluster</b>	
Road Clearing Robot	CFDA 10.206
Low Cost High Speed Power Electric System	CFDA 12.30
High Speed Simulation	CFDA 12.30
Gibson NEH Fellowship	CFDA 45.160
Multi-Purpose Remote Robot 1	CFDA 81.XXX
8. The threshold for distinguishing Types A and B programs was \$438,614.
9. The Research Foundation was determined to be a low-risk auditee.



**SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS**

June 30, 2008

*The CSU, Chico  
Research Foundation*

**B. FINDINGS  
FINANCIAL STATEMENTS AUDIT**

None.

**CORRECTIVE ACTION PLAN**

June 30, 2008

*The CSU, Chico  
Research Foundation*

None.

**SUMMARY SCHEDULE OF  
PRIOR AUDIT FINDINGS**  
June 30, 2007

*The CSU, Chico  
Research Foundation*

**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.

***Current Status***

Fully implemented.