

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

ROHNERT PARK, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2005

R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

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Associated Students, Incorporated of Sonoma State University
Child Development Programs
General Information
For the Year Ended June 30, 2005

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

Type of Organization: Campus without match

<u>Contract Numbers</u>	<u>Program Numbers</u>	<u>Program Name</u>
GCTR-4442	49-Y421-00-4	General Center Child Care
GPCF-2269	49-Y421-00-2	Playground Compliance
GRPM-2235	49-Y421-00-2	Renovation and Repair
FCAP-3298	49-Y421-00-3	Capacity Project
GPKR-3622	49-Y421-00-3	General Fund Prekindergarten Resource
FIMS-4709	49-Y421-00-4	Instructional Materials
N/A	49-1784-7A	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, 2005

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

Number of days operating: 216 days

R. J. RICCIARDI, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S 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 of the Associated Students, Incorporated of Sonoma State University (the Organization) as of and for the year ended June 30, 2005, as listed in the table of contents. These basic financial statements are the responsibility of the Organization'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 Organization's 2004 financial statements and, in our report dated August 3, 2004, we expressed an unqualified opinion on those financial statements.

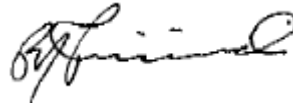
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and specific requirements prescribed by 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 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 of the Organization as of June 30, 2005, 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 accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is supplementary information required by the Government 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 2, 2005, on our consideration of the Organization'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 to 19 of the California Department of Education supplementary information for the year ended June 30, 2005, 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 audit 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 2, 2005



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, 2005. 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 9-12) and the footnotes and supplemental schedules (pages 13-46). 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

The Organization had net operating income of \$27,833 compared to \$31,659 in the prior year, a small decrease of \$3,826. This decrease was offset by Non-operating income which was \$19,322. The change in net assets for the fiscal year was \$47,155.

Current assets increased by \$55,045. Cash and cash equivalents decrease approximately \$53,000, but short-term investments increased by \$104,000. This is the investment in MetWest.

Total liabilities were relatively unchanged. Deferred revenues decreased over \$27,000, while other liabilities increased approximately \$25,000. This increase is mainly due to the increase for Club activities.

The overall change to Net Assets is an increase of \$47,155 (an 8% increase from the prior year), resulting in a 6/30/05 balance of \$645,367.

Comparative Analysis of Current and Prior Year Activities and Balances

June 30, 2005 and 2004 Condensed Statement of Net Assets

	<u>2005</u>	<u>2004</u>	<u>Increase (Decrease)</u>
Current assets	\$ 783,271	\$ 728,226	\$ 55,045
Capital assets, net	<u>45,549</u>	<u>57,060</u>	<u>(11,511)</u>
Total assets	<u>828,820</u>	<u>785,286</u>	<u>43,534</u>
Current liabilities	179,427	179,850	(423)
Noncurrent liabilities	<u>4,026</u>	<u>7,224</u>	<u>(3,198)</u>
Total liabilities	<u>183,453</u>	<u>187,074</u>	<u>(3,621)</u>
Net assets:			
Invested in capital assets, net of related debt	45,549	57,060	(11,511)
Unrestricted	<u>599,818</u>	<u>541,152</u>	<u>58,666</u>
Total net assets	<u>\$ 645,367</u>	<u>\$ 598,212</u>	<u>\$ 47,155</u>



Management's Discussion and Analysis

Total assets of the organization have increased this year by \$43,534. This classification is comprised of Current Assets (Cash, Accounts Receivable, Prepaid Expenses, and Investments), which increased \$55,045, and Capital Assets, which decreased \$11,511. The latter category is presented net of accumulated depreciation, and the decrease is due to depreciation and write-off of fixed assets under the \$2,000 capitalization policy.

Total liabilities have also decreased this year, in this case by \$3,621, primarily due to lower accrued payroll liabilities at year-end.

June 30, 2005 and 2004 Condensed Statement Revenue and Expenses

	<u>6/30/2005</u>	<u>6/30/2004</u>	<u>Increase (Decrease)</u>
Operating Revenue	\$ 1,369,469	\$ 1,392,042	\$ (22,573)
Operating Expenses	<u>1,341,636</u>	<u>1,360,383</u>	<u>(18,747)</u>
Net Operating Income	<u>\$ 27,833</u>	<u>\$ 31,659</u>	<u>\$ (3,826)</u>
Gifts, Noncapital	\$ 9,702	\$ 8,448	\$ 1,254
Investment Income, Net	<u>9,620</u>	<u>(17,612)</u>	<u>27,232</u>
Non-Operating Net Income	<u>\$ 19,322</u>	<u>\$ (9,164)</u>	<u>\$ 28,486</u>

Operating Revenues – Student fees made up the majority of the net decrease due to decreased enrollment and were 8% lower than last year.

Operating Expenses – The General Fund, the Children's School, and the Associated Students Production expenses decreased 18%, 1 %, and 6% respectively over the prior year mostly due to reduced enrollment and student fees income. JUMP increased 16% over prior year. Lobby Corps closed at June 30, 2004, and the Senate was established July 1, 2005.

Investment Income, net – The net investment income was totaled \$9,620. This was comprised of investment income of \$13,407 from investments, interest income of \$339, from checking and savings accounts, and an unrealized loss of \$4,126 from MetWest.

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.



Management's Discussion and Analysis

Organizational Highlights

The Associated Students, Inc. of Sonoma State University had several happenings of note.

The JUMP program added a new program, Student Civic Engagement, which focuses on volunteer opportunities with and student involvement in the various levels of government. JUMP also altered the names of two programs: Project FOCUS became Project EARTH and Cougar Club became Study Buddies. JUMP also used a portion of their reserves for a benefit concert.

The ASP program underwent an operational change. Previously the program functioned under the direction of a board of appointed officers. That board was eliminated from the ASWE bylaws and the program now functions under the direction of an ASWE professional staff member with a staff of student programming assistants.

The organization added a service offering the New York Times Readership Program for students taking a course that require the newspaper as a text.

Budgetary Highlights

The Associated Students, Inc. of Sonoma State University saw a reduction in collected student fees from 2003/2004 to 2004/2005. This reduction was due to reduced enrollment at the University.

Operating revenue exceeded operating expenses by \$27,833 and the corporation saw a \$9,620 return on investments.

Capital Assets

Detail on capital assets can be found in Note 6.

Debt Administration

The Organization does not utilize long-term debt to fund operations or growth.

Factors Impacting Future Periods

The Associated Students, Inc. of Sonoma State University 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 Associated Students, Inc. fee based on the Consumer Price Index of the San Francisco Bay Area.



Management's Discussion and Analysis

Contacting the Associated Students, Inc. of Sonoma State University Financial Management

These basic financial statements are intended to provide students, taxpayers, investors, and creditors with a general overview of the Organization's finances. Questions about this Report should be directed to the Associated Students, Inc. of Sonoma State University at 1801 East Cotati Avenue, Rohnert Park, CA. 94928.

Erik Dickson
Executive Director
Associated Students, Inc.

Associated Students, Incorporated of Sonoma State University

STATEMENT OF NET ASSETS

June 30, 2005

(With Comparative Totals for June 30, 2004)

	<u>2005</u>	<u>2004</u>
Assets:		
Current assets		
Cash and cash equivalents	\$ 127,927	\$ 180,864
Short-term investments	627,251	522,970
Accounts receivable, net	13,458	9,696
Prepaid expenses and other assets	14,635	14,696
Total current assets	<u>783,271</u>	<u>728,226</u>
Noncurrent assets		
Capital assets, net	<u>45,549</u>	<u>57,060</u>
Total assets	<u>828,820</u>	<u>785,286</u>
Liabilities:		
Current liabilities		
Accounts payable	66,901	62,638
Accrued salaries and benefits payable	6,748	5,675
Accrued compensated absences	8,986	4,162
Deferred revenue	90	27,767
Other liabilities	96,702	79,608
Total current liabilities	<u>179,427</u>	<u>179,850</u>
Noncurrent liabilities		
Accrued compensated absences, net of current portion	4,026	7,224
Total liabilities	<u>183,453</u>	<u>187,074</u>
Net assets:		
Invested in capital assets, net of related debt	45,549	57,060
Unrestricted	599,818	541,152
Total net assets	<u>\$ 645,367</u>	<u>\$ 598,212</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

Exhibit A

For the Year Ended June 30, 2005
 (With Comparative Totals for the Year Ended June 30, 2004)

	2005	2004
Revenues:		
Operating revenues:		
Student tuition and fees	\$ 915,083	\$ 993,748
Grants and contracts, noncapital		
Federal	39,316	42,121
State and local	197,012	170,319
Sales and services of auxiliary enterprises	153,630	115,592
Other operating revenues	64,428	70,262
Total operating revenues	1,369,469	1,392,042
Expenses:		
Operating expenses:		
Student services	1,273,080	1,276,743
Student grants and scholarships	54,900	66,400
Depreciation	13,656	17,240
Total operating expenses	1,341,636	1,360,383
Operating income (loss)	27,833	31,659
Nonoperating revenues (expenses):		
Gifts, noncapital	9,702	8,448
Investment income, net	9,620	(17,612)
Net nonoperating revenues (expenses)	19,322	(9,164)
Change in net assets	47,155	22,495
Net assets:		
Net assets at beginning of year	598,212	575,717
Net assets at end of year	\$ 645,367	\$ 598,212

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

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2005

(With Comparative Totals for the Year Ended June 30, 2004)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Student tuition and fees	\$ 915,083	\$ 993,748
Federal grants and contracts	39,316	42,121
State grants and contracts	197,012	140,951
Payments to suppliers	(756,733)	(814,623)
Payments to employees	(509,326)	(522,908)
Payments to students	(54,900)	(66,400)
Other receipts (payments)	<u>203,715</u>	<u>225,774</u>
Net cash provided (used) by operating activities	<u>34,167</u>	<u>(1,337)</u>
Cash flows from noncapital financing activities		
Gifts and grants received for other than capital purposes	<u>9,702</u>	<u>8,448</u>
Net cash provided (used) by noncapital financing activities	<u>9,702</u>	<u>8,448</u>
Cash flows from capital and related financing activities:		
Acquisition of property, plant and equipment	(7,292)	(11,481)
Disposition of property, plant and equipment	<u>5,147</u>	<u>2,833</u>
Net cash provided (used) by capital and related financing activities	<u>(2,145)</u>	<u>(8,648)</u>
Cash flows from investing activities:		
Investment income (loss)	9,620	(17,612)
Purchase of investments	<u>(104,281)</u>	<u>17,898</u>
Net cash provided (used) by investing activities	<u>(94,661)</u>	<u>286</u>
Net increase (decrease) in cash and cash equivalents	(52,937)	(1,251)
Cash and cash equivalent - beginning of year	<u>180,864</u>	<u>182,115</u>
Cash and cash equivalents - end of year	<u>\$ 127,927</u>	<u>\$ 180,864</u>
Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 27,834	\$ 31,855
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation	13,656	17,240
Change in assets and liabilities:		
Accounts receivable	(3,762)	8,009
Prepaid expenses	61	6,123
Accounts payable	4,261	(76,292)
Accrued salaries and benefits payable	(2,125)	2,473
Accrued compensated absences	4,824	6,712
Deferred revenue	(27,677)	25,893
Other liabilities	<u>17,095</u>	<u>(23,350)</u>
Net cash provided (used) by operating activities	<u>\$ 34,167</u>	<u>\$ (1,337)</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

Exhibit C

Budget and Actual
 For the Year Ended June 30, 2005

	Original & Final Budget	Actual	Variance Over/(Under)
Revenues:			
Operating revenues:			
Student tuition and fees	\$ 906,780	\$ 915,083	\$ 8,303
Grants and contracts, noncapital			
Federal	32,858	39,316	6,458
State and local	182,393	197,012	14,619
Sales and services of auxiliary enterprises	113,000	153,630	40,630
Other operating revenues	9,000	64,428	55,428
Total operating revenues	1,244,031	1,369,469	125,438
Expenses:			
Operating expenses:			
Student services	1,047,158	1,273,080	(225,922)
Student grants and scholarships	--	54,900	(54,900)
Depreciation	--	13,656	(13,656)
Total operating expenses	1,047,158	1,341,636	(294,478)
Operating income (loss)	196,873	27,833	(169,040)
Nonoperating revenues (expenses):			
Gifts, noncapital	3,634	9,702	6,068
Investment income, net	-	9,620	9,620
Net nonoperating revenues (expenses)	3,634	19,322	15,688
Change in net assets	\$ 200,507	\$ 47,155	\$ (153,352)

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, 2005

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, slam poetry performances, 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 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 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 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 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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 are subject to grant regulations.

(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.

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Compensated Absences (concluded)

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.

(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.

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

(o) Comparative data/reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

(i) Restricted cash and cash equivalents.

The Organization does not have restricted cash or cash equivalents.

(ii) Composition of investments

The Organization participates in an investment pool managed by Met West, an asset management and investment advisory firm that serves the California State University. Funds in the investment pool are invested in intermediate-term United States Treasury securities (3 to 7 year maturities). Securities within the investment pool are not held in the Organization's name and are not insured. As of June 30, 2005 and 2004, amounts invested had a cost of \$682,573 and \$574,166, respectively. Fair market value was \$627,251 and \$522,970 as of June 30, 2005 and 2004, respectively. Fair market value is based on the Organization's proportionate interest in the University's Met West account.

Composition of investments at June 30, 2005:

	Current	Noncurrent	Total
Met West Short Term Fund	\$ 627,251	\$ -	\$ 627,251
Total investments	\$ 627,251	\$ -	\$ 627,251

Composition of investments at June 30, 2004:

	Current	Noncurrent	Total
Met West Short Term Fund	\$ 522,970	\$ -	\$ 522,970
Total investments	\$ 522,970	\$ -	\$ 522,970

(iii) Investment income, net, as reflected in the Statement of Revenues, Expenses, and Changes in Net Assets

	2005	2004
Investment Income		
Interest and dividends	\$ 13,746	\$ 8,965
Realized gains, net of realized losses	—	—
Net increase (decrease in fair value)	(4,126)	(26,577)
Total Investment income	\$ 9,620	\$ (17,612)

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

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

(iv) Investments held under contractual agreements:

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

(v) Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2005:	2005
Book balance at June 30, 2005	\$ 127,927
Bank balances at June 30, 2005	205,917
Difference between Book Balance and Bank	\$ (77,990)
Significant reconciling items consist of:	
Deposits in Transit	\$ -
Outstanding Checks	(78,190)
Cash and change fund	200
	\$ (77,990)
Cash and cash equivalents at June 30, 2004:	2004
Book balance at June 30, 2005	\$ 180,864
Bank balances at June 30, 2005	260,309
Difference between Book Balance and Bank	\$ (79,445)
Significant reconciling items consist of:	
Deposits in Transit	
Outstanding Checks	\$ (79,645)
Cash and change fund	200
	\$ (79,445)

The bank insures \$199,111 by federal depository insurance. The balance is uninsured and held by the financial institutions 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.

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2005 consisted of the following:

	2005		
	Current	Noncurrent	Total
Other accounts receivable	\$ 13,458	\$ -	\$ 13,458
Total	\$ 13,458	\$ -	\$ 13,458

Accounts receivable at June 30, 2004 consisted of the following:

	2004		
	Current	Noncurrent	Total
Due from University	\$ 1,833	\$ -	\$ 1,833
Other accounts receivable	7,863	-	7,863
Total	\$ 9,696	\$ -	\$ 9,696

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:

	2005	2004
Awards	\$ 2,750	\$ 2,450
SSU/SSUTTE Contracts	9,249	8,016
Copier Maintenance Contract	-	142
Sylvan/Identix Fingerprint Centers	-	467
Prepaid Insurance (Sports Club Insurance)	2,636	2,116
Prepaid Deposits (Worker's Compensation)	-	1,505
Total	\$ 14,635	\$ 14,696

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

NOTE 6 - CAPITAL ASSETS

(i) Capital assets activity for the year ended June 30, 2005 consisted of the following:

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2005</u>
Depreciable capital assets:					
Buildings and building improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Improvements, other than buildings	76,108	8,299	(2,811)	-	81,596
Personal property:					
Equipment	<u>92,876</u>	<u>-</u>	<u>(31,163)</u>	<u>-</u>	<u>61,713</u>
Total depreciable capital assets	<u>168,984</u>	<u>8,299</u>	<u>(33,974)</u>	<u>-</u>	<u>143,309</u>
Less accumulated depreciation					
Buildings and building improvements	-	-	-	-	-
Improvements, other than buildings	(46,535)	(7,238)	1,991	-	(51,782)
Personal property:					
Equipment	<u>(65,389)</u>	<u>(6,419)</u>	<u>25,830</u>	<u>-</u>	<u>(45,978)</u>
Net capital assets	<u>\$ 57,060</u>	<u>\$ (5,358)</u>	<u>\$ (6,153)</u>	<u>\$ -</u>	<u>\$ 45,549</u>

As of June 30, 2005 fixed assets purchased with CDE funds totaled \$106,852, of which \$23,647 was purchased during fiscal year ended June 30, 2005.

Depreciation expense was \$13,656 for the year ended June 30, 2005, and is included in Operating expenses in the Statement of Revenues, Expenses, and Changes in Net Assets.

(ii) Capital assets activity for the year ended June 30, 2004 consisted of the following:

	<u>Balance June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2004</u>
Depreciable capital assets:					
Buildings and building improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Improvements, other than buildings	77,462	-	-	(1,354)	76,108
Personal property:					
Equipment	<u>85,708</u>	<u>8,647</u>	<u>(2,833)</u>	<u>1,354</u>	<u>92,876</u>
Total depreciable capital assets	<u>163,170</u>	<u>8,647</u>	<u>(2,833)</u>	<u>-</u>	<u>168,984</u>
Less accumulated depreciation					
Buildings and building improvements	-	-	-	-	-
Improvements, other than buildings	(39,280)	(7,255)	-	-	(46,535)
Personal property:					
Equipment	<u>(58,041)</u>	<u>(9,985)</u>	<u>2,637</u>	<u>-</u>	<u>(65,389)</u>
Net capital assets	<u>\$ 65,849</u>	<u>\$ (8,593)</u>	<u>\$ (196)</u>	<u>\$ -</u>	<u>\$ 57,060</u>

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

NOTE 6 - CAPITAL ASSETS (concluded)

Depreciation expense was \$17,240 for the year ended June 30, 2004, and is included in Operating expenses in the Statement of Revenues, Expenses, and Changes in Net Assets.

(iii) Detail of depreciation and amortization expense for the years ending June 30:

Detail of depreciation and amortization expense for the year ended June 30, 2005

Depreciation Expense	\$	13,656
Amortization Expense		—
Total depreciation and amortization	\$	13,656

Detail of depreciation and amortization expense for the year ended June 30, 2004

Depreciation Expense	\$	17,240
Amortization Expense		—
Total depreciation and amortization	\$	17,240

NOTE 7 - LEASE OBLIGATIONS

The Organization is obligated under an operating lease with the University for the use of network services through 2007.

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

		Operating leases
Year ending June 30:		
2006	\$	4,100
2007		1,850
Total minimum lease payments	\$	5,950

Equipment rental expense under this operating lease for the years ended June 30, 2005 and 2004 totaled \$17,142 and \$17,227, 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 \$13,012 and \$11,386 as of June 30, 2005 and 2004, respectively. (See Note 11).

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

NOTE 8 - ACCRUED COMPENSATED ABSENCES (concluded)

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:

	2005	2004
CDE GPCF-2269 Playground Compliance 2003/2005	\$ -	\$ 11,619
CDE GRPM-2235 Renovation & Repair 2003/2005	-	12,028
CDE FCAP-3298 Infant-Toddler Resource 2004/2005	-	4,120
Children's School Parent Fees	90	-
Total	\$ 90	\$ 27,767

NOTE 10 - OTHER LIABILITIES (CURRENT)

The composition of Other Liabilities (current) at June 30 is:

	2005	2004
Club Accounting	\$ 96,159	\$ 71,010
Free Speech Podium	500	500
Aflac Insurance-Employee paid	43	2
Escheatments	-	96
Grants Payable	-	8,000
Total	\$ 96,702	\$ 79,608

NOTE 11 - LONG-TERM LIABILITIES ACTIVITY

Long-term liabilities activity for the year ended June 30, 2005 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Accrued compensated absences	\$ 11,386	\$ 10,612	\$ (8,986)	\$ 13,012	\$ 8,986
Long-term debt obligation:	—	—	—	—	—
Other	—	—	—	—	—
Total long-term liabilities	\$ 11,386	\$ 10,612	\$ (8,986)	\$ 13,012	\$ 8,986

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

NOTE 11 - LONG-TERM LIABILITIES ACTIVITY (concluded)

Long-term liabilities activity for the year ended June 30, 2004 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Current portion
Accrued compensated absences \$	4,674	\$ 10,660	\$ (3,948)	\$ 11,386	\$ 4,162
Long-term debt obligation:	—	—	—	—	—
Other	—	—	—	—	—
Total long-term liabilities \$	4,674	\$ 10,660	\$ (3,948)	\$ 11,386	\$ 4,162

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:

	2005	2004
Corporate Reserve	\$ 237,490	\$ 216,329
Transitional Housing Program Reserve	6,267	18,606
Capital Expenditure Reserve	32,994	31,162
Operating Reserve	179,246	117,012
Unallocated Reserve	33,648	29,940
Total unrestricted designated net assets	489,645	413,049
Total invested in capital assets, net of related debt	45,549	57,060
Total unrestricted undesignated net assets	110,173	128,103
Total net assets	\$ 645,367	\$ 598,212

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 \$10,621 and \$10,317 for the year ended June 30, 2005 and 2004, respectively.

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

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, 2005 and 2004, operating expenses by natural classification consisted of the following:

<u>2005</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships and fellowships</u>	<u>Supplies and other services</u>	<u>Depreciation</u>	<u>Total</u>
Functional classification:						
Student services	\$ 512,025	\$ 148,820	\$ -	\$ 612,235	\$ -	\$ 1,273,080
Student grants and scholarships	-	-	54,900	-	-	54,900
Depreciation	-	-	-	-	13,656	13,656
Total	<u>\$ 512,025</u>	<u>\$ 148,820</u>	<u>\$ 54,900</u>	<u>\$ 612,235</u>	<u>\$ 13,656</u>	<u>\$ 1,341,636</u>

<u>2004</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships and fellowships</u>	<u>Supplies and other services</u>	<u>Depreciation</u>	<u>Total</u>
Functional classification:						
Student services	\$ 532,093	\$ 131,139	\$ -	\$ 613,511	\$ -	\$ 1,276,743
Student grants and scholarships	-	-	66,400	-	-	66,400
Depreciation	-	-	-	-	17,240	17,240
Total	<u>\$ 532,093</u>	<u>\$ 131,139</u>	<u>\$ 66,400</u>	<u>\$ 613,511</u>	<u>\$ 17,240</u>	<u>\$ 1,360,383</u>

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 Statements of Revenue, Expense, and Changes in Net Assets.

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2005

NOTE 16 - TRANSACTIONS WITH RELATED ENTITIES (concluded)

Related party activities during the years ended June 30, 2005 are reflected below.

	2005	2004
Payments to the University:		
CSU Executive Order 753 and other contracted services	\$ 119,003	\$ 82,179
Other Contracted Services	63,887	49,238
Contributions and support for student programs		
Tutorial center program	26,431	29,688
Contributions to Student Affairs	-	70,882
Contributions to Resident Life	-	6,323
Reimbursement for Children's School personnel costs	336,649	359,962
Total payments to the University	\$ 545,970	\$ 598,272
Payments to recognized auxiliary organizations for services, office space rental, and programs:		
SSU Academic Foundation	\$ 3,074	\$ 1,344
Sonoma State Enterprises, Inc.	13,943	2,671
Sonoma Student Union Corp.		
Reimbursed personnel costs	69,521	674,040
Space rentals	39,528	38,820
Intercultural Center contribution	3,750	5,000
Contracted operating expenses	35,946	32,746
Total payments to other Auxiliaries	\$ 165,762	\$ 754,621
Amounts received from the University		
AS Student Body Fees Reimbursed	\$ 912,083	\$ 938,608
IRA Fees Reimbursed	-	55,140
Children's School CCAMPIS grant	14,358	21,840
Total received from the University	\$ 926,441	\$ 1,015,588
Amounts received from recognized auxiliary organizations		
SSU Academic Foundation	\$ 2,999	\$ 4,175
Sonoma State Enterprises, Inc.	750	-
Sonoma Student Union Corp.	25,005	42,067
Total received from other Auxiliaries	\$ 28,754	\$ 46,242
Amounts receivable from the University	\$ -	\$ 1,833
Amounts receivable from other Auxiliaries	\$ -	\$ -
Amounts payable to the University	\$ 60,613	\$ 53,292

Associated Students, Incorporated of Sonoma State University
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

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

	<u>2005</u>	<u>2004</u>
Capital assets, net of accumulated depreciation	\$ 45,549	\$ 57,060
Long-term debt obligations, current portion	—	—
Long-term debt obligations, net of current portion	—	—
	<u>\$ 45,549</u>	<u>\$ 57,060</u>

Associated Students, Incorporated of Sonoma State University
 Combining Schedule of Net Assets
 June 30, 2005

Schedule 1

	General Fund	Children's School	Loan Fund	ASP	Jump Fund	Senate	Clubs	Total
Assets								
Current assets								
Cash and cash equivalents	\$ (147,147)	\$ 62,180	\$ 12,806	\$ 88,027	\$ 11,933	\$ 3,261	\$ 96,867	\$ 127,927
Short-term investments	627,251	--	--	--	--	--	--	627,251
Accounts receivable, net	201	11,047	175	--	--	2,035	--	13,458
Prepaid expenses and other assets	8,509	1,465	--	--	500	4,161	--	14,635
Total current assets	<u>488,814</u>	<u>74,692</u>	<u>12,981</u>	<u>88,027</u>	<u>12,433</u>	<u>9,457</u>	<u>96,867</u>	<u>783,271</u>
Noncurrent assets								
Capital assets, net	12,076	33,473	--	--	--	--	--	45,549
Total noncurrent assets	<u>12,076</u>	<u>33,473</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>45,549</u>
Total assets	<u>500,890</u>	<u>108,165</u>	<u>12,981</u>	<u>88,027</u>	<u>12,433</u>	<u>9,457</u>	<u>96,867</u>	<u>828,820</u>
Liabilities:								
Current liabilities								
Accounts payable	4,225	53,696	--	--	--	8,272	708	66,901
Accrued salaries and benefits payable	6,508	--	--	240	--	--	--	6,748
Accrued compensated absences	8,986	--	--	--	--	--	--	8,986
Deferred revenue	--	90	--	--	--	--	--	90
Other liabilities	543	--	--	--	--	--	96,159	96,702
Total current liabilities	<u>20,262</u>	<u>53,786</u>	<u>--</u>	<u>240</u>	<u>--</u>	<u>8,272</u>	<u>96,867</u>	<u>179,427</u>
Noncurrent liabilities								
Accrued compensated absences, net of current portion	4,026	--	--	--	--	--	--	4,026
Total noncurrent liabilities	<u>4,026</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,026</u>
Total liabilities	<u>24,288</u>	<u>53,786</u>	<u>--</u>	<u>240</u>	<u>--</u>	<u>8,272</u>	<u>96,867</u>	<u>183,453</u>
Net assets								
Invested in capital assets, net of related debt	12,076	33,473	--	--	--	--	--	45,549
Unrestricted	464,526	20,906	12,981	87,787	12,433	1,185	--	599,818
Total net assets	<u>\$ 476,602</u>	<u>\$ 54,379</u>	<u>\$ 12,981</u>	<u>\$ 87,787</u>	<u>\$ 12,433</u>	<u>\$ 1,185</u>	<u>\$ --</u>	<u>\$ 645,367</u>

Associated Students, Incorporated of Sonoma State University
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 Year Ended June 30, 2005

Schedule 2

	General Fund	Children's School	Loan Fund	ASP	Jump Fund	Senate	Clubs	Total
Revenues:								
Operating revenues:								
Student tuition and fees	\$ 915,083	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	915,083
Grants and contracts, noncapital								
Federal	--	39,316	--	--	--	--	--	39,316
State and local	--	197,012	--	--	--	--	--	197,012
Sales and services of auxiliary enterprises	--	153,630	--	--	--	--	--	153,630
Other operating revenues	18,440	6,472	300	23,080	4,788	11,348	--	64,428
Total operating revenues	933,523	396,430	300	23,080	4,788	11,348	--	1,369,469
Expenses:								
Operating expenses:								
Student services	297,084	551,006	195	163,176	74,950	186,669	--	1,273,080
Student grants and scholarships	--	--	--	--	16,250	38,650	--	54,900
Depreciation	7,539	6,117	--	--	--	--	--	13,656
Total operating expenses	304,623	557,123	195	163,176	91,200	225,319	--	1,341,636
Operating income (loss)	628,900	(160,693)	105	(140,096)	(86,412)	(213,971)	--	27,833
Nonoperating revenues (expenses):								
Gifts, noncapital	--	9,202	--	--	500	--	--	9,702
Investment income, net	9,620	--	--	--	--	--	--	9,620
Net nonoperating revenues (expenses)	9,620	9,202	--	--	500	--	--	19,322
Income (loss) before other additions	638,520	(151,491)	105	(140,096)	(85,912)	(213,971)	--	47,155
Increase (decrease) in net assets	638,520	(151,491)	105	(140,096)	(85,912)	(213,971)	--	47,155
Net assets:								
Net assets at beginning of year	446,326	41,269	12,876	82,596	15,145	--	--	598,212
Net assets at end of year	\$ 1,084,846	\$ (110,222)	\$ 12,981	\$ (57,500)	\$ (70,767)	\$ (213,971)	\$ --	\$ 645,367

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

Agency Name: Associated Students-California State University-Sonoma Vendor No. 49-Y421-00-03

Fiscal Year Ended: June 30, 2005 Contract No. GCTR-4442

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	351		351	1.700	597
Three-quarters-time	105	180		180	1.275	230
One-half-time	107	83		83	0.935	78
FCCH Infants (up to 18 months)						
Full-time plus	101A	-		-	1.652	-
Full-time	103A	-		-	1.400	-
Three-quarters-time	105A	-		-	1.050	-
One-half-time	107A	-		-	0.770	-
Toddlers (18 up to 36 months)						
Full-time-plus	101B	-		-	1.652	-
Full-time	103B	1,203		1,203	1.400	1,684
Three-quarters-time	105B	490		490	1.050	515
On-half-time	107B	105		105	0.770	81
Three Years and Older						
Full-time-plus	111	-		-	1.180	-
Full-time	113	2,551		2,551	1.000	2,551
Three-quarters-time	115	481		481	0.750	361
One-half-time	117	282		282	0.550	155
Exceptional Needs						
Full-time-plus	121	-		-	1.416	-
Full-time	123	-		-	1.200	-
Three-quarters-time	125	-		-	0.900	-
One-half-time	127	-		-	0.660	-
Limited and Non-English Proficient						
Full-time-plus	131	-		-	1.298	-
Full-time	133	-		-	1.100	-
Three-quarters-time	135	-		-	0.825	-
One-half-time	137	-		-	0.605	-
Children at Risk of Abuse or Neglect						
Full-time-plus	141	-		-	1.298	-
Full-time	143	-		-	1.100	-
Three-quarters-time	145	-		-	0.825	-
One-half-time	147	-		-	0.605	-
Severely Handicapped						
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	5,726	-	5,726		6,252
DAYS OF OPERATION	169	216		216		
DAYS OF ATTENDANCE	179	5,726		5,726		



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-Y421-00-03

Fiscal Year Ended: June 30, 2005 Contract No. GCTR-4442
Commingled Contract No. (If Any) _____

SECTION II - NONCERTIFIED CHILDREN Report all children who were not certified but were served at the same site(s) as certified children.	EDP NO.	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENTS	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT	COLUMN D ADJUSTMENT FACTOR	COLUMN E 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	308		308	1.700	524
Three-quarters-time	205	81		81	1.275	103
One-half-time	207	4		4	0.935	4
<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	934		934	1.400	1,308
Three-quarters-time	205B	179		179	1.050	188
On-half-time	207B	379		379	0.770	292
<i>Three Years and Older</i>						
Full-time-plus	211	-		-	1.180	-
Full-time	213	1,768		1,768	1.000	1,768
Three-quarters-time	215	180		180	0.750	135
One-half-time	217	531		531	0.550	292
<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	4,364	-	4,364		4,614

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

Agency Name: Associated Students-California State University-Sonoma

Vendor No. 49-Y421-00-03

Fiscal Year End: June 30, 2005

Contract No. GCTR-4442

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	\$21,045	\$0	\$21,045
Restricted income for operating costs	308			0
Maintenance of Effort	339			0
Other (specify):	312	25,657		25,657
SUBTOTAL	310	46,702	0	46,702
TRANSFER FROM RESERVE FUND	311			0
FAMILY FEES FOR CERTIFIED CHILDREN				
State General Fund	329	9,004		9,004
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	150,018		150,018
Cal Learn Program	358			0
Other (specify):	362	0	0	0
TOTAL REVENUE	390	\$205,724	\$0	\$205,724

SECTION IV - EXPENSES

REIMBURSABLE EXPENSES				
Direct Payments to Providers (FCCH Only)	401	\$0	\$0	\$0
1000 Certificated Salaries	402	104,650		104,650
2000 Classified Salaries	404	153,692		153,692
3000 Employee Benefits	406	86,423		86,423
4000 Books and Supplies	408	33,434		33,434
5000 Services/Other Operating Expenses	412	59,609		59,609
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	2,110		2,110
TOTAL EXPENSES	490	\$439,918	\$0	\$439,918
TOTAL ADMINISTRATIVE COST (in Sec. IV)		\$7,307	\$0	\$7,307

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-SonomaFiscal Year End: June 30, 2005 Contract No. GPCF-2269Independent 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>): Matching Requirement	6,720		6,720
Subtotal Restricted Program Income	6,720	0	6,720
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	6,720	0	6,720
Revenue Earned in Prior Years			0
TOTAL REVENUE	\$6,720	\$0	\$6,720

SECTION II - EXPENDITURES

REIMBURSABLE			
1000 Certificated Salaries	\$0	\$0	\$0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses			0
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (<i>program-related</i>)	12,525		12,525
6500 Equipment Replacement (<i>program-related</i>)	5,814		5,814
Depreciation or Use Allowance			0
Start-Up Expenses (service level exemption)			0
Indirect Costs -- Rate:			0
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay	0	0	0
Other nonreimbursable expenses (<i>specify</i>):	0	0	0
Subtotal Expenses for Current Fiscal Year	18,339	0	18,339
Expenses Incurred in Prior Years	861		861
TOTAL EXPENSES	\$19,200	\$0	\$19,200
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, 2005 Contract No. GRPM-2235Independent 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):			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			0
5000 Services and Other Operating Expenses			0
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)	12,028		12,028
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	0	0
Other nonreimbursable expenses (specify):			0
	0	0	0
Subtotal Expenses for Current Fiscal Year	12,028	0	12,028
Expenses Incurred in Prior Years			0
TOTAL EXPENSES	\$12,028	\$0	\$12,028
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, 2005 Contract No. GPKR-3622Independent 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):			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	1,290		1,290
5000 Services and Other Operating Expenses			0
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	0	0
Other nonreimbursable expenses (specify):			0
	0	0	0
Subtotal Expenses for Current Fiscal Year	1,290	0	1,290
Expenses Incurred in Prior Years			0
TOTAL EXPENSES	\$1,290	\$0	\$1,290
TOTAL ADMINISTRATIVE COST (included in section II above)			\$0

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

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

Agency Name: Associated Students-California State University-SonomaFiscal Year End: June 30, 2005 Contract No. FIMS-4709Independent 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):			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	747		747
5000 Services and Other Operating Expenses			0
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	0	0
Other nonreimbursable expenses (specify):	0	0	0
Subtotal Expenses for Current Fiscal Year	747	0	747
Expenses Incurred in Prior Years			0
TOTAL EXPENSES	\$747	\$0	\$747
TOTAL ADMINISTRATIVE COST (included in section II above)			\$0

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

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

Agency Name: Associated Students-California State University-SonomaFiscal Year End: June 30, 2005 Contract No. FCAP-3298Independent 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):			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	4,120		4,120
5000 Services and Other Operating Expenses			0
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	0	0
Other nonreimbursable expenses (specify):			0
	0	0	0
Subtotal Expenses for Current Fiscal Year	4,120	0	4,120
Expenses Incurred in Prior Years			0
TOTAL EXPENSES	\$4,120	\$0	\$4,120
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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Child Development Programs

SCHEDULE OF REPORTED, ADJUSTED AND ALLOWED MEALS

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

For the Period July 1, 2004 to December 31, 2004

	July 2004			August 2004			September 2004		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<u>Breakfast</u>									
Total	192	-	192	85	-	85	378	-	378
Free	83	-	83	37	-	37	164	-	164
Reduced	33	-	33	15	-	15	66	-	66
Base	76	-	76	33	-	33	148	-	148
<u>Lunch</u>									
Total	560	-	560	216	-	216	907	-	907
Free	243	-	243	94	-	94	394	-	394
Reduced	97	-	97	38	-	38	158	-	158
Base	220	-	220	84	-	84	355	-	355
<u>Supplements</u>									
Total	771	-	771	307	-	307	1,260	-	1,260
Free	335	-	335	133	-	133	548	-	548
Reduced	134	-	134	53	-	53	219	-	219
Base	302	-	302	121	-	121	493	-	493
	October 2004			November 2004			December 2004		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<u>Breakfast</u>									
Total	322	-	322	289	-	289	185	-	185
Free	137	-	137	123	-	123	91	-	91
Reduced	26	-	26	24	-	24	15	-	15
Base	159	-	159	142	-	142	79	-	79
<u>Lunch</u>									
Total	851	-	851	801	-	801	526	-	526
Free	363	-	363	341	-	341	259	-	259
Reduced	70	-	70	66	-	66	43	-	43
Base	418	-	418	394	-	394	224	-	224
<u>Supplements</u>									
Total	1,194	-	1,194	1,134	-	1,134	763	-	763
Free	509	-	509	483	-	483	375	-	375
Reduced	98	-	98	93	-	93	63	-	63
Base	587	-	587	558	-	558	325	-	325

Child Development Programs

SCHEDULE OF REPORTED, ADJUSTED AND ALLOWED MEALS

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

For the Period January 1, 2005 to June 30, 2005

	January 2005			February 2005			March 2005		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<u>Breakfast</u>									
Total	255	-	255	386	-	386	397	-	397
Free	125	-	125	196	-	196	202	-	202
Reduced	21	-	21	30	-	30	31	-	31
Base	109	-	109	160	-	160	164	-	164
<u>Lunch</u>									
Total	569	-	569	850	-	850	944	-	944
Free	280	-	280	432	-	432	479	-	479
Reduced	47	-	47	65	-	65	73	-	73
Base	242	-	242	353	-	353	392	-	392
<u>Supplements</u>									
Total	751	-	751	1,253	-	1,253	1,326	-	1,326
Free	369	-	369	636	-	636	673	-	673
Reduced	62	-	62	96	-	96	102	-	102
Base	320	-	320	521	-	521	551	-	551
	April 2005			May 2005			June 2005		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<u>Breakfast</u>									
Total	406	-	406	389	-	389	246	-	246
Free	206	-	206	197	-	197	125	-	125
Reduced	31	-	31	30	-	30	19	-	19
Base	169	-	169	162	-	162	102	-	102
<u>Lunch</u>									
Total	982	-	982	948	-	948	575	-	575
Free	499	-	499	481	-	481	292	-	292
Reduced	76	-	76	73	-	73	44	-	44
Base	407	-	407	394	-	394	239	-	239
<u>Supplements</u>									
Total	1,402	-	1,402	1,359	-	1,359	772	-	772
Free	712	-	712	690	-	690	392	-	392
Reduced	108	-	108	105	-	105	59	-	59
Base	582	-	582	564	-	564	321	-	321

Child Development Programs

SCHEDULE OF REPORTED, ADJUSTED AND ALLOWED MEALS

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

For the Period July 1, 2004 to June 30, 2005

	<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	3,530	-	3,530				
Free	1,686	-	1,686	1.2300	\$ 2,074	-	\$ 2,074
Reduced	341	-	341	0.9300	317	-	317
Base	1,503	-	1,503	0.2300	346	-	346
<u>Lunch</u>							
Total	8,729	-	8,729				
Free	4,157	-	4,157	2.2400	9,312	-	9,312
Reduced	850	-	850	1.8400	1,564	-	1,564
Base	3,722	-	3,722	0.2100	782	-	782
<u>Supplements</u>							
Total	12,292	-	12,292				
Free	5,855	-	5,855	0.6100	3,572	-	3,572
Reduced	1,192	-	1,192	0.3000	358	-	358
Base	5,245	-	5,245	0.0500	262	-	262
Difference							(2)
Federal reimbursement							\$ 18,585
Cash-in-lieu							\$ 1,506
State meal compensation							\$ 954

Associated Students, Incorporated of Sonoma State University
 Child Development Programs
SCHEDULE OF EQUIPMENT EXPENDITURES
 For the Year Ended June 30, 2005

Schedule 14

	General Center GCTR-4442	CCD SVCS - Playground Compliance GPCF-2269	CCD SVCS - Playground Compliance Matching Portion GPCF-2269	Facilities Renovation & Repair GRPM-2235	General Fund Pre- kindergarten Resource GPKR-3622	CCDF Capacity Project FCAP-3298	Instructional Materials FIMS-4709	Total
Unit cost under \$7,500 item:								
Two hose bibs with plumbing	\$ -	\$ 2,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,300
Wood frame awning with fiberglass roof		3,450						3,450
Tree removal with fence relocation		2,200						2,200
Windows replace with wooden french doors				3,800				3,800
Three stainless steel sinks with formica countertop				4,300				4,300
Area rugs and vinyl flooring for classrooms				3,928				3,928
Wooden pathway/boardwalk in playground			702					702
Construction of playhouse			1,497					1,497
ADA climbing structure in playground			748					748
17' x 10' 6" concrete pad	-	-	1,628	-	-	-	-	1,628
Total	-	7,950	4,575	12,028	-	-	-	24,553
Unit cost over \$7,500 with CDD approval:								
None	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Unit cost over \$7,500 without CDD approval:								
None	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Total equipment expenditures	<u>\$ -</u>	<u>\$ 7,950</u>	<u>\$ 4,575</u>	<u>\$ 12,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,553</u>

Associated Students, Incorporated of Sonoma State University
 Child Development Programs
SCHEDULE OF RENOVATION AND REPAIR EXPENDITURES
 For the Year Ended June 30, 2005

Schedule 15

	General Center GCTR-4442	CCD SVCS - Playground Compliance GPCF-2269	CCD SVCS - Playground Compliance Matching Portion GPCF-2269	Facilities Renovation & Repair GRPM-2235	General Fund Pre- kindergarten Resource GPKR-3622	CCDF Capacity Project FCAP-3298	Instructional Materials FIMS-4709	Total
Unit cost under \$10,000 item:								
Storage sheds repaired and replaced	\$ -	\$ 877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 877
Water fountain and sink replaced		\$ 2,792						2,792
Remove, recover and install awning	-	-	2,145	-	-	-	-	2,145
Total	-	3,669	2,145	-	-	-	-	5,814
Unit cost over \$10,000 with CDD approval:								
None	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Unit cost over \$10,000 without CDD approval:								
None	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Total equipment expenditures	<u>\$ -</u>	<u>\$ 3,669</u>	<u>\$ 2,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,814</u>

Child Development Programs

SCHEDULE OF ADMINISTRATIVE COSTS

For the Year Ended June 30, 2005

	General Center <u>GCTR-4442</u>
Administrative costs:	
Salaries	\$ 2,228
Fringe Benefits	927
Training & Conference Registration	139
University Services	185
Repair & Maintenance	289
Audit	3,000
Insurance	399
Other	140
Total administrative costs	<u>\$ 7,307</u>

Associated Students, Incorporated of Sonoma State University
 Child Development Programs
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
 For the Year Ended June 30, 2005

Schedule 17

	General Center Child Care GCTR-4442	CCD SVCS - Playground Compliance (including Matching) GPCF-2269	Facilities Renovation & Repair GRPM-2235	General Fund Pre- kindergarten Resource GPKR-3622
Reimbursable expenditures:				
DIRECT PAYMENTS TO PROVIDERS	\$ -	\$ -	\$ -	\$ -
1000 CERTIFIED SALARIES				
1100 Teachers' salaries	88,529	-	-	-
1300 Supervisors' salaries	16,120	-	-	-
2000 CLASSIFIED SALARIES				
2100 Instructional aides' salaries	127,998	-	-	-
2300 Clerical and other office salaries	12,044	-	-	-
2400 Maintenance and operations salaries	-	-	-	-
2500 Food service salaries	13,649	-	-	-
2600 Transportation salaries	-	-	-	-
3000 EMPLOYEE BENEFITS				
3300 Social Security	13,300	-	-	-
3500 State unemployment insurance	-	-	-	-
3600 Workers' compensation insurance	7,568	-	-	-
3900 Other benefits	65,555	-	-	-
4000 BOOKS AND SUPPLIES				
4200 Books other than textbooks	-	-	-	-
4300 Instructional materials and supplies	10,707	-	-	1,290
4600 Pupil transportation supplies	-	-	-	-
4700 Food service supplies	22,727	-	-	-
5000 SERVICES AND OTHER OPERATING EXPENSES				
5100 Contracts for personal services	12,175	-	-	-
5200 Travel and conferences	1,759	-	-	-
5400 Insurance	1,997	-	-	-
5500 Utilities and housekeeping services	9,600	-	-	-
5600 Rentals, leases and repairs	23,694	-	-	-
5800 Other services and operating expenses	10,385	-	-	-
6000 CAPITAL OUTLAY				
6200 Buildings and improvement of buildings	-	12,525	-	-
6400 New equipment (program-related)	-	5,814	12,028	-
6500 Equipment replacement (program-related)	-	-	-	-
Other nonreimbursable expenses	2,111	-	-	-
 Total reimbursable expenditures	 <u>\$ 439,918</u>	 <u>\$ 18,339</u>	 <u>\$ 12,028</u>	 <u>\$ 1,290</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, 2005

Schedule 18

<u>Grantor/Pass Through Grantor/Program Title</u>	Federal CFDA Number	Pass Through Grantor's Number	Award Amount	Revenue Recognized	Expenditures
<u>U.S. Department of Agriculture:</u>					
Pass through State Department of Education:					
Child Care Food Program*	10.558	49-1784-7A		\$ 20,091	\$ 20,091
Total U.S. Department of Agriculture				<u>\$ 20,091</u>	<u>\$ 20,091</u>
<u>U.S. Department of Health and Human Services</u>					
Pass through State Department of Education:					
CCDF Capacity Project	93.575	FCAP-3298	4,120	4,120	4,120
Instructional Materials	93.575	FIMS-4709	747	747	747
Total U.S. Department of Health and Human Services				<u>4,867</u>	<u>4,867</u>
<u>U.S. Department of Education</u>					
Pass through the State of California and Sonoma State University					
Child Care Access Means Parents in School	84.335A	P335A010086-03	14,358	14,358	14,358
Total U.S. Department of Education				<u>14,358</u>	<u>14,358</u>
 Total federal awards				<u>\$ 39,316</u>	<u>\$ 39,316</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 presentation 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, 2005

Schedule 19

<u>Grantor/Pass Through Grantor/Program Title</u>	<u>Pass Through Grantor's Number</u>	<u>Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>U.S. Department of Education</u>				
Child Care Food Program*	49-1784-7A	\$ -	\$ 954	\$ 954
General Center Child Care	GCTR-4442	198,547	171,121	439,918
CCD SVCS-Playground Compliance **	GPCF-2269	12,480	18,339	18,339
Renovation & Repair	GRPM-2235	12,028	12,028	12,028
Prekindergarten Resource	GPRK-3622	1,290	1,290	1,290
Total state awards			<u>\$ 203,732</u>	<u>\$ 472,529</u>

* Reimbursement on a per meal basis

** Requires Agency Match

R. J. RICCIARDI, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING AND 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, 2005, and have issued our report thereon dated August 2, 2005. 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 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.

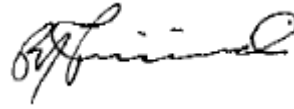
Internal Control Over Financial Reporting

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.

However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Associated Students, Incorporated of Sonoma State University in a separate letter dated August 2, 2005.

Board of Directors
Associated Students, Incorporated
of Sonoma State University – Page 2

This report is intended solely for the information and use of the audit committee, 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.

A handwritten signature in black ink, appearing to read "R.J. Ricciardi". The signature is fluid and cursive, with a large initial "R" and "J".

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
August 2, 2005