

**ASSOCIATED STUDENTS, INCORPORATED
OF SONOMA STATE UNIVERSITY**

ROHNERT PARK, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2007

TABLE OF CONTENTS

	<u>PAGE</u>
General Information	1
Independent Auditors' Report	2-3
Management's Discussion and Analysis	4-7
Financial Statements:	
Statements of Net Assets	8
Statements of Revenues, Expenses and Changes in Net Assets	Exhibit A 9
Statements of Cash Flows	Exhibit B 10
Statement of Revenues, Expenses and Changes in Net Assets - Budget and Actual	Exhibit C 11
Notes to Financial Statements	12-27
Supplemental Information:	
Combining Statement of Net Assets	Schedule 1 28
Combining Statement of Revenues, Expenses and Changes in Net Assets	Schedule 2 29
Audited Final Attendance and Fiscal Report	Schedules 3-5 30-32
Audited Final Revenue and Expenditure Report	Schedules 6-8 33-35
Schedule of Reported, Adjusted and Allowed Meals	Schedules 9-11 36-38
Combining Schedule of Equipment Expenditures	Schedule 12 39
Combining Schedule of Renovation and Repair Expenditures	Schedule 13 40
Schedule of Administrative Costs	Schedule 14 41
Schedule of Expenditures by State Categories	Schedule 15 42
Schedule of Expenditures of Federal Awards	Schedule 16 43
Schedule of Expenditures of State Awards	Schedule 17 44
Schedule of Expenditures of County Awards	Schedule 18 45
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 <i>Government Auditing Standards</i>	46

Associated Students, Incorporated of Sonoma State University

Child Development Programs

GENERAL INFORMATION

For the Year Ended June 30, 2007

Organization Name: Associated Students, Incorporated of Sonoma State University -
Children's School

Type of Organization: Campus without match

Contract Numbers

CCTR-6446

CCAP-6464

CRPM-4121

CIMS-6683

N/A

Program Numbers

49-Y421-00-6

49-Y421-00-6

49-Y421-00-4

49-Y421-00-6

49-1784-7A

Program Name

General Center Child Care

Infant Toddler Resource

Facilities Renovation and Repair

Instructional Materials

Child Care Food Program

Address of Organization: 1801 East Cotati Avenue
Rohnert Park, CA 94928

Telephone: (707) 664-2230

Executive Director: Erik Dickson

Program Director: Lia Thompson-Clark

Associate Vice President,
Administration and Finance: Letitia Coate

Report Period: Year ended June 30, 2007

Scheduled daily hours: 7:30 am - 5:30 pm

Number of days operating: 213 days

R. J. RICCIARDI, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

1000 FOURTH STREET • SUITE 400 • SAN RAFAEL, CALIFORNIA 94901 • TEL (415) 457-1215 • FAX (415) 457-6735 • www.rjrca.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Associated Students, Incorporated of Sonoma State University
Rohnert Park, California

We have audited the accompanying basic financial statements of the business-type activities and the major fund of the Associated Students, Incorporated of Sonoma State University as of and for the year ended June 30, 2007, as listed in the table of contents. These basic financial statements are the responsibility of Associated Students, Incorporated of Sonoma State University's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The prior year summarized comparative information has been derived from the Associated Students, Incorporated of Sonoma State University's 2006 financial statements and, in our report dated August 2, 2006, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and specific requirements prescribed by the California State University Chancellor's Office and the California Department of Education. Those standards require that we plan and perform the audit 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 basic financial statements referred to above present fairly in all material respects, the respective financial position of the business-type activities and the major fund of Associated Students, Incorporated of Sonoma State University as of June 30, 2007, and the respective changes in financial position and cash flow and the respective budgetary comparison listed as part of the basic financial statements for the year then ended, in conformity with U.S. generally accepted accounting principles.

Management's Discussion and Analysis is supplementary information required by the Governmental Accounting Standards Board, but is not part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However we did not audit this information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2007, on our consideration of Associated Students, Incorporated of Sonoma State University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and 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 read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules 1 through 18 of the California Department of Education supplementary information for the year ended June 30, 2007, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements, which are in conformity with the *Audit Guide for Audits of Child Development and Nutrition Programs* issued by the California Department of Education, and all other laws, regulations and sub-grant requirements. In our opinion, this additional information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
August 23, 2007



Management's Discussion and Analysis

This section of the Associated Students, Incorporated of Sonoma State University's (the Organization's) annual financial report presents management's overview and analysis of the financial activities of the organization for the fiscal year ended June 30, 2007. We encourage the reader to consider the information presented here in conjunction with the financial statements as a whole.

Introduction to the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Organization's audited financial statements, which are comprised of the basic financial statements (pages 8-11) and the footnotes and supplemental schedules (pages 12-45). This annual report is prepared in accordance with the Governmental Accounting Standards Board Statement 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. The Business-Type Activity (BTA) reporting model is used which best represents the activities of the University and its auxiliaries. The Associated Students, Incorporated of Sonoma State University is one of four non-profit auxiliaries on the Sonoma State University campus.

The required financial statements include the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. These statements are supported by notes to the financial statements, supplementary detail and/or statistical information, and this summary. All sections must be considered together to obtain a complete understanding of the financial picture of the organization.

Statement of Net Assets: This statement includes all assets and liabilities using the accrual basis of accounting as of the statement date. The difference between the two classifications is represented as "Net Assets"; this section of the statement identifies major categories of restrictions on these assets and reflects the overall financial position of the organization as a whole.

Statement of Revenues, Expenses and Changes in Net Assets: This statement presents the revenues earned and the expenses incurred during the year using the accrual basis of accounting. Under accrual basis, all increases or decreases in net assets are reported as soon as the underlying event occurs, regardless of the timing of the cash flow. Consequently revenues and/or expenditures reported during this fiscal year may result in changes to cash flow in a future period.

Statement of Cash Flows: This statement reflects inflows and outflows of cash, summarized by operating, capital, financing and investing activities. The direct method was used to prepare this information, which means that gross rather than net amounts were presented for the year's activities.

Notes to the Financial Statements: This additional information is essential to a full understanding of the data reported in the basic financial statements.

Supplemental Information: This is offered to support the required financial statements, to fulfill California Department of Education requirements, and to assist the reader in a clearer understanding of the operating units within the organization.



Management's Discussion and Analysis

Reporting Entity

The financial statements of Sonoma State University will be separated between the University and its component units. The latter are separate I.R.C. 501(c) (3) non-profit auxiliary organizations whose financial information will be presented in a discrete column and in the footnotes of the University's financial statements. Consequently, these auxiliaries must comply with the same governmental rulings and must present their individual separate audited financial statements in the same format.

Analytical Overview

Summary

Total assets of the Organization have increased this year by \$595,956. This classification is comprised of Current Assets (Cash, Accounts Receivable, Prepaid Expenses, and Investments), which increased \$598,413, and Capital Assets, which decreased \$2,457.

Liabilities have also increased this year, in this case by \$329,651, primarily due to deferred revenue (2007/2008 ASI Student Fees invested in Wachovia/MetWest at year end) and funds held for clubs.

The overall change to Net Assets is an increase of \$266,305 (a 35% increase from the prior year), resulting in a June 30, 2007 balance of \$1,016,986.

Condensed Summary of Net Assets

	2007	2006	2005
Assets:			
Current assets	\$ 1,557,278	\$ 958,865	\$ 783,271
Noncurrent assets	34,475	36,932	45,549
Total assets	\$ 1,591,753	\$ 995,797	\$ 828,820
Liabilities:			
Current liabilities	\$ 574,767	\$ 242,020	\$ 179,427
Noncurrent liabilities	-	3,096	4,026
Total liabilities	574,767	245,116	183,453
Net assets:			
Invested in Capital Assets	34,475	36,932	45,549
Unrestricted	982,511	713,749	599,818
Total net assets	\$ 1,016,986	\$ 750,681	\$ 645,367



Management's Discussion and Analysis

Condensed Summary of Revenues and Expenses

	June 30, 2007	June 30, 2006	June 30, 2005	Increase (Decrease) FY 06-07	
Revenues and expenses:					
Operating revenues	\$ 1,666,574	\$ 1,415,494	\$ 1,369,469	\$ 251,080	Note 1
Operating expenses	<u>1,492,352</u>	<u>1,387,029</u>	<u>1,341,636</u>	<u>105,323</u>	Note 2
Net operating revenue (loss)	<u>174,222</u>	<u>28,465</u>	<u>27,833</u>	<u>145,757</u>	
Non-operating revenues (expenses)					
Gifts, noncapital	1,000	2,500	9,702	(1,500)	
Investment income, net	50,676	74,349	9,620	(23,673)	Note 3
Other nonoperating revenues (expenses)	<u>40,407</u>	<u>-</u>	<u>-</u>	<u>40,407</u>	Note 4
Net nonoperating revenues	<u>92,083</u>	<u>76,849</u>	<u>19,322</u>	<u>15,234</u>	
Increase in net assets	<u>\$ 266,305</u>	<u>\$ 105,314</u>	<u>\$ 47,155</u>	<u>\$ 160,991</u>	

Note #1 – Student fees increased due to an increase in the fee collected from each student and due to a 6.25% increase in enrollment.

Note #2 – The expenses for all funds increased over last year: ASP by 26%, Children's School by 1%, General Fund by 7%, JUMP by 34%, and the Senate by 10%.

Note #3 – The net investment income decrease is attributed to increase of \$19,888 from investment income in Wachovia/MetWest and \$386 from checking and savings accounts, off set by a decrease in unrealized gain of \$43,947.

Note #4 – Telecommunication costs previously charged through EO753 for fiscal years 2001/2002 through 2006/2007 were refunded to the Organization by Sonoma State University. This amount represents refunds for prior fiscal years.

Restricted Resources

The Associated Student's Children's School receives restricted resources in the form of grants from outside agencies. These grant activities have no net effect at year-end on net asset balances, as the revenues are equal to the expenses. All other Funds are unrestricted, but are internally designated by the Board's Reserve Policy. See Note 12.

Organizational Highlights

The Organization had several happenings of note.

The JUMP program expanded, adding a second trip to its Spring Break program. The two trips, to New Orleans and to Zion Park in Utah, provided over 40 students the opportunity to do service over the Sonoma State University spring break.



Management's Discussion and Analysis

The ASP program continued its operational change using student assistants rather than a board of officers. The program sponsored nearly 90 events with total attendance well over 12,000 students. ASP also provided the commencement speaker for the first time in Sonoma State University's history. The speaker provided an inspirational and important message to the nearly 2,000 graduates.

The Organization added another professional staff member to its staff. Michael Crump joined the Organization staff as the first student government coordinator in the Organization's history.

Budgetary Highlights

The Organization saw an increase in collected student fees from 2005/2006 to 2006/2007. This increase was due to an increase in the fee the Organization collects from each student as well as increases in enrollment.

The JUMP program saw a significant increase in collected revenue from last year. This was due almost entirely to funds raised for the Alternative Break trip to New Orleans which took over 30 people to do rebuilding work in the hurricane ravaged areas of the city.

Factors Impacting Future Periods

The Organization has had an increase approved for the fee collected from student members. The fee will increase \$5 per year for four years beginning with the 2005/06 fiscal year. This increase is in addition to the previously approved adjustment to the Organization fee based on the Consumer Price Index of the San Francisco Bay Area.

The Organization will begin to incur costs, such as architecture fees, associated with the construction of the new University Center.

Erik Dickson

Executive Director
Associated Students, Inc.

Associated Students, Incorporated of Sonoma State University

STATEMENTS OF NET ASSETS

June 30, 2007

(With Comparative Totals for June 30, 2006)

	<u>2007</u>	<u>2006</u>
Assets:		
Current assets		
Cash and cash equivalents	\$ 188,485	\$ 207,572
Short-term investments	1,296,364	720,762
Accounts receivable, net	48,915	11,857
Prepaid expenses and other assets	23,514	18,674
Total current assets	<u>1,557,278</u>	<u>958,865</u>
Noncurrent assets		
Capital assets, net	<u>34,475</u>	<u>36,932</u>
Total assets	<u>1,591,753</u>	<u>995,797</u>
Liabilities:		
Current liabilities		
Accounts payable	72,873	109,420
Accrued salaries and benefits payable	10,744	9,540
Accrued compensated absences	12,453	10,989
Deferred revenue	349,096	-
Other liabilities	129,601	112,071
Total current liabilities	<u>574,767</u>	<u>242,020</u>
Noncurrent liabilities		
Accrued compensated absences, net of current portion	<u>-</u>	<u>3,096</u>
Total liabilities	<u>574,767</u>	<u>245,116</u>
Net assets:		
Invested in capital assets, net of related debt	34,475	36,932
Unrestricted	982,511	713,749
Total net assets	<u>\$ 1,016,986</u>	<u>\$ 750,681</u>

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

Associated Students, Incorporated of Sonoma State University Exhibit A
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2007
(With Comparative Totals for the Year Ended June 30, 2006)

	2007	2006
Revenues:		
Operating revenues:		
Student tuition and fees	\$ 1,174,373	\$ 985,952
Grants and contracts, noncapital		
Federal	34,879	28,865
State and local	264,161	211,580
Sales and services of auxiliary enterprises	136,954	141,003
Other operating revenues	56,207	48,094
Total operating revenues	1,666,574	1,415,494
Expenses:		
Operating expenses:		
Student services	1,482,805	1,378,412
Depreciation	9,547	8,617
Total operating expenses	1,492,352	1,387,029
Operating income (loss)	174,222	28,465
Nonoperating revenues (expenses):		
Gifts, noncapital	1,000	2,500
Investment income, net	50,676	74,349
Other nonoperating revenues (expenses)	40,407	-
Net nonoperating revenues (expenses)	92,083	76,849
Change in net assets	266,305	105,314
Net assets:		
Net assets at beginning of period	750,681	645,367
Net assets at end of period	\$ 1,016,986	\$ 750,681

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

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2007

(With Comparative Totals for the Year Ended June 30, 2006)

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Student tuition and fees	\$ 1,174,373	\$ 985,952
Federal grants and contracts	34,879	28,865
State grants and contracts	264,161	211,580
Payments to suppliers	(871,873)	(737,939)
Payments to employees	(587,253)	(537,899)
Payments to students	(65,494)	(60,231)
Other receipts (payments)	522,729	205,979
Net cash provided (used) by operating activities	<u>471,522</u>	<u>96,307</u>
Cash flows from noncapital financing activities		
Gifts and grants received for other than capital purposes	1,000	2,500
Other nonoperating revenues (expenses)	40,407	-
Net cash provided (used) by noncapital financing activities	<u>41,407</u>	<u>2,500</u>
Cash flows from capital and related financing activities:		
Acquisition of property, plant and equipment	(7,228)	-
Disposition of property, plant and equipment	138	-
Net cash provided (used) by capital and related financing activities	<u>(7,090)</u>	<u>-</u>
Cash flows from investing activities:		
Investment income (loss)	50,676	74,349
Purchase of investments	(575,602)	(93,511)
Net cash provided (used) by investing activities	<u>(524,926)</u>	<u>(19,162)</u>
Net increase (decrease) in cash and cash equivalents	(19,087)	79,645
Cash and cash equivalents - beginning of period	207,572	127,927
Cash and cash equivalents - end of period	<u>\$ 188,485</u>	<u>\$ 207,572</u>
Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 174,222	\$ 28,465
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation	9,547	8,617
Change in assets and liabilities:		
Accounts receivable	(37,058)	1,601
Prepaid expenses	(4,840)	(4,039)
Accounts payable	(36,547)	42,519
Accrued salaries and benefits payable	(1,892)	1,862
Accrued compensated absences	1,464	2,003
Deferred revenue	349,096	(90)
Other liabilities	17,530	15,369
Net cash provided (used) by operating activities	<u>\$ 471,522</u>	<u>\$ 96,307</u>

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

Associated Students, Incorporated of Sonoma State University
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 Budget and Actual
 For the Year Ended June 30, 2007

Exhibit C

	Original & Final Budget	Actual	Variance with Final Budget
Revenues:			
Operating revenues:			
Student tuition and fees	\$ 1,221,677	\$ 1,174,373	\$ (47,304)
Grants and contracts, noncapital			
Federal	58,031	34,879	(23,152)
State and local	226,500	264,161	37,661
Sales and services of auxiliary enterprises	125,570	136,954	11,384
Other operating revenues	10,115	56,207	46,092
Total operating revenues	1,641,893	1,666,574	24,681
Expenses:			
Operating expenses:			
Student services	1,644,393	1,482,805	161,588
Depreciation	-	9,547	(9,547)
Total operating expenses	1,644,393	1,492,352	152,041
Operating income (loss)	(2,500)	174,222	176,722
Nonoperating revenues (expenses):			
Gifts, noncapital	2,500	1,000	(1,500)
Investment income, net	-	50,676	50,676
Other nonoperating revenues (expenses)	-	40,407	40,407
Net nonoperating revenues (expenses)	2,500	92,083	89,583
Change in net assets	\$ -	\$ 266,305	\$ 266,305

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

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 1 - ORGANIZATION

Associated Students, Incorporated of Sonoma State University (the Organization) is a nonprofit, auxiliary corporation operating on the campus of Sonoma State University (the University). As such, the Organization is a component unit of the University, which is part of the California State University System (the System). The Organization administers programs that provide for the general welfare of the student body and the University. Such programs are funded principally from student fees.

The Organization's programs include the Children's School, the Associated Student Productions (ASP), the Short-Term Loan, JUMP, the Senate, and the General Fund.

The Children's School provides early childhood education services to the students, staff and faculty families of Sonoma State University.

The Associated Students Productions (ASP) provides support and coordinates Sonoma State students' concerts, lectures, comedy shows, performing arts showcases, club events, noontime concerts and other events throughout the school year.

The Short-Term Loan program provides students \$150 interest-free loans for up to 30 days.

JUMP provides service learning opportunities for students who want to volunteer in local communities.

The Senate is the student government and its programs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Financial Reporting Entity

The basic financial statements present only the statement of net assets, statement of revenues, expenses, and changes in net assets, and statement of cash flows of the Organization.

The Organization is one of four recognized University auxiliary organizations. Auxiliary organizations are legally separate entities that provide services primarily to the University's students and faculty.

(B) Basis of Presentation

The accompanying basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The basic financial statements required by GASB Statements Nos. 34 and 35 include a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows.

The Organization records revenue in part from fees and other charges for services to external users, and accordingly has chosen to present its financial statements using the reporting model for special-purpose governments engaged only in business-type activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(B) Basis of Presentation (concluded)

This model allows all financial information for the Organization to be reported in a single column in each of the basic financial statements. In accordance with the business-type activities reporting model, the Organization prepares its statement of cash flows using the direct method.

(C) Election of Applicable FASB Statements

The Organization uses all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements. The Organization has elected not to adopt the pronouncements issued by the FASB after November 30, 1989.

(D) Classification of Current and Noncurrent Assets and Liabilities

The Organization considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net assets date. Liabilities that reasonably can be expected, as part of normal business operations, to be liquidated within 12 months of the statement of net assets date are considered to be current. All other assets and liabilities are considered to be noncurrent.

(E) Cash Equivalents

The Organization considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

(F) Investments

Investments are reflected at fair value using quoted market prices. Realized and unrealized gains and losses are included in the accompanying statement of revenues, expenses, and changes in net assets as investment income, net.

(G) Capital Assets

Capital assets are stated at cost or estimated historical cost if purchased, or if donated, at estimated fair value at date of donation. Capital assets, including infrastructure, with a value of \$2,000 or more and with a useful life of one year or more are capitalized. Capital assets are depreciated on a straight-line basis over their estimated useful lives, which range from five to thirty years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Depreciation expense is shown separately in the statement of revenues, expenses, and changes in net assets rather than being allocated among other categories of operating expenses.

Assets purchased with California Department of Education (CDE) contract funds are subject to restrictions for which depreciation may not be claimed against CDE funds. CDE has a reversionary interest in assets purchased with government funds. Any disposition of restricted assets of any fund derived therefrom is subject to grant regulations.

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(H) Deferred Revenue

Deferred revenue consists primarily of fees collected in advance but not yet earned as of the year-end.

(I) Compensated Absences

Employees accrue annual leave at rates based on length of service and job classification. Employee vacation benefits earned, but not used, are recognized as liabilities of the Organization. The Organization estimates the current portion for compensated absences based on the fiscal year vacation used. The calculation is based on pay rates at June 30.

Sick leave benefits are earned and accumulated for each employee. However, accumulated sick leave benefits are not recognized as liabilities of the Organization because the payment of such benefits is not probable or estimable.

(J) Net Assets

The Organization's net assets are classified into the following net asset categories:

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

Unrestricted: All other categories of net assets. In addition, unrestricted net assets may be designated for use by management of the Organization. These requirements limit the area of operations for which expenditures of net assets may be made, and require that unrestricted net assets be designated to support future operations in these areas.

(K) Classification of Revenues and Expenses

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

(L) Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Organization is also exempt from California franchise taxes and, therefore, has made no provision for Federal or California income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code.

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

(M) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the accompanying financial statements. Actual results could differ from those estimates.

(N) Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Organization carries commercial insurance.

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

(A) Cash and Cash Equivalents

Cash and cash equivalents at June 30	2007	2006
Book balance	\$ 188,485	\$ 207,572
Bank balances	255,242	236,452
Difference between book balance and bank	\$ (66,757)	\$ (28,880)
Significant reconciling items consist of:		
Deposits in transit	\$ 4,878	\$ -
Outstanding checks	(71,835)	(29,080)
Cash and change fund	200	200
	\$ (66,757)	\$ (28,880)

The banks insure \$100,000 by federal depository insurance per institution (see note 3(F)(i)). The balance is uninsured and held by the financial institution in the Organization's name. It is the opinion of management that the uninsured portion is not of particular concern at this time due to the solvency of the financial institutions.

(B) Restricted cash and cash equivalents.

The Organization does not have restricted cash or cash equivalents.

(C) Composition of investments

The Organization participates in an investment pool managed by Wachovia, formerly Met West, an asset management and investment advisory firm that serves the California State University. Securities within the investment pool are not held in the Organization's name and are not insured. The investments are held in the name of Sonoma State University. Fair market value was \$1,296,364 and \$720,762 as of June 30, 2007 and 2006, respectively. Fair market value is based on the Organization's proportionate interest in the University's Wachovia account. As of June 30, 2007 and 2006, amounts invested had a cost of \$1,299,384 and \$727,959, respectively. Current investments are reported as short-term investments and are included in current assets on the statement of net assets.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2007

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

(C) Composition of investments (concluded)

Composition of investments at June 30, 2007:

(Authorized investments include)

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
State of California Surplus Money Investment Fund	\$ -	\$ -	\$ -
State of California Local Agency Investment Fund	-	-	-
Wachovia/Met West Short Term Fund	1,296,364	-	1,296,364
Wachovia/Met West Medium Term Fund	-	-	-
Wachovia/Met West Equity Fund	-	-	-
Debt and equity securities	-	-	-
Fixed income securities	-	-	-
Real estate	-	-	-
Certificates of deposits	-	-	-
Money market funds	-	-	-
Note receivables	-	-	-
Other	-	-	-
Total investments	<u>\$ 1,296,364</u>	<u>\$ -</u>	<u>\$ 1,296,364</u>

Composition of investments at June 30, 2006:

(Authorized investments include)

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
State of California Surplus Money Investment Fund	\$ -	\$ -	\$ -
State of California Local Agency Investment Fund	-	-	-
Met West Short Term Fund	720,762	-	720,762
Met West Medium Term Fund	-	-	-
Met West Equity Fund	-	-	-
Debt and equity securities	-	-	-
Fixed income securities	-	-	-
Real estate	-	-	-
Certificates of deposits	-	-	-
Money market funds	-	-	-
Note receivables	-	-	-
Other	-	-	-
Total investments	<u>\$ 720,762</u>	<u>\$ -</u>	<u>\$ 720,762</u>

(D) Investment income, net, as reflected in the statement of revenues, expenses, and changes in net assets

	<u>2007</u>	<u>2006</u>
Investment income		
Interest and dividends	\$ 46,499	\$ 26,225
Net increase (decrease in fair value)	4,177	48,124
Total investment income	<u>\$ 50,676</u>	<u>\$ 74,349</u>

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

(E) Investments held under contractual agreements:

The Organization does not hold investments on behalf of others. As noted above in Note 3(C), the Organization's investment in Wachovia/MetWest is held by the University.

(F) Deposit and Investment Risk

(i) Custodial Risk

Custodial credit risk is the risk that in the event of the failure of a counterparty, the Organization would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Financial instruments that potentially subject the Organization to custodial risk consist primarily of bank demand deposits and investments in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or the Securities Investors Protector Corporation (SIPC). The Organization had cash on deposit with one financial institution, which exceeded the federally insured limit by \$19,835 and \$36,452 at June 30, 2007 and 2006, respectively.

Investments other than cash are not held in the name of the Organization. These investments are held in the name of the University.

(ii) Concentration of Credit Risk

Concentrations of credit risk include cash on deposit and uninsured investments with a financial institution above \$500,000. The fair value and cost of these investments at June 30, 2007, were \$1,296,364 and \$1,299,384, respectively. The fair value and cost of these investments at June 30, 2006, were \$720,762 and \$727,959, respectively. Fair market value is based on the Organization's proportionate interest in the University's Wachovia (formerly Met West) account.

(iii) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The Organization's investments are held as Agency Trust funds by the University. The University manages its exposure to interest rate risk is by purchasing a combination of short-term and mid-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or nearing maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The University monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

The Organization's portion of the University investments is held in the MetWest Short-Term Account.

The weighted average maturity of the Organization's share of the University's investment portfolio for each investment type as of June 30, 2007 is presented in the table below.

(iv) Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2007

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

(F) Deposit and Investment Risk (continued)

(iv) Credit Risk (continued)

The following table presents the fair value, weighted average maturity, and actual rating by investment type of the Organization's portion of the University's investment portfolio as of June 30, 2007:

Investment type	Fair value	Weighted average maturity (in years)	Rating as of year-end			
			AAA	AA	A	Not rated
Money market mutual funds	\$ 3,889	0.000	\$ -	\$ -	\$ -	\$ 3,889
Certificates of deposit	395,391	0.035	-	134,433	221,419	39,539
Commercial Paper	356,500	0.100	-	-	-	356,500
U.S. agency securities	-	0.000	-	-	-	-
Mortgage-backed securities	1,296	40.000	-	-	-	1,296
Corporate & fixed income securities	539,288	0.019	156,394	312,787	70,107	-
Total	<u>\$1,296,364</u>		<u>\$ 156,394</u>	<u>\$ 447,220</u>	<u>\$ 291,526</u>	<u>\$ 401,224</u>
Not subject to ratings:						
U.S. treasury securities	-					
State of California Surplus Money Investment Fund	-					
State of California Local Agency Investment Fund	-					
Total investments	<u>\$1,296,364</u>					

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2007

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (concluded)

(F) Deposit and Investment Risk (concluded)

(iv) Credit Risk (concluded)

The following table presents the fair value, weighted average maturity, and actual rating by investment type of the Organization's portion of the University's investment portfolio as of June 30, 2006:

Investment type	Fair value	Weighted average maturity (in years)	Rating as of year-end			
			AAA	AA	A	Not rated
Money market mutual funds	\$ 17,298	0.0	\$ 5,137	\$ -	\$ -	\$ 12,161
Certificates of deposit	178,028	1.5	-	44,507	119,279	14,242
U.S. agency securities	59,823	0.6	59,823	-	-	-
Mortgage-backed securities	-	-	-	-	-	-
Corporate & fixed income securities	465,613	1.7	13,969	158,308	293,336	-
Total	<u>\$ 720,762</u>		<u>\$ 78,929</u>	<u>\$ 202,815</u>	<u>\$ 412,615</u>	<u>\$ 26,403</u>
Not subject to ratings:						
U.S. treasury securities	-					
State of California Surplus Money Investment Fund	-					
State of California Local Agency Investment Fund	-					
Total investments	<u>\$ 720,762</u>					

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2007 consisted of the following:

	2007		
	Current	Noncurrent	Total
Due from University	\$ 286	\$ -	\$ 286
Other accounts receivable	48,629	-	48,629
Total	<u>\$ 48,915</u>	<u>\$ -</u>	<u>\$ 48,915</u>

Accounts receivable at June 30, 2006 consisted of the following:

	2006		
	Current	Noncurrent	Total
Other accounts receivable	\$ 11,857	\$ -	\$ 11,857
Total	<u>\$ 11,857</u>	<u>\$ -</u>	<u>\$ 11,857</u>

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2007

NOTE 5 - PREPAID EXPENSES AND OTHER ASSETS

Prepaid expense balances are calculated and adjusted at year-end to properly charge funds in the period benefited. Prepaid expenses as of June 30 are comprised of the following:

	2007	2006
Awards	\$ 3,375	\$ 1,250
SSU/SSUITE Contracts	16,927	7,118
Prepaid Insurance (Sports Club Insurance)	2,237	10,306
Deposit on Retreat Site	975	-
Total	\$ 23,514	\$ 18,674

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2007 consisted of the following:

Composition of capital assets at June 30, 2007:

	Balance June 30, 2006	Prior Period Adjust- ments	Reclassifi- cations	Balance June 30, 2006	Additions	Reductions	Transfers	Balance June 30, 2007
Nondepreciable capital assets								
Land and land improvements	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Works of art and historical treasures	—	—	—	—	—	—	—	—
Construction work in progress	—	—	—	—	—	—	—	—
Total nondepreciable capital assets	—	—	—	—	—	—	—	—
Depreciable capital assets								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	81,596	—	—	81,596	—	—	—	81,596
Personal property:								
Equipment	61,713	—	—	61,713	7,228	(11,067)	—	57,874
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets	—	—	—	—	—	—	—	—
Total depreciable capital assets	143,309	—	—	143,309	7,228	(11,067)	—	139,470
Total cost	143,309	—	—	143,309	7,228	(11,067)	—	139,470
Less accumulated depreciation:								
Buildings and building improvements	—	—	—	—	—	—	—	—
Improvements, other than buildings	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	—	—	—	—	—
Leasehold improvements	(56,299)	—	—	(56,299)	(4,139)	—	—	(60,438)
Personal property:								
Equipment	(50,078)	—	—	(50,078)	(5,408)	10,929	—	(44,557)
Library books and materials	—	—	—	—	—	—	—	—
Intangible assets	—	—	—	—	—	—	—	—
Total accumulated depreciation	(106,377)	—	—	(106,377)	(9,547)	10,929	—	(104,995)
Net capital assets	\$ 36,932	\$ —	\$ —	\$ 36,932	\$ (2,319)	\$ (138)	\$ —	\$ 34,475
Depreciation and amortization expense related to capital assets								\$ 9,547
Amortization expense related to other assets								—
Total depreciation and amortization								\$ 9,547

Depreciation expense was \$9,547 for the year ended June 30, 2007, and is included in operating expenses in the statement of revenues, expenses, and changes in net assets.

As of June 30, 2007, fixed assets purchased with CDE funds totaled \$116,353 of which \$8,400 was purchased and expensed during fiscal year ended June 30, 2007.

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2007

NOTE 6 - CAPITAL ASSETS (concluded)

Capital assets activity for the year ended June 30, 2006 consisted of the following:

Composition of capital assets at June 30, 2006:

	Balance June 30, 2005	Prior Period Adjust- ments	Reclassifi- cations	Balance June 30, 2005	Additions	Reductions	Transfers	Balance June 30, 2006
Depreciable capital assets								
Buildings and building improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	81,596	-	-	81,596	-	-	-	81,596
Personal property:								
Equipment	61,713	-	-	61,713	-	-	-	61,713
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total depreciable capital assets	<u>143,309</u>	<u>-</u>	<u>-</u>	<u>143,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,309</u>
Total cost	<u>143,309</u>	<u>-</u>	<u>-</u>	<u>143,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,309</u>
Less accumulated depreciation:								
Buildings and building improvements	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Leasehold improvements	(51,782)	-	-	(51,782)	(4,517)	-	-	(56,299)
Personal property:								
Equipment	(45,978)	-	-	(45,978)	(4,100)	-	-	(50,078)
Library books and materials	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Total accumulated depreciation	<u>(97,760)</u>	<u>-</u>	<u>-</u>	<u>(97,760)</u>	<u>(8,617)</u>	<u>-</u>	<u>-</u>	<u>(106,377)</u>
Net capital assets	<u>\$ 45,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,549</u>	<u>\$ (8,617)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,932</u>
Depreciation and amortization expense related to capital assets								\$ 8,617
Amortization expense related to other assets								-
Total depreciation and amortization								<u>\$ 8,617</u>

Depreciation expense was \$8,617 for the year ended June 30, 2006, and is included in operating expenses in the statement of revenues, expenses, and changes in net assets.

NOTE 7 - LEASE OBLIGATIONS

The Organization is obligated under an operating lease with the University for the use of network services through the year 2010. At June 30, 2007, the Organization had prepaid \$16,927 towards this operating lease. The Organization is also obligated under an operating lease with De Lage Landen Financial Services, Inc. for the use of two copiers into the year 2012. At June 30, 2007, the Organization had prepaid \$2,231 towards this operating lease.

Future minimum lease payments remaining for operating leases having remaining terms in excess of one year are:

Year ending June 30:	Operating leases
2008	\$ 18,974
2009	16,724
2010	2,974
2011	2,974
2012	<u>1,487</u>
Total minimum lease payments	<u>\$ 43,133</u>

Associated Students, Incorporated of Sonoma State University

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2007

NOTE 7 - LEASE OBLIGATIONS (concluded)

Actual equipment rental expense under this operating lease for the years ended June 30, 2007 and 2006 totaled \$9,366 and \$13,981, respectively.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

Employee vacation benefits earned, but not used, are recognized as liabilities of the Organization. Total accrued vacation benefits payable was \$12,453 and \$14,085 as of June 30, 2007 and 2006, respectively. (See Note 11).

Sick leave benefits are earned and accumulated for each employee. However, accumulated sick leave benefits are not recognized as liabilities of the Organization because the payment of such benefits is not probable or estimable.

NOTE 9 - DEFERRED REVENUE

Deferred revenue as of June 30 represents that portion of fees received, but not yet earned as of the year-end. The amount of fees to be earned is:

	2007	2006
Children's School Parent Fees	\$ 988	\$ -
Student Fees 07/08, invested	348,108	-
Total	\$ 349,096	\$ -

NOTE 10 - OTHER LIABILITIES (CURRENT)

The composition of other liabilities (current) at June 30 is:

	2007	2006
Club Accounting	\$ 126,535	\$ 110,101
Free Speech Podium	500	500
Aflac Insurance-Employee Withholding	-	76
Accrued Workers' Compensation Payable	1,306	582
State Income Tax Withheld	1,260	812
Total	\$ 129,601	\$ 112,071

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2007

NOTE 11 - LONG-TERM LIABILITIES ACTIVITY

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

Long-term liabilities activity schedule:

	Balance June 30, 2006	Prior Period Adjust- ments	Reclass- ifications	Balance June 30, 2006	Additions	Reductions	Balance June 30, 2007	Long-term portion	Current portion
Accrued compensated absences	\$ 14,085	\$ -	\$ -	\$ 14,085	\$ 12,453	\$ (14,085)	\$ 12,453	\$ -	\$ 12,453
Capitalized lease obligations:	-	-	-	-	-	-	-	-	-
Long-term debt obligations:	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 14,085	\$ -	\$ -	\$ 14,085	\$ 12,453	\$ (14,085)	\$ 12,453	\$ -	\$ 12,453

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

Long-term liabilities activity schedule:

	Balance June 30, 2005	Prior Period Adjust- ments	Reclass- ifications	Balance June 30, 2005	Additions	Reductions	Balance June 30, 2006	Long-term portion	Current portion
Accrued compensated absences	\$ 13,012	\$ -	\$ -	\$ 13,012	\$ 11,531	\$ (10,458)	\$ 14,085	\$ 3,096	\$ 10,989
Capitalized lease obligations:	-	-	-	-	-	-	-	-	-
Long-term debt obligations:	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-
Total long-term liabilities	\$ 13,012	\$ -	\$ -	\$ 13,012	\$ 11,531	\$ (10,458)	\$ 14,085	\$ 3,096	\$ 10,989

NOTE 12 - UNRESTRICTED, DESIGNATED NET ASSETS

The Board of Directors has designated portions of the General Fund component of the net assets according to the Organization's policy on reserve accounts. The designations at June 30 are:

	<u>2007</u>	<u>2006</u>
Corporate Reserve	\$ 283,974	\$ 283,974
Transitional Housing Program Reserve	6,268	6,268
Capital Expenditure Reserve	201,272	41,415
Operating Reserve	231,100	207,136
Unallocated Reserve	<u>50,891</u>	<u>42,477</u>
Total unrestricted, designated net assets	<u>773,505</u>	<u>581,270</u>
Total invested in capital assets, net of related debt	34,475	36,932
Total unrestricted, undesignated net assets	<u>209,006</u>	<u>132,479</u>
Total net assets	<u>\$ 1,016,986</u>	<u>\$ 750,681</u>

Associated Students, Incorporated of Sonoma State University

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2007

NOTE 13 - PENSION PLAN AND POSTRETIREMENT BENEFITS

The Organization has a tax sheltered annuity plan under Section 403(b) of the Internal Revenue Code for its staff employees. Once hired, all regular employees are eligible for participation starting the first day of employment. The Organization contributes 7% of the employee's annual compensation. Total contributions to the plan were \$14,226 and \$11,093 for the years ended June 30, 2007 and 2006, respectively. Additional contributions for reimbursed payrolls were \$36,287 and \$35,945 for the years ended June 30, 2007 and 2006, respectively.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Federal grant programs are subject to review by the grantor agencies, which could result in requests for reimbursement to grantor agencies for disallowed expenditures. Management believes that it has adhered to the terms of its grants and that any disallowed expenditures resulting from such review would not have a material effect on the financial position of the University.

NOTE 15 - CLASSIFICATION OF OPERATING EXPENSES

The Organization has elected to report operating expenses by functional classification in the statement of revenues, expenses, and changes in net assets, but to provide the natural classification of those expenses as an additional disclosure. For the years ended June 30, 2007 and 2006, operating expenses by natural classification consisted of the following:

<u>2007</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Supplies and other services</u>	<u>Depreciation</u>	<u>Total</u>
Functional classification:					
Student services	\$ 586,824	\$ 177,851	\$ 718,130	\$ -	\$ 1,482,805
Depreciation	-	-	-	9,547	9,547
Total	<u>\$ 586,824</u>	<u>\$ 177,851</u>	<u>\$ 718,130</u>	<u>\$ 9,547</u>	<u>\$ 1,492,352</u>
<u>2006</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Supplies and other services</u>	<u>Depreciation</u>	<u>Total</u>
Functional classification:					
Student services	\$ 541,761	\$ 163,228	\$ 673,423	\$ -	\$ 1,378,412
Depreciation	-	-	-	8,617	8,617
Total	<u>\$ 541,761</u>	<u>\$ 163,228</u>	<u>\$ 673,423</u>	<u>\$ 8,617</u>	<u>\$ 1,387,029</u>

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2007

NOTE 16 - TRANSACTIONS WITH RELATED ENTITIES

The Organization has an operating agreement with the California State University Trustees for the provision of certain auxiliary activities including student body organization and student programs. The agreement provides for reimbursement of allowable direct costs plus an allocable portion of indirect costs associated with facilities, goods, and services provided by the University on behalf of the Trustees in accordance with CSU Executive Order 753-Allocation of Costs to Auxiliary Enterprises and the University's annual cost allocation plan. These amounts are included in student services expenses in the statement of revenue, expense, and changes in net assets.

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2007

NOTE 16 - TRANSACTIONS WITH RELATED ENTITIES (concluded)

Related party activities during the years ended June 30, 2007 and 2006 are reflected below:

	<u>2007</u>	<u>2006</u>
Payments to the University:		
CSU Executive Order 753 and other contracted services	\$ 84,376	\$ 130,169
Other contracted services	53,951	53,720
Contributions and support for student programs		
Tutorial center program	35,292	30,191
Reimbursement for Children's School personnel costs	410,240	318,011
Total payments to the University	<u>\$ 583,859</u>	<u>\$ 532,091</u>
Payments to recognized auxiliary organizations for services, office space rental, and programs:		
SSU Academic Foundation	\$ 4,466	\$ 2,794
Sonoma State Enterprises, Inc.	8,381	7,667
Sonoma Student Union Corp.		
Reimbursed personnel costs	76,890	74,113
Space rentals	45,520	36,500
Contracted operating expenses	13,426	17,915
Total payments to other Auxiliaries	<u>\$ 148,683</u>	<u>\$ 138,989</u>
Amounts received from the University		
AS Student Body Fees reimbursed	\$ 1,174,373	\$ 985,952
ASI program support	31,476	750
Short term loans recovered	2,515	1,380
CSSA conference attendance	550	307
Total received from the University	<u>\$ 1,208,914</u>	<u>\$ 988,389</u>
Amounts received from recognized auxiliary organizations		
SSU Academic Foundation	\$ 9,502	\$ 3,936
Sonoma State Enterprises, Inc.	1,800	-
Sonoma Student Union Corp.	15,392	5,591
Total received from other Auxiliaries	<u>\$ 26,694</u>	<u>\$ 9,527</u>
Amounts receivable from the University	<u>\$ 286</u>	<u>\$ -</u>
Amounts receivable from other Auxiliaries	<u>\$ -</u>	<u>\$ -</u>
Amounts payable to the University	<u>\$ 55,050</u>	<u>\$ 95,128</u>
Amounts payable to other Auxiliaries	<u>\$ 319</u>	<u>\$ 4,363</u>

Associated Students, Incorporated of Sonoma State University

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2007

NOTE 17 - CALCULATION OF NET ASSETS – INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

	<u>2007</u>	<u>2006</u>
Capital assets, net of accumulated depreciation	\$ 34,475	\$ 36,932
Long-term debt obligations, current portion	-	-
Long-term debt obligations, net of current portion	-	-
	<u>\$ 34,475</u>	<u>\$ 36,932</u>

Associated Students, Incorporated of Sonoma State University
COMBINING STATEMENT OF NET ASSETS
 June 30, 2007

Schedule 1

	General Fund	Children's School	Loan Fund	ASP	Jump Fund	Senate	Clubs	Total
Assets:								
Current assets								
Cash and cash equivalents	\$ (140,012)	\$ 63,658	\$ 12,901	\$ 55,320	\$ 17,560	\$ 53,754	\$ 125,304	\$ 188,485
Short-term investments	1,296,364	-	-	-	-	-	-	1,296,364
Accounts receivable, net	286	47,284	345	-	-	1,000	-	48,915
Prepaid expenses and other assets	15,391	1,696	-	-	625	5,802	-	23,514
Total current assets	<u>1,172,029</u>	<u>112,638</u>	<u>13,246</u>	<u>55,320</u>	<u>18,185</u>	<u>60,556</u>	<u>125,304</u>	<u>1,557,278</u>
Noncurrent assets								
Capital assets, net	11,417	23,058	-	-	-	-	-	34,475
Total noncurrent assets	<u>11,417</u>	<u>23,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,475</u>
Total assets	<u>1,183,446</u>	<u>135,696</u>	<u>13,246</u>	<u>55,320</u>	<u>18,185</u>	<u>60,556</u>	<u>125,304</u>	<u>1,591,753</u>
Liabilities:								
Current liabilities								
Accounts payable	5,794	53,480	-	32	122	13,126	319	72,873
Accrued salaries and benefits payable	10,300	-	-	325	119	-	-	10,744
Accrued compensated absences	12,453	-	-	-	-	-	-	12,453
Deferred revenue	348,108	988	-	-	-	-	-	349,096
Other liabilities	3,356	-	-	1,260	-	-	124,985	129,601
Total liabilities	<u>380,011</u>	<u>54,468</u>	<u>-</u>	<u>1,617</u>	<u>241</u>	<u>13,126</u>	<u>125,304</u>	<u>574,767</u>
Net assets								
Invested in capital assets, net of related debt	11,417	23,058	-	-	-	-	-	34,475
Unrestricted	792,018	58,170	13,246	53,703	17,944	47,430	-	982,511
Total net assets	<u>\$ 803,435</u>	<u>\$ 81,228</u>	<u>\$ 13,246</u>	<u>\$ 53,703</u>	<u>\$ 17,944</u>	<u>\$ 47,430</u>	<u>\$ -</u>	<u>\$ 1,016,986</u>

Associated Students, Incorporated of Sonoma State University
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 Year Ended June 30, 2007

Schedule 2

	General Fund	Children's School	Loan Fund	ASP	Jump Fund	Senate	Clubs	Total
Revenues:								
Operating revenues:								
Student tuition and fees	\$ 1,174,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,174,373
Grants and contracts, noncapital								
Federal	-	34,879	-	-	-	-	-	34,879
State and local	-	264,161	-	-	-	-	-	264,161
Sales and services of auxiliary enterprises	-	136,954	-	-	-	-	-	136,954
Other operating revenues	-	5,705	160	18,040	32,142	160	-	56,207
Total operating revenues	<u>1,174,373</u>	<u>441,699</u>	<u>160</u>	<u>18,040</u>	<u>32,142</u>	<u>160</u>	<u>-</u>	<u>1,666,574</u>
Expenses:								
Operating expenses:								
Student services	651,308	491,943	195	126,211	83,021	130,127	-	1,482,805
Depreciation	4,667	4,880	-	-	-	-	-	9,547
Total operating expenses	<u>655,975</u>	<u>496,823</u>	<u>195</u>	<u>126,211</u>	<u>83,021</u>	<u>130,127</u>	<u>-</u>	<u>1,492,352</u>
Operating income (loss)	<u>518,398</u>	<u>(55,124)</u>	<u>(35)</u>	<u>(108,171)</u>	<u>(50,879)</u>	<u>(129,967)</u>	<u>-</u>	<u>174,222</u>
Nonoperating revenues (expenses):								
Gifts, noncapital	-	-	-	-	-	1,000	-	1,000
Investment income, net	50,676	-	-	-	-	-	-	50,676
Other nonoperating revenues (expenses)	(398,242)	94,500	-	146,696	50,313	147,140	-	40,407
Net nonoperating revenues (expenses)	<u>(347,566)</u>	<u>94,500</u>	<u>-</u>	<u>146,696</u>	<u>50,313</u>	<u>148,140</u>	<u>-</u>	<u>92,083</u>
Increase (decrease) in net assets	<u>170,832</u>	<u>39,376</u>	<u>(35)</u>	<u>38,525</u>	<u>(566)</u>	<u>18,173</u>	<u>-</u>	<u>266,305</u>
Net assets:								
Net assets at beginning of period	608,638	41,852	13,281	39,143	18,510	29,257	-	750,681
Fund Balance Transfer	23,965	-	-	(23,965)	-	-	-	-
Net assets at end of period	<u>\$ 803,435</u>	<u>\$ 81,228</u>	<u>\$ 13,246</u>	<u>\$ 53,703</u>	<u>\$ 17,944</u>	<u>\$ 47,430</u>	<u>\$ -</u>	<u>\$ 1,016,986</u>

**AUDITED FINAL ATTENDANCE AND FISCAL REPORT
for Child Development Programs**

Agency Name: Associated Students-California State University-Sonoma Vendor No. 49-Y421-00-06

Fiscal Year Ended: June 30, 2007 Contract No. CCTR-6446

Independent Auditor's Name: R.J. Ricciardi, Inc. Certified Public Accountants

SECTION I - CERTIFIED CHILDREN	EDP NO.	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
		CUMULATIVE FISCAL YEAR PER AGENCY	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
DAYS OF ENROLLMENT						
<i>Infants (up to 18 months)</i>						
Full-time-plus	101	-		-	2.006	-
Full-time	103	1,008		1,008	1.700	1,714
Three-quarters-time	105	320		320	1.275	408
One-half-time	107	46		46	0.935	43
<i>FCCH Infants (up to 18 months)</i>						
Full-time plus	101A	-		-	1.652	-
Full-time	103A	-		-	1.400	-
Three-quarters-time	105A	-		-	1.050	-
One-half-time	107A	-		-	0.770	-
<i>Toddlers (18 up to 36 months)</i>						
Full-time-plus	101B	-		-	1.652	-
Full-time	103B	2,017		2,017	1.400	2,824
Three-quarters-time	105B	221		221	1.050	232
One-half-time	107B	63		63	0.770	49
<i>Three Years and Older</i>						
Full-time-plus	111	-		-	1.180	-
Full-time	113	2,404		2,404	1.000	2,404
Three-quarters-time	115	827		827	0.750	620
One-half-time	117	192		192	0.550	106
<i>Exceptional Needs</i>						
Full-time-plus	121	-		-	1.416	-
Full-time	123	-		-	1.200	-
Three-quarters-time	125	-		-	0.900	-
One-half-time	127	-		-	0.660	-
<i>Limited and Non-English Proficient</i>						
Full-time-plus	131	-		-	1.298	-
Full-time	133	-		-	1.100	-
Three-quarters-time	135	-		-	0.825	-
One-half-time	137	-		-	0.605	-
<i>Children at Risk of Abuse or Neglect</i>						
Full-time-plus	141	-		-	1.298	-
Full-time	143	-		-	1.100	-
Three-quarters-time	145	-		-	0.825	-
One-half-time	147	-		-	0.605	-
<i>Severely Handicapped</i>						
Full-time-plus	151	-		-	1.770	-
Full-time	153	-		-	1.500	-
Three-quarters-time	155	-		-	1.125	-
One-half-time	157	-		-	0.825	-
TOTAL DAYS OF ENROLLMENT	190	7,098	-	7,098		8,400
DAYS OF OPERATION	169	213		213		
DAYS OF ATTENDANCE	179	7,098		7,098		

NO NONCERTIFIED CHILDREN - Check this box and continue to Section III if no noncertified children were enrolled in the program.

**AUDITED FINAL ATTENDANCE AND FISCAL REPORT
for Child Development Programs**

Agency Name: Associated Students-California State University-Sonoma Vendor No. 49-Y421-00-06

Fiscal Year Ended: June 30, 2007 Contract No. CCTR-6446
Commingled Contract No. (If Any) _____

SECTION II - NONCERTIFIED CHILDREN		COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	
Report all children who were not certified but were served at the same site(s) as certified children.		EDP NO.	CUMULATIVE FISCAL YEAR PER AGENCY	AUDIT ADJUSTMENTS	CUMULATIVE FISCAL YEAR PER AUDIT	ADJUSTMENT FACTOR	ADJUSTED DAYS OF ENROLLMENT PER AUDIT
DAYS OF ENROLLMENT							
<i>Infants (up to 18 months)</i>							
Full-time-plus	201	-	-	2.006	-	-	
Full-time	203	312	312	1.700	530		
Three-quarters-time	205	205	205	1.275	261		
One-half-time	207	159	159	0.935	149		
<i>FCCH Infants (up to 18 months)</i>							
Full-time plus	201A	-	-	1.652	-	-	
Full-time	203A	-	-	1.400	-	-	
Three-quarters-time	205A	-	-	1.050	-	-	
One-half-time	207A	-	-	0.770	-	-	
<i>Toddlers (18 up to 36 months)</i>							
Full-time-plus	201B	-	-	1.652	-	-	
Full-time	203B	543	543	1.400	760		
Three-quarters-time	205B	190	190	1.050	200		
One-half-time	207B	7	7	0.770	5		
<i>Three Years and Older</i>							
Full-time-plus	211	-	-	1.180	-	-	
Full-time	213	1,551	1,551	1.000	1,551		
Three-quarters-time	215	152	152	0.750	114		
One-half-time	217	525	525	0.550	289		
<i>Exceptional Needs</i>							
Full-time-plus	221	-	-	1.416	-	-	
Full-time	223	-	-	1.200	-	-	
Three-quarters-time	225	-	-	0.900	-	-	
One-half-time	227	-	-	0.660	-	-	
<i>Limited and Non-English Proficient</i>							
Full-time-plus	231	-	-	1.298	-	-	
Full-time	233	-	-	1.100	-	-	
Three-quarters-time	235	-	-	0.825	-	-	
One-half-time	237	-	-	0.605	-	-	
<i>Children at Risk of Abuse or Neglect</i>							
Full-time-plus	241	-	-	1.298	-	-	
Full-time	243	-	-	1.100	-	-	
Three-quarters-time	245	-	-	0.825	-	-	
One-half-time	247	-	-	0.605	-	-	
<i>Severely Handicapped</i>							
Full-time-plus	251	-	-	1.770	-	-	
Full-time	253	-	-	1.500	-	-	
Three-quarters-time	255	-	-	1.125	-	-	
One-half-time	257	-	-	0.825	-	-	
TOTAL DAYS OF ENROLLMENT	290	3,644	-	3,644		3,859	

**AUDITED FINAL ATTENDANCE AND FISCAL REPORT
for Child Development Programs**

Agency Name: Associated Students-California State University-Sonoma Vendor No. 49-Y421-00-06

Fiscal Year End: June 30, 2007 Contract No. CCTR-6446
Commingled Contract No. (If Any) _____

SECTION III - REVENUE	EDP NO.	COLUMN A	COLUMN B	COLUMN C
		CUMULATIVE FISCAL YEAR PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME				
CCF/National School Lunch Program	302	\$24,290	\$0	\$24,290
Restricted income for operating costs	308			0
Maintenance of Effort	339			0
Other (specify):	312	366		366
SUBTOTAL	310	24,656	0	24,656
TRANSFER FROM RESERVE FUND	311			0
FAMILY FEES FOR CERTIFIED CHILDREN				
State General Fund	329	8,168		8,168
Federal Fund	331			0
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS				
State General Fund	349			0
Federal Fund	350			0
NON-RESTRICTED INCOME				
Parent fees for noncertified children	356	134,491		134,491
Cal Learn Program	358			0
Other (specify):	362	0	0	0
TOTAL REVENUE	390	\$167,315	\$0	\$167,315

SECTION IV - EXPENSES

REIMBURSABLE EXPENSES				
Direct Payments to Providers (FCCH Only)	401	\$0	\$0	\$0
1000 Certificated Salaries	402	64,306		64,306
2000 Classified Salaries	404	214,257		214,257
3000 Employee Benefits	406	101,562		101,562
4000 Books and Supplies	408	37,650		37,650
5000 Services/Other Operating Expenses	412	61,741		61,741
6100/6200 Other Approved Capital Outlay	413			0
6400 New Equipment (program-related)	414			0
6500 Replace Equipment (program-related)	416			0
Depreciation or Use Allowance	439			0
Start-Up Expenses (service level exemption)	447			0
Start-Up/Close-Down Expenses (migrant)	449			0
Indirect Costs -- Rate %: 0.00%	459			0
NONREIMBURSABLE EXPENSES				
6100-6500 Nonreimbursable capital outlay	479			0
Other nonreimbursable expenses (specify):	489	603		603
TOTAL EXPENSES	490	\$480,119	\$0	\$480,119
TOTAL ADMINISTRATIVE COST (in Sec. IV)		\$7,970	\$0	\$7,970

Independent Auditor's Certifications on meeting the requirements of the California Department of Education, Child Development Division:

Attendance records are being maintained as required (check YES or NO):

YES
 NO - Explain any discrepancies.

Attendance data reported in Column C of pages 1 and 2 agree with the original supporting records, such as sign-in/sign-out sheets and daily attendance records (check YES or NO):

YES
 NO - Explain any discrepancies.

COMMENTS:

**AUDITED FINAL REVENUE AND EXPENDITURE REPORT
for Support Contracts**

Agency Name: Associated Students-California State University-Sonoma

Fiscal Year End: June 30, 2007 Contract No. CCAP-6464

Independent Auditor's Name: R.J. Ricciardi, Inc. Certified Public Accountants

SECTION I - REVENUE	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME			
Child Care Food/National School Lunch Program	\$0	\$0	\$0
Cal Learn Program			0
Restricted income for operating costs			0
Maintenance of Effort			0
Other (specify): <u>Matching Requirement</u>			0
Subtotal Restricted Program Income	0	0	0
FAMILY FEES FOR CERTIFIED CHILDREN			0
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS			0
NON-RESTRICTED INCOME			
Parent fees for noncertified children			0
Other (specify):			0
Subtotal Revenue for Current Fiscal Year	0	0	0
Revenue Earned in Prior Years			0
TOTAL REVENUE	\$0	\$0	\$0

SECTION II - EXPENDITURES

REIMBURSABLE			
1000 Certificated Salaries	\$0	\$0	\$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies	2,353		2,353
5000 Services and Other Operating Expenses	301		301
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Indirect Costs -- Rate:			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay			0
Other nonreimbursable expenses (specify):			0
Subtotal Expenses for Current Fiscal Year	2,654	0	2,654
Expenses Incurred in Prior Years			0
TOTAL EXPENSES	\$2,654	\$0	\$2,654
TOTAL ADMINISTRATIVE COST (included in section II above)			\$0

COMMENTS - If necessary, attach additional sheet(s) to explain information contained in this report:

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**AUDITED FINAL REVENUE AND EXPENDITURE REPORT
for Support Contracts**

Agency Name: Associated Students-California State University-SonomaFiscal Year End: June 30, 2007 Contract No. CIMS-6683Independent Auditor's Name: R.J. Ricciardi, Inc. Certified Public Accountants

SECTION I - REVENUE	COLUMN A	COLUMN B	COLUMN C
	CUMULATIVE FISCAL YEAR PER AGENCY	AUDIT ADJUSTMENT INCREASE OR (DECREASE)	CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME			
Child Care Food/National School Lunch Program	\$0	\$0	\$0
Cal Learn Program			0
Restricted income for operating costs			0
Maintenance of Effort			0
Other (<i>specify</i>): Match Requirement			0
Subtotal Restricted Program Income	0	0	0
FAMILY FEES FOR CERTIFIED CHILDREN			0
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS			0
NON-RESTRICTED INCOME			
Parent fees for noncertified children			0
Other (<i>specify</i>):			0
Subtotal Revenue for Current Fiscal Year	0	0	0
Revenue Earned in Prior Years			0
TOTAL REVENUE	\$0	\$0	\$0
SECTION II - EXPENDITURES			
REIMBURSABLE			
1000 Certificated Salaries	\$0	\$0	\$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies	770		770
5000 Services and Other Operating Expenses			0
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (<i>program-related</i>)			0
6500 Equipment Replacement (<i>program-related</i>)			0
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Indirect Costs -- Rate:			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay			0
Other nonreimbursable expenses (<i>specify</i>):			0
Subtotal Expenses for Current Fiscal Year	770	0	770
Expenses Incurred in Prior Years			0
TOTAL EXPENSES	\$770	\$0	\$770
TOTAL ADMINISTRATIVE COST <small>(included in section II above)</small>			\$0

COMMENTS - If necessary, attach additional sheet(s) to explain information contained in this report:

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Associated Students, Incorporated of Sonoma State University
 Child Development Programs
SCHEDULE OF REPORTED, ADJUSTED AND ALLOWED MEALS
 Child Care Food Program - Centers 49-1784-7-A
 For the Period July 1, 2006 to December 31, 2006

Schedule 9

	July 2006			August 2006			September 2006		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<u>Breakfast</u>									
Total	256	-	256	153	-	153	433	-	433
Free	108	-	108	65	-	65	183	-	183
Reduced	40	-	40	24	-	24	68	-	68
Base	108	-	108	64	-	64	182	-	182
<u>Lunch</u>									
Total	580	-	580	378	-	378	942	-	942
Free	245	-	245	159	-	159	397	-	397
Reduced	91	-	91	59	-	59	147	-	147
Base	244	-	244	160	-	160	398	-	398
<u>Supplements</u>									
Total	735	-	735	488	-	488	1,214	-	1,214
Free	310	-	310	206	-	206	512	-	512
Reduced	115	-	115	76	-	76	190	-	190
Base	310	-	310	206	-	206	512	-	512
	October 2006			November 2006			December 2006		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<u>Breakfast</u>									
Total	436	-	436	361	-	361	223	-	223
Free	208	(7)	201	172	(6)	166	106	(3)	103
Reduced	55	7	62	46	6	52	28	4	32
Base	173	-	173	143	-	143	89	(1)	88
<u>Lunch</u>									
Total	1,047	-	1,047	869	-	869	470	-	470
Free	499	(17)	482	414	(14)	400	224	(8)	216
Reduced	133	17	150	110	14	124	60	7	67
Base	415	-	415	345	-	345	186	1	187
<u>Supplements</u>									
Total	1,373	-	1,373	1,101	-	1,101	616	-	616
Free	654	(22)	632	524	(17)	507	293	(9)	284
Reduced	174	22	196	140	17	157	78	10	88
Base	545	-	545	437	-	437	245	(1)	244

Associated Students, Incorporated of Sonoma State University
 Child Development Programs
SCHEDULE OF REPORTED, ADJUSTED AND ALLOWED MEALS
 Child Care Food Program - Centers 49-1784-7-A
 For the Period January 1, 2007 to June 30, 2007

Schedule 10

	January 2007			February 2007			March 2007		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<u>Breakfast</u>									
Total	293	-	293	340	-	340	445	-	445
Free	140	(5)	135	162	(5)	157	205	-	205
Reduced	37	5	42	43	6	49	64	-	64
Base	116	-	116	135	(1)	134	176	-	176
<u>Lunch</u>									
Total	692	-	692	855	-	855	1,040	-	1,040
Free	330	(11)	319	407	(13)	394	479	-	479
Reduced	88	11	99	109	13	122	149	-	149
Base	274	-	274	339	-	339	412	-	412
<u>Supplements</u>									
Total	848	-	848	1,196	(180)	1,016	1,411	-	1,411
Free	404	(14)	390	570	(102)	468	650	-	650
Reduced	108	13	121	152	(7)	145	202	-	202
Base	336	1	337	474	(71)	403	559	-	559
	April 2007			May 2007			June 2007		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<u>Breakfast</u>									
Total	270	-	270	354	-	354	349	-	349
Free	124	-	124	163	-	163	161	-	161
Reduced	39	-	39	51	-	51	50	-	50
Base	107	-	107	140	-	140	138	-	138
<u>Lunch</u>									
Total	771	-	771	956	-	956	696	-	696
Free	355	-	355	440	-	440	320	-	320
Reduced	110	-	110	137	-	137	99	-	99
Base	306	-	306	379	-	379	277	-	277
<u>Supplements</u>									
Total	1,130	-	1,130	1,359	-	1,359	857	-	857
Free	520	-	520	626	-	626	394	-	394
Reduced	161	-	161	194	-	194	122	-	122
Base	449	-	449	539	-	539	341	-	341

Child Development Programs

SCHEDULE OF REPORTED, ADJUSTED AND ALLOWED MEALS

Child Care Food Program - Centers 49-1784-7-A

For the Period July 1, 2006 to June 30, 2007

	<u>Meals</u>			<u>Food Service Rates</u>	<u>Revenue Recognized</u>	<u>Audit Adjustments</u>	<u>Earned Reimbursement</u>
	<u>Reported</u>	<u>Adjusted</u>	<u>Allowed</u>				
<u>Breakfast</u>							
Total	3,913	-	3,913				
Free	1,797	(26)	1,771	1.3100	\$ 2,320	-	\$ 2,320
Reduced	545	28	573	1.0100	579	-	579
Base	1,571	(2)	1,569	0.2400	377	-	377
<u>Lunch</u>							
Total	9,296	-	9,296		-		-
Free	4,269	(63)	4,206	2.4000	10,094	-	10,094
Reduced	1,292	62	1,354	2.0000	2,708	-	2,708
Base	3,735	1	3,736	0.2300	859	-	859
<u>Supplements</u>							
Total	12,328	(180)	12,148		-		-
Free	5,663	(164)	5,499	0.6500	3,574	-	3,574
Reduced	1,712	55	1,767	0.3200	566	-	566
Base	4,953	(71)	4,882	0.0600	293	-	293
Federal reimbursement - net							21,370
Amount due to California Department of Education							126
Federal reimbursement made							<u>\$ 21,496</u>
Cash-in-lieu							<u>\$ 1,557</u>
State meal compensation							<u>\$ 1,235</u>

Associated Students, Incorporated of Sonoma State University
 Child Development Programs
COMBINING SCHEDULE OF EQUIPMENT EXPENDITURES
 For the Year Ended June 30, 2007

Schedule 12

	General Center CCTR-6446	Infant Toddler Resource CCAP-6464	Renovation and Repair CRPM-4121	Matching Portion Renovation and Repair CRPM-4121	Instructional Materials CIMS-6683	Total
Unit cost under \$7,500 item:						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	-	-	-	-	-	-
Unit cost over \$7,500 with CDD approval:						
None	-	-	-	-	-	-
Total	-	-	-	-	-	-
Unit cost over \$7,500 without CDD approval:						
None	-	-	-	-	-	-
Total	-	-	-	-	-	-
 Total equipment expenditures	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -

Child Development Programs

COMBINING SCHEDULE OF RENOVATION AND REPAIR EXPENDITURES

For the Year Ended June 30, 2007

	General Center CCTR-6446	Infant Toddler Resource CCAP-6464	Renovation and Repair CRPM-4121	Matching Portion Renovation and Repair CRPM-4121	Instructional Materials CIMS-6683	Total
Unit cost under \$10,000 item:						
Wiring and Lighting Fixtures	\$ -	\$ -	\$ -	\$ 1,479	\$ -	\$ 1,479
Roof Repair	-	-	-	2,180	-	2,180
Total	-	-	-	3,659	-	3,659
Unit cost over \$10,000 with CDD approval:						
None	-	-	-	-	-	-
Total	-	-	-	-	-	-
Unit cost over \$10,000 without CDD approval:						
Carpets	-	-	8,400	2,941	-	11,341
Total	-	-	8,400	2,941	-	11,341
Total equipment expenditures	\$ -	\$ -	\$ 8,400	\$ 6,600	\$ -	\$ 15,000

Child Development Programs

SCHEDULE OF ADMINISTRATIVE COSTS

For the Year Ended June 30, 2007

	General Center <u>CCTR-6446</u>
Administrative costs:	
Salaries	\$ 2,777
Fringe Benefits	1,173
Audit	3,000
Repair & Maintenance	234
Insurance	380
Training & Conference Registration	80
Other	<u>326</u>
Total administrative costs	<u>\$ 7,970</u>

Associated Students, Incorporated of Sonoma State University
 Child Development Programs
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
 For the Year Ended June 30, 2007

Schedule 15

		General Center Child Care CCTR-6446
	\$	-
Reimbursable expenditures:		
DIRECT PAYMENTS TO PROVIDERS	\$	-
1000 CERTIFIED SALARIES		
1100 Teachers' salaries		64,306
1300 Supervisors' salaries		-
2000 CLASSIFIED SALARIES		
2100 Instructional aides' salaries		169,553
2300 Clerical and other office salaries		30,861
2400 Maintenance and operations salaries		-
2500 Food service salaries		13,843
2600 Transportation salaries		-
3000 EMPLOYEE BENEFITS		
3300 Social Security		13,353
3500 State unemployment insurance		2,368
3600 Workers' compensation insurance		8,040
3900 Other benefits		77,801
4000 BOOKS AND SUPPLIES		
4200 Books other than textbooks		50
4300 Instructional materials and supplies		10,144
4600 Pupil transportation supplies		-
4700 Food service supplies		27,456
5000 SERVICES AND OTHER OPERATING EXPENSES		
5100 Contracts for personal services		12,835
5200 Travel and conferences		1,051
5400 Insurance		1,900
5500 Utilities and housekeeping services		9,600
5600 Rentals, leases and repairs		25,192
5800 Other services and operating expenses		11,163
6000 CAPITAL OUTLAY		
6200 Buildings and improvement of buildings		-
6400 New equipment (program-related)		-
6500 Equipment replacement (program-related)		-
Other nonreimbursable expenses		603
		<hr/>
Total reimbursable expenditures	\$	<u>480,119</u>

We have examined the claims filed for reimbursement and the original supporting records covering the transactions under those contracts to an extent considered necessary to assure ourselves that the amounts claimed by the Agency were proper.

Associated Students, Incorporated of Sonoma State University
 Child Development Programs
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2007

Schedule 16

<u>Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantor's Number</u>	<u>Award Amount</u>	<u>Revenue Recognized</u>	<u>Matching Revenue</u>	<u>Expenditures</u>	<u>Matching Expenditures</u>
<u>U.S. Department of Agriculture:</u>							
Pass through State Department of Education:							
Child Care Food Program*	10.558	49-1784-7A	\$ -	\$ 23,055	\$ -	\$ 23,055	\$ -
Total U.S. Department of Agriculture				<u>\$ 23,055</u>	<u>\$ -</u>	<u>\$ 23,055</u>	<u>\$ -</u>
<u>U.S. Department of Health and Human Services</u>							
Pass through State Department of Education:							
Infant Toddler Resource	93.575	CCAP-6464	2,654	2,654	-	2,654	-
			\$8,400 + \$6,600 Matching				
Facilities Renovation and Repair	93.575	CRPM-4121	Requirement	8,400	6,600	8,400	6,600
Instructional Materials	93.575	CIMS-6683	770	<u>770</u>	-	<u>770</u>	-
Total U.S. Department of Health and Human Services				<u>11,824</u>	<u>6,600</u>	<u>11,824</u>	<u>6,600</u>
 Total federal awards				<u>\$ 34,879</u>	<u>\$ 6,600</u>	<u>\$ 34,879</u>	<u>\$ 6,600</u>

* Reimbursement on a per meal basis

NOTE - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Associated Students, Incorporated of Sonoma State University and is presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Associated Students, Incorporated of Sonoma State University
 Child Development Programs
SCHEDULE OF EXPENDITURES OF STATE AWARDS
 For the Year Ended June 30, 2007

Schedule 17

<u>Grantor/Pass Through Grantor/Program Title</u>	Pass Through Grantor's Number	Award Amount	Revenue Recognized	Expenditures
<u>U.S. Department of Education</u>				
Child Care Food Program*	49-1784-7A	\$ -	\$ 1,235	\$ 1,235
General Center Child Care	CCTR-6446	262,560	262,560	480,119
Total state awards			\$ 263,795	\$ 481,354

* Reimbursement on a per meal basis

Associated Students, Incorporated of Sonoma State University
 Child Development Programs
SCHEDULE OF EXPENDITURES OF COUNTY AWARDS
 For the Year Ended June 30, 2007

Schedule 18

<u>Grantor/Program Title</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>County of Sonoma, Department of Health Services</u>				
County of Sonoma Children and Families Commission	1/23/06-12/30/06	\$ 3,987	\$ 366	\$ 366
County of Sonoma Children and Families Commission	6/30/07 - 5/9/08	4,814	-	-
Total county awards			<u>\$ 366</u>	<u>\$ 366</u>

R. J. RICCIARDI, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

1000 FOURTH STREET • SUITE 400 • SAN RAFAEL, CALIFORNIA 94901 • TEL (415) 457-1215 • FAX (415) 457-6735 • www.rjrcpa.com

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

Board of Directors
Associated Students, Incorporated of Sonoma State University
Rohnert Park, California

We have audited the financial statements of Associated Students, Incorporated of Sonoma State University Child Development Programs (the Organization) as of and for the year ended June 30, 2007, and have issued our report thereon dated August 23, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the Organization's financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management and 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.



R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
August 23, 2007