

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE  
UNIVERSITY, SACRAMENTO**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2024 AND 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

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YEARS ENDED JUNE 30, 2024 AND 2023**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Union WELL, Inc.  
Sacramento, California

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of University Union Operation of California State University, Sacramento (Union WELL, Inc.) (a nonprofit corporation and a component unit of California State University, Sacramento), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union WELL, Inc. as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Union WELL, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Union WELL, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Union WELL, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Union WELL, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information schedules required for inclusion in California State University (supplementary information) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2024, on our consideration of Union WELL, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Union WELL, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union WELL, Inc.'s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sacramento, California  
September 11, 2024

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| <b>ASSETS</b>                                   |                      |                      |
| Cash and Cash Equivalents                       | \$ 23,375,044        | \$ 25,433,287        |
| Accounts Receivable                             | 26,198               | 19,016               |
| Interest Receivable                             | 282,063              | 204,066              |
| Student Activity Fees Receivable                | 480,903              | 95,506               |
| Prepaid Expenses                                | 85,083               | 70,136               |
| Inventory                                       | 1,197                | 1,207                |
| Due from Related Parties                        | 186,173              | 167,157              |
| Capital Assets, Net of Accumulated Depreciation | 1,435,900            | 1,385,661            |
| Right of Use Asset - Financing, Net             | 68,488               | 13,117               |
| Right of Use Asset - Operating, Net             | -                    | 16,817               |
|   | <u>\$ 25,941,049</u> | <u>\$ 27,405,970</u> |
| <b>LIABILITIES AND NET ASSETS</b>               |                      |                      |
| <b>LIABILITIES</b>                              |                      |                      |
| Accounts Payable and Accrued Liabilities        | \$ 159,704           | \$ 101,274           |
| Due to Related Parties                          | 2,537,444            | 2,243,020            |
| Unearned Revenues                               | 83,334               | 173,662              |
| Lease Obligations - Financing                   | 69,877               | 13,353               |
| Lease Obligations - Operating                   | -                    | 16,817               |
| Total Liabilities                               | <u>2,850,359</u>     | <u>2,548,126</u>     |
| <b>NET ASSETS</b>                               |                      |                      |
| Without Donor Restrictions:                     |                      |                      |
| Board Designated                                | 3,913,872            | 3,587,685            |
| Undesignated                                    | 19,176,818           | 21,270,159           |
| Total Net Assets                                | <u>23,090,690</u>    | <u>24,857,844</u>    |
| Total Liabilities and Net Assets                | <u>\$ 25,941,049</u> | <u>\$ 27,405,970</u> |

See accompanying Notes to Financial Statements.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2024 AND 2023**

|  | 2024          | 2023          |
|--|---------------|---------------|
| <b>REVENUES</b>  |               |               |
| Student Activity Fees                                      | \$ 10,488,391 | \$ 13,020,871 |
| Contract and Lease Payments                                | 1,736,277     | 1,703,226     |
| Program Service Fees                                       | 1,427,511     | 1,234,483     |
| Contributions and Grants                                   | 8,500         | 11,000        |
| Interest and Investment Income                             | 1,143,255     | 626,264       |
| Subtotal   | 14,803,934    | 16,595,844    |
| <b>OPERATING INCOME</b>                                    | 14,803,934    | 16,595,844    |
| <b>OTHER INCOME</b>  |               |               |
| Insurance Proceeds   | -             | 30,282        |
| Total Revenues   | 14,803,934    | 16,626,126    |
| <b>EXPENSES</b>  |               |               |
| Building Operations  | 5,170,002     | 4,822,653     |
| Programs and Services                                      | 7,277,406     | 6,371,067     |
| Administration   | 4,103,489     | 3,262,955     |
| Loss on Disposal of Capital Assets                         | 12,114        | 11,992        |
| Total Expenses   | 16,563,011    | 14,468,667    |
| <b>INCREASE (DECREASE) IN NET ASSETS BEFORE TAXES</b>      | (1,759,077)   | 2,157,459     |
| <b>UNRELATED BUSINESS INCOME TAXES REFUND</b>              | (8,077)       | 3,379         |
| <b>INCREASE (DECREASE) IN NET ASSETS</b>                   | (1,767,154)   | 2,160,838     |
| Net Assets Without Donor Restrictions - Beginning of Year  | 24,857,844    | 22,697,006    |
| <b>NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR</b> | \$ 23,090,690 | \$ 24,857,844 |

See accompanying Notes to Financial Statements.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

|                                    | <u>Building<br/>Operations</u> | <u>Programs and<br/>Services</u> | <u>Administration</u>      | <u>Total</u>                |
|------------------------------------|--------------------------------|----------------------------------|----------------------------|-----------------------------|
| Advertising                        | \$ 570                         | \$ 24,664                        | \$ 2,904                   | \$ 28,138                   |
| Conferences                        | 1,730                          | 16,453                           | 4,405                      | 22,588                      |
| Depreciation and Amortization      | 328,050                        | 8,586                            | 13,110                     | 349,746                     |
| Dues and Subscriptions             | 43,825                         | 194,980                          | 123,604                    | 362,409                     |
| Insurance                          | -                              | 1,235                            | 243,507                    | 244,742                     |
| Interest Expense                   | 1,221                          | 500                              | 1,698                      | 3,419                       |
| Office Expenses                    | 22                             | 4,612                            | 4,618                      | 9,252                       |
| Outside Services                   | 1,238,171                      | 5,913,610                        | 3,478,862                  | 10,630,643                  |
| Postage and Delivery               | -                              | 45                               | 606                        | 651                         |
| Printing                           | 32                             | 2,826                            | 700                        | 3,558                       |
| Repairs and Maintenance            | 2,335,535                      | 91,600                           | 111,890                    | 2,539,025                   |
| Small Equipment                    | 344,397                        | 399,602                          | 31,671                     | 775,670                     |
| Special Events                     | -                              | 227,330                          | 910                        | 228,240                     |
| Supplies                           | 14,333                         | 319,306                          | 64,527                     | 398,166                     |
| Telephone                          | 3,436                          | 24,188                           | 6,675                      | 34,299                      |
| Travel                             | 5,364                          | 29,191                           | 13,802                     | 48,357                      |
| Utilities                          | 853,316                        | 18,678                           | -                          | 871,994                     |
| Subtotal                           | <u>5,170,002</u>               | <u>7,277,406</u>                 | <u>4,103,489</u>           | <u>16,550,897</u>           |
| Loss on Disposal of Capital Assets | 12,114                         | -                                | -                          | 12,114                      |
| Unrelated Business Income Taxes    | <u>-</u>                       | <u>8,077</u>                     | <u>-</u>                   | <u>8,077</u>                |
| Total Functional Expenses          | <u><u>\$ 5,182,116</u></u>     | <u><u>\$ 7,285,483</u></u>       | <u><u>\$ 4,103,489</u></u> | <u><u>\$ 16,571,088</u></u> |

See accompanying Notes to Financial Statements.



**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

|                                    | Building<br>Operations     | Programs and<br>Services   | Administration             | Total                       |
|------------------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| Advertising                        | \$ 1,415                   | \$ 22,509                  | \$ 6,654                   | \$ 30,578                   |
| Conferences                        | 595                        | 16,139                     | 7,422                      | 24,156                      |
| Depreciation and Amortization      | 345,300                    | 6,568                      | 8,781                      | 360,649                     |
| Dues and Subscriptions             | 16,019                     | 107,521                    | 122,506                    | 246,046                     |
| Insurance                          | -                          | 923                        | 234,372                    | 235,295                     |
| Interest Expense                   | -                          | 622                        | 765                        | 1,387                       |
| Office Expenses                    | 206                        | 4,834                      | 3,084                      | 8,124                       |
| Outside Services                   | 1,126,036                  | 5,441,976                  | 2,720,461                  | 9,288,473                   |
| Postage and Delivery               | -                          | 75                         | 456                        | 531                         |
| Printing                           | 16                         | 2,625                      | 360                        | 3,001                       |
| Repairs and Maintenance            | 2,199,139                  | 87,650                     | 75,144                     | 2,361,933                   |
| Small Equipment                    | 339,847                    | -                          | -                          | 339,847                     |
| Special Events                     | -                          | 252,404                    | -                          | 252,404                     |
| Supplies                           | 22,241                     | 354,223                    | 57,620                     | 434,084                     |
| Telephone                          | 3,242                      | 24,539                     | 6,644                      | 34,425                      |
| Travel                             | 1,043                      | 23,584                     | 18,686                     | 43,313                      |
| Utilities                          | 767,554                    | 24,875                     | -                          | 792,429                     |
| Subtotal                           | <u>4,822,653</u>           | <u>6,371,067</u>           | <u>3,262,955</u>           | <u>14,456,675</u>           |
| Loss on Disposal of Capital Assets | 11,992                     | -                          | -                          | 11,992                      |
| Unrelated Business Income Taxes    | <u>-</u>                   | <u>(3,379)</u>             | <u>-</u>                   | <u>(3,379)</u>              |
| Total Functional Expenses          | <u><u>\$ 4,834,645</u></u> | <u><u>\$ 6,367,688</u></u> | <u><u>\$ 3,262,955</u></u> | <u><u>\$ 14,465,288</u></u> |

See accompanying Notes to Financial Statements.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

|  | 2024           | 2023          |
|--|----------------|---------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                |               |
| Change in Net Assets   | \$ (1,767,154) | \$ 2,160,838  |
| Adjustments to Reconcile Change in Net Assets to<br>Net Cash Provided by Operating Activities: |                |               |
| Depreciation   | 322,780        | 345,300       |
| Amortization   | 26,966         | 15,349        |
| Change in Operating Lease Asset and Liability  | -              | (10,719)      |
| Loss on Disposal of Capital Assets   | 12,114         | 11,992        |
| (Increase) Decrease in:  |                |               |
| Accounts Receivable  | (7,182)        | 8,111         |
| Interest Receivable  | (77,997)       | (159,875)     |
| Student Activity Fees Receivable   | (385,397)      | (524)         |
| Prepaid Expenses   | (14,947)       | 123,981       |
| Inventory  | 10             | (19)          |
| Due from Related Parties   | (19,016)       | (48,623)      |
| Increase (Decrease) in:  |                |               |
| Accounts Payable and Accrued Liabilities   | 58,430         | (40,737)      |
| Due to Related Parties   | 294,424        | 618,220       |
| Unearned Revenues  | (90,328)       | 32,399        |
| Net Cash Provided (Used) by Operating Activities   | (1,647,297)    | 3,055,693     |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                |               |
| Payments Related to Acquisition of Capital Assets  | (385,133)      | (235,883)     |
| <br><b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                |               |
| Payments Made on Financing Leases  | (25,813)       | (4,394)       |
| <br><b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                | (2,058,243)    | 2,815,416     |
| Cash and Cash Equivalents - Beginning of Year  | 25,433,287     | 22,617,871    |
| <br><b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>   | \$ 23,375,044  | \$ 25,433,287 |
| <br><b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                                    |                |               |
| Right-of-Use Asset Obtained in<br>Exchange for New Operating Lease Liability                   | \$ -           | \$ 27,536     |
| Right-of-Use Asset Obtained in<br>Exchange for New Financing Lease Liability                   | \$ 65,520      | \$ 17,747     |

See accompanying Notes to Financial Statements.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of the Organization**

The University Union Operation of California State University, Sacramento (Union WELL, Inc.) is organized pursuant to the General Nonprofit Corporation Law of the state of California and is governed by Union WELL, Inc.'s board of directors. Union WELL, Inc. operates the University Union building, recreational sports, and The WELLness Center (The WELL), the legal title of which is held by the board of trustees of the California State University for the benefit of California State University, Sacramento (Sacramento State). Union WELL, Inc. offers a variety of events and services for the students and public including an assortment of vendors, food, and programs.

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Union WELL, Inc. classifies net assets and revenues, expenses, and gains and losses into two categories, based on the existence or absence of donor-imposed restrictions. The categories are described below:

*Net Assets Without Donor Restrictions:* Net assets in this category are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Union WELL Inc.'s management and the board of directors.

*Net Assets With Donor Restrictions:* Net assets in this category are subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Union WELL, Inc. or by passage of time. Other donor restrictions are perpetual in nature, whereby the donors have stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported in the statements of activities as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Cash and Cash Equivalents**

Union WELL Inc. invests its excess cash with the state of California Local Agency Investment Fund (LAIF). The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of Union WELL, Inc.'s position in the LAIF pool. Management has concluded that amortized cost basis approximates fair value. Union WELL, Inc. considers highly liquid investments with a maturity of three months or less to be cash and cash equivalents. At times, cash balances exceed the FDIC limit.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

*Level 1* – Inputs to the valuation methodology represent unadjusted quoted prices for identical assets or liabilities in active markets that Union WELL, Inc. has the ability to access.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**Accounts Receivable**

Accounts receivables are composed of uncollected revenue generated from events, including room reservations, leased space, and special events in the University Union building and The WELL. Union WELL, Inc. reviews account receivable on a monthly basis to determine if any receivables are potentially uncollectible. As of June 30, 2024 and 2023, Union WELL, Inc. has not recorded any allowance for doubtful accounts, as all amounts were considered to be collectible. Union WELL, Inc. periodically assesses its methodologies for estimating credit losses in consideration with historical trends, changes in the overall economic environment, and current future economic conditions.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Student Activity Fees Receivable – Held by Sacramento State**

Student activity fees receivable consist of student activity fees for the 2024 fall semester collected by Sacramento State during student registration. These fees will be remitted to Union WELL, Inc. during the fiscal year ending June 30, 2024. As of June 30, 2024 and 2023, student activity fees receivable were \$480,903 and \$95,506, respectively.

**Prepaid Expenses**

These amounts are the result of payments made for goods and services to be utilized in future periods. As of June 30, 2024 and 2023, prepaid expense for goods and services were \$85,083 and \$70,136, respectively.

**Inventory**

The WELL opened in Fall 2010 with all inventories reported at the lower of cost or net realizable value. The first in, first out method is used in determining cost. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of disposal. Inventory consists of items such as chalk socks, clothing, and blender bottles.

**Due From Related Parties**

Due from related parties represents amounts owed to Union WELL, Inc. by Sacramento State; University Enterprises, Inc. (UEI); and the Associated Students of California State University, Sacramento (ASI) for services and space provided by Union WELL, Inc.'s program activities.

**Capital Assets**

Capital assets are stated at cost. It is the policy of Union WELL, Inc. to capitalize all expenditures for property and equipment costing \$5,000 or more. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets, typically between 3 and 20 years.

**Due to Related Parties**

Due to related parties represents outstanding billings for administrative, accounting, and catering services provided to Union WELL, Inc. by Sacramento State, UEI, and ASI.

**Unearned Revenues**

Unearned revenues represent the amount of Union WELL, Inc. programs that have been received in advance of providing the related services. Revenue is recognized on the date of the service. Unearned revenues also consist of student activity fees collected by Sacramento State from students during student registration for the 2024 fall semester.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues from Contracts with Customers**

A five-step model is used to determine the amount and timing of revenue recognized. The five step model requires Union WELL, Inc. to apply the following steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, Union WELL, Inc. satisfies the performance obligations.

Union WELL, Inc.'s revenues are generated from its operations and are recognized as described below:

*Student Activity Fees:* Student activity fees are remitted directly to the Office of the Chancellor of California State University to cover principal and interest payments on its debt obligations, fire insurance on the University Union and The WELL buildings, legislative costs, and Office of the Chancellor overhead, and to provide a reserve for building improvements and replacement. Subject to certain limitations, student activity fees in excess of such requirements, or surplus revenue, are used to fund Union WELL, Inc. operations. For the fiscal years ended June 30, 2024 and 2023, student activity fees include a return of surplus revenue and recreational sports activity fees. Revenue is recognized as it is returned to Union WELL, Inc. for use in operations.

*Program Service Fees:* Program service fees include, but are not limited to, facility use fees for the University Union building and The WELL; Union Games Room revenue; UNIQUE Programs event admission revenue; co-sponsorship revenue for special events such as special guest lecturers; The WELL supplemental membership fees; The WELL recreation program fees (i.e. pool, intramurals, personal training, small group fitness training, climbing wall revenue); and the 5K Fun Run revenue. Revenue is recognized throughout the period during which the facilities and services are provided and as events are held.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues from Contracts with Customers (Continued)**

See below for a summary of activity of the deferred revenue balances and the student activity fee receivable:

|  | 2024       | 2023       |
|--|------------|------------|
| Deferred Revenue, Beginning of the Year                | \$ 173,662 | \$ 141,263 |
| Refunds or Returns                                     | -          | -          |
| Revenue Recognized                                     | (173,662)  | (141,263)  |
| Cash Received in Advance of Performance                | 83,334     | 173,662    |
| Deferred Revenue, End of the Year                      | \$ 83,334  | \$ 173,662 |
|  | 2024       | 2023       |
| Student Activity Fee Receivable, Beginning of the Year | \$ 95,506  | \$ 94,982  |
| Payments Made  | (95,506)   | (94,982)   |
| Charges for Fees                                       | 480,903    | 95,506     |
| Student Activity Fee Receivable, End of the Year       | \$ 480,903 | \$ 95,506  |

**Functional Allocation of Expenses**

The costs of providing various program and supporting activities have been summarized on a functional basis in the statements of activities. The presentation of expenses by function and nature is included in the statements of functional expenses. Union WELL, Inc. charges direct expenses incurred for a specific function directly to the program or supporting service category. These costs can be specifically identified as being incurred for the activities of that program or supporting service. Expenses that are not directly associated with a program are allocated to administration expenses. Expenditures classified as Small Equipment on the Functional Expenses schedule in the amount of \$775,670 as of fiscal year ended June 30, 2024, and Capital, Repair & Replacement expenditures that will not be capitalized. These expenditures are currently assigned to the Building Operations functional expense. Union WELL, Inc. determined that some of the expenditures should be reclassified to Program Services and Administration, \$339,602 and \$31,671, respectively. This reclassification is reflected in the financial statements as of fiscal year ended June 30, 2024.

**Advertising**

Union WELL, Inc. expenses advertising costs as incurred. Advertising expenses for the years ended June 30, 2024 and 2023, were \$28,138 and \$30,578, respectively.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Tax Status**

Union WELL, Inc. qualifies for exemption from income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) and similar provisions of state income tax regulations. The ruling provides that Union WELL, Inc. is not subject to excise tax under Section 4940(a) of the IRC. Income determined to be from unrelated business income would be taxable.

Union WELL, Inc. analyzes whether there is uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. An uncertain tax position can be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Union WELL, Inc.'s practice is to recognize interest and penalties, if any, related to uncertain tax positions in tax expense. Union WELL, Inc. files exempt organization returns in the U.S. federal and California jurisdictions. The federal and state tax returns remain subject to examination by the taxing authorities for three years and four years, respectively. Union WELL, Inc. has processes presently in place to ensure the maintenance of its tax-exempt status (its group exemption) to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Union WELL, Inc. has determined there is no impact on the accompanying financial statements related to this standard. There were no uncertain tax positions identified or related interest and penalties recorded as of June 30, 2024 and 2023, and Union WELL, Inc. does not expect this to change significantly over the next 12 months.

**Leases**

Union WELL, Inc. leases office equipment and determines if an arrangement is a lease at inception. Both operating and finance leases are reported on the balance sheet as a right-of-use (ROU) asset and lease liability.

ROU assets represent the Union WELL, Inc.'s right to use an underlying asset for the lease term and lease liabilities represent the Union WELL, Inc.'s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Union WELL, Inc. will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Union WELL, Inc. has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheets.

The individual lease contracts do not provide information about the rate implicit in the lease. Therefore, the Union WELL, Inc. has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities. The Union WELL, Inc. has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.



**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principle**

Union WELL, Inc. has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. Union WELL, Inc. adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have an impact on Union WELL, Inc.'s financial statements but did change how the allowance for credit losses is determined.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Evaluation of Subsequent Events**

Management has evaluated subsequent events through September 11, 2024, the date the financial statements were available to be issued.

**NOTE 2 CASH AND CASH EQUIVALENTS**

As of June 30, 2024 and 2023, cash and cash equivalents represent short-term investments in LAIF in the amounts of \$23,180,946 and \$25,037,757, respectively, and funds held at financial institutions in the amounts of \$194,098 and \$395,530 respectively. At times, cash balances exceed the FDIC limit.

**NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following represents Union WELL, Inc. financial assets:

|  | 2024          | 2023          |
|--|---------------|---------------|
| Financial Assets - End of Year:  |               |               |
| Cash and Cash Equivalents  | \$ 23,375,044 | \$ 25,433,287 |
| Accounts Receivable  | 26,198        | 19,016        |
| Interest Receivable  | 282,063       | 204,066       |
| Due from Related Parties   | 186,173       | 167,157       |
| Student Activity Fees Receivable - Held by<br>Sacramento State                     | 480,903       | 95,506        |
| Total Financial Assets - End of Year   | 24,350,381    | 25,919,032    |
| Less: Amounts Not Available to be Used Within One Year:                            |               |               |
| Board-Designated Net Assets  | 3,913,872     | 3,587,685     |
| Financial Assets Available to Meet General<br>Expenditures Over the Next 12 Months | \$ 20,436,509 | \$ 22,331,347 |

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)**

In order to manage liquidity, Union WELL, Inc. has structured its financial assets to be available as its general expenditures and liabilities become due. As part of its liquidity plan, excess cash is invested in LAIF. Union WELL, Inc. is substantially supported by student activity and program services fees, which are unrestricted and are available to meet general expenditure obligations.

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENT**

Although Union WELL, Inc. has funds held in LAIF, they are available for withdrawal on demand and are, therefore, recorded as cash equivalents. LAIF is sponsored by the California State Treasurer and prepares its market value report detailing the carrying cost and estimated fair value for the entire pool. Union WELL, Inc. used the multiplier provided by LAIF to determine the estimated fair value of its investments in the pool. Union WELL, Inc.'s investments in LAIF are measured on a recurring basis throughout the year.

The investments in LAIF are carried at amortized cost, which is deemed to not represent a material difference from fair value. The assets, composed of treasuries, certificates of deposit, bank notes, agencies, commercial paper, time deposits, and loans, are valued at quoted prices for similar assets or liabilities in active markets. This method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Union WELL, Inc. believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at June 30, 2024 and 2023.

As of June 30, 2024 and 2023, the LAIF pool included structured notes and asset backed securities, which totaled 3.00% and 2.78%, respectively, of the total portfolio. These structured notes and asset backed securities are subject to market risk as interest rates fluctuate. As of June 30, 2024 and 2023, the fair value of LAIF was 99.63% and 98.48%, respectively, of the carrying value. There were no LAIF funds invested in derivatives as of June 30, 2024 and 2023. LAIF has oversight by the Local Investment Advisory Board (LIAB), which consists of five members as designated by statute. The Chairman of the LIAB is the state Treasurer or his designated representative. Union WELL, Inc. is a voluntary participant in the LAIF investment pool.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)**

The following tables set forth by level, within the fair value hierarchy, Union WELL, Inc.'s assets at fair value:

|                      | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Net<br>Asset<br>Value (NAV) | Total         |
|----------------------|--|---|--|-----------------------------|---------------|
| <u>June 30, 2024</u> |  |   |  |                             |               |
| LAIF                 | \$ -   | \$ -  | \$ -   | \$ 23,180,946               | \$ 23,180,946 |
|                      |  |   |  |                             |               |
|                      | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Net<br>Asset<br>Value (NAV) | Total         |
| <u>June 30, 2023</u> |  |   |  |                             |               |
| LAIF                 | \$ -   | \$ -  | \$ -   | \$ 25,037,757               | \$ 25,037,757 |

**NOTE 5 CAPITAL ASSETS**

Capital assets consisted of the following:

|                                | 2024         | 2023         |
|--------------------------------|--------------|--------------|
| Furniture and Fixtures         | \$ 1,281,608 | \$ 1,180,822 |
| Fitness Equipment              | 826,581      | 784,743      |
| Minor Equipment                | 40,453       | 40,453       |
| Leasehold Improvements         | 1,277,065    | 1,163,493    |
| Construction Work in Progress  | 164,603      | 158,749      |
| Computers                      | 719,881      | 712,979      |
| Artwork                        | 44,596       | 44,596       |
| Total                          | 4,354,787    | 4,085,835    |
| Less: Accumulated Depreciation | 2,918,887    | 2,700,174    |
| Capital Assets, Net            | \$ 1,435,900 | \$ 1,385,661 |

Depreciation expense for the fiscal years ended June 30, 2024 and 2023, was \$322,780 and \$345,300, respectively.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 6 LEASES**

Union WELL, Inc. has five lease commitments for copiers and printers under noncancelable leases. The following table provides quantitative information concerning leases for the years ended June 30:

|   | <u>2024</u>      | <u>2023</u>      |
|---|------------------|------------------|
| Operating Lease Costs   | \$ -             | \$ 27,536        |
| Finance Lease Costs:  |                  |                  |
| Amortization of Right-to-Use Assets                                     | 26,966           | 15,349           |
| Interest on Lease Liabilities   | 3,142            | 1,387            |
| Total Cost  | <u>\$ 30,108</u> | <u>\$ 44,272</u> |
|   |                  |                  |
| Cash Paid for Amounts Included in the Measurement of Lease Liabilities: |                  |                  |
| Operating Cash Flows from Operating Leases                              | \$ -             | \$ 27,536        |
| Operating Cash Flows from Finance Leases                                | 26,966           | 15,349           |
| Financing Cash Flows from Finance Leases                                | 25,813           | 4,394            |
|   |                  |                  |
| ROU Assets Obtained in Exchange for New Financing Lease Liabilities     | \$ 65,520        | \$ 17,747        |
| ROU Assets Obtained in Exchange for New Operating Lease Liabilities     | -                | 27,536           |
| Weighted Average Remaining Lease Term:                                  |                  |                  |
| Financing Leases  | 2.51             | 2.83             |
| Operating Leases  | -                | 1.50             |
| Weighted Average Discount Rate:   |                  |                  |
| Financing Leases  | 3.65%            | 3.65%            |
| Operating Leases  | -                | 3.59%            |

| <u>Year Ending June 30,</u>        | <u>Financing<br/>Leases</u> |
|------------------------------------|-----------------------------|
| 2025                               | \$ 25,734                   |
| 2026                               | 19,140                      |
| 2027                               | 15,000                      |
| 2028                               | 15,000                      |
| 2029                               | 1,435                       |
| Total Lease Payments               | <u>76,309</u>               |
| Less: Interest                     | <u>(6,432)</u>              |
| Present Value of Lease Liabilities | <u>\$ 69,877</u>            |

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 7 OUTSIDE SERVICES**

Union WELL, Inc. operates pursuant to a Memorandum of Understanding (MOU) with UEI which, among other provisions, compensates UEI employees assigned to Union WELL, Inc. and provides for Union WELL, Inc. to furnish related benefits coverage for these individuals. Such amounts are reported as outside services in the statements of functional expenses. Outside services for the fiscal years ended June 30, 2024 and 2023, consisted of the following:

|                            | 2024          | 2023         |
|----------------------------|---------------|--------------|
| Personnel Services         | \$ 6,493,052  | \$ 5,795,074 |
| Personnel Benefit Expenses | 2,121,293     | 1,957,411    |
| Payroll Services           | 861,434       | 775,248      |
| Accounting Services        | 153,320       | 142,708      |
| Other Outside Services     | 1,001,544     | 618,032      |
| Total                      | \$ 10,630,643 | \$ 9,288,473 |

**NOTE 8 RELATED PARTY TRANSACTIONS**

Space located within the University Union building is used or operated by Sacramento State, ASI, and UEI, which are component units of Sacramento State, under operating and sublease agreements that are renewed on an annual basis. For the fiscal years ended June 30, 2024 and 2023, Union WELL, Inc. received payments for leased office space to UEI totaling \$555,777 and \$541,672, respectively, and for leased office space to ASI totaling \$310,465 and \$300,704, respectively. For the fiscal years ended June 30, 2024 and 2023, Union WELL, Inc. received Public Safety fees from UEI totaling \$4,646 and \$6,958, respectively. For the fiscal years ended June 30, 2024 and 2023, Union WELL, Inc. received Public Safety Fees from ASI totaling \$3,105 and \$4,139, respectively.

Other than those disclosed elsewhere in these financial statements, transactions between Union WELL, Inc. and related organizations included the payments by Union WELL, Inc. to Sacramento State of \$1,294,565 and \$888,903 for the fiscal years ended June 30, 2024 and 2023, respectively, for campus cost recovery services, which include administration, telephone, postage, IT support, and utilities. Sacramento State made payments to Union WELL, Inc. totaling \$1,343,009 and \$1,287,571 for services, space, and programs for the fiscal years ended June 30, 2024 and 2023, respectively.

Union WELL, Inc. incurred expenses primarily related to professional fees and advertising by UEI in the amounts of \$9,242 and \$-0- for the fiscal years ended June 30, 2024 and 2023, respectively.

For the fiscal years ended June 30, 2024 and 2023, Union WELL, Inc. was charged \$153,320 and \$142,708, respectively, for accounting and financial services provided by ASI.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 8 RELATED PARTY TRANSACTIONS (CONTINUED)**

The amounts due from related entities were comprised of the following:

|                  | 2024       | 2023       |
|------------------|------------|------------|
| Sacramento State | \$ 174,314 | \$ 135,492 |
| UEI              | 6,393      | 7,642      |
| ASI              | 5,466      | 24,023     |
| Total            | \$ 186,173 | \$ 167,157 |

The amounts due to related entities were comprised of the following:

|                  | 2024         | 2023         |
|------------------|--------------|--------------|
| Sacramento State | \$ 993,753   | \$ 775,077   |
| UEI              | 1,543,691    | 1,444,283    |
| ASI              | -            | 23,660       |
| Total            | \$ 2,537,444 | \$ 2,243,020 |

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The employees assigned to Union WELL, Inc. under the provisions of the MOU with UEI are also eligible to participate in UEI's OPEB plan (the Plan). The Plan is a single-employer defined benefit healthcare plan administered by UEI. The Plan provides lifetime postretirement medical and dental coverage to its eligible employees who retire at age 55 (Policy 116) or age 65 (Policy 117) or older, and who complete the required years of continuous CalPERS covered service. The Plan also extends coverage to spouses/registered domestic partners and surviving spouses/registered domestic partners of qualified retirees. On May 17, 2011, UEI's board of directors approved the inclusion of UEI into the Voluntary Employee Beneficiary Association (VEBA) Plan. The VEBA Plan is a separate 501(c)(9) organization established in August 2010 to assist in funding OPEB costs, and ensures funds will be available to pay future obligations. Union WELL, Inc. paid contributions to UEI of \$383,288 and \$140,000 for the years ended June 30, 2024 and 2023, respectively. These contributions, totaling \$383,288, were deposited into the UEI VEBA account on behalf of Union WELL, Inc. For full disclosures of OPEB and VEBA plans, see UEI's financial statements.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**SCHEDULE OF NET POSITION (CONTINUED)**  
**JUNE 30, 2024**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

**Assets:**

**Current assets:**

|   |                   |
|---|-------------------|
| Cash and cash equivalents                 | 194,098           |
| Short-term investments                    | 23,180,946        |
| Accounts receivable, net                  | 494,434           |
| Lease receivable, current portion         | —                 |
| P3 receivable, current portion            | —                 |
| Notes receivable, current portion         | —                 |
| Pledges receivable, net                   | —                 |
| Prepaid expenses and other current assets | 567,183           |
| <b>Total current assets</b>               | <u>24,436,661</u> |

**Noncurrent assets:**

|  |                   |
|--|-------------------|
| Restricted cash and cash equivalents     | —                 |
| Accounts receivable, net                 | —                 |
| Lease receivable, net of current portion | —                 |
| P3 receivable, net of current portion    | —                 |
| Notes receivable, net of current portion | —                 |
| Student loans receivable, net            | —                 |
| Pledges receivable, net                  | —                 |
| Endowment investments                    | —                 |
| Other long-term investments              | —                 |
| Capital assets, net                      | 1,504,388         |
| Other assets                             | —                 |
| <b>Total noncurrent assets</b>           | <u>1,504,388</u>  |
| <b>Total assets</b>                      | <u>25,941,049</u> |

**Deferred outflows of resources:**

|   |          |
|---|----------|
| Unamortized loss on debt refunding          | —        |
| Net pension liability                       | —        |
| Net OPEB liability                          | —        |
| Leases                                      | —        |
| P3  | —        |
| Others                                      | —        |
| <b>Total deferred outflows of resources</b> | <u>—</u> |

**Liabilities:**

**Current liabilities:**

|   |                  |
|---|------------------|
| Accounts payable                              | 159,704          |
| Accrued salaries and benefits                 | —                |
| Accrued compensated absences, current portion | —                |
| Unearned revenues                             | 83,334           |
| Lease liabilities, current portion            | 22,912           |
| SBITA liabilities - current portion           | —                |
| P3 liabilities - current portion              | —                |
| Long-term debt obligations, current portion   | —                |
| current portion                               | —                |
| Depository accounts                           | (21)             |
| Other liabilities                             | 2,537,444        |
| <b>Total current liabilities</b>              | <u>2,803,394</u> |





**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2024**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

**Revenues:**

**Operating revenues:**

|  |   |
|--|---|
| Student tuition and fees, gross            | — |
| Scholarship allowances (enter as negative) | — |

**Grants and contracts, noncapital:**

|  |                   |
|--|-------------------|
| Federal  | —                 |
| State  | —                 |
| Local  | —                 |
| Nongovernmental                                    | —                 |
| Sales and services of educational activities       | —                 |
| Sales and services of auxiliary enterprises, gross | 1,427,511         |
| Scholarship allowances (enter as negative)         | —                 |
| Other operating revenues                           | 12,224,668        |
| <b>Total operating revenues</b>                    | <u>13,652,179</u> |

**Expenses:**

**Operating expenses:**

|                                    |                    |
|------------------------------------|--------------------|
| Instruction                        | —                  |
| Research                           | —                  |
| Public service                     | —                  |
| Academic support                   | —                  |
| Student services                   | 12,808,914         |
| Institutional support              | 474,726            |
| Operation and maintenance of plant | 2,914,092          |
| Student grants and scholarships    | —                  |
| Auxiliary enterprise expenses      | —                  |
| Depreciation and amortization      | 349,746            |
| <b>Total operating expenses</b>    | <u>16,547,478</u>  |
| <b>Operating income (loss)</b>     | <u>(2,895,299)</u> |

**Nonoperating revenues (expenses):**

|  |                    |
|--|--------------------|
| State appropriations, noncapital                           | —                  |
| Federal financial aid grants, noncapital                   | —                  |
| State financial aid grants, noncapital                     | —                  |
| Local financial aid grants, noncapital                     | —                  |
| Nongovernmental and other financial aid grants, noncapital | —                  |
| Other federal nonoperating grants, noncapital              | —                  |
| Gifts, noncapital  | 8,500              |
| Investment income (loss), net                              | 1,143,255          |
| Endowment income (loss), net                               | —                  |
| Interest expense   | (3,419)            |
| Other nonoperating revenues (expenses)                     | (20,191)           |
| <b>Net nonoperating revenues (expenses)</b>                | <u>1,128,145</u>   |
| <b>Income (loss) before other revenues (expenses)</b>      | <u>(1,767,154)</u> |

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
 SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)  
 YEAR ENDED JUNE 30, 2024  
 (FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

|   |                    |
|---|--------------------|
| State appropriations, capital                             | —                  |
| Grants and gifts, capital                                 | —                  |
| Additions (reductions) to permanent endowments            | —                  |
| <b>Increase (decrease) in net position</b>                | <b>(1,767,154)</b> |
| <b>Net position:</b>                                      |                    |
| Net position at beginning of year, as previously reported | 24,857,844         |
| Restatements  | —                  |
| <b>Net position at beginning of year, as restated</b>     | <b>24,857,844</b>  |
| <b>Net position at end of year</b>                        | <b>23,090,690</b>  |



**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
OTHER INFORMATION (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

2.2 Fair value hierarchy in investments:

| Investment Type  | Total                | Quoted Prices in Active<br>Markets for Identical<br>Assets<br>(Level 1) | Significant Other<br>Observable Inputs<br>(Level 2) | Significant Unobservable<br>Inputs<br>(Level 3) | Net Asset Value<br>(NAV) |
|--|----------------------|---|---|---|--------------------------|
| Money market funds                                       | \$ -                 |   |   |   |                          |
| Repurchase agreements                                    | -                    |   |   |   |                          |
| Certificates of deposit                                  | -                    |   |   |   |                          |
| U.S. agency securities                                   | -                    |   |   |   |                          |
| U.S. treasury securities                                 | -                    |   |   |   |                          |
| Municipal bonds  | -                    |   |   |   |                          |
| Corporate bonds  | -                    |   |   |   |                          |
| Asset backed securities                                  | -                    |   |   |   |                          |
| Mortgage backed securities                               | -                    |   |   |   |                          |
| Commercial paper   | -                    |   |   |   |                          |
| Supranational  | -                    |   |   |   |                          |
| Mutual funds   | -                    |   |   |   |                          |
| Exchange traded funds                                    | -                    |   |   |   |                          |
| Equity securities  | -                    |   |   |   |                          |
| Alternative investments:                                 |                      |   |   |   |                          |
| Private equity (including limited partnerships)          | -                    |   |   |   |                          |
| Hedge funds  | -                    |   |   |   |                          |
| Managed futures  | -                    |   |   |   |                          |
| Real estate investments (including REITs)                | -                    |   |   |   |                          |
| Commodities  | -                    |   |   |   |                          |
| Derivatives  | -                    |   |   |   |                          |
| Other alternative investment types                       | -                    |   |   |   |                          |
| Other external investment pools                          | -                    |   |   |   |                          |
| CSU Consolidated Investment Pool (formerly SWIFT)        | -                    | -   | -   | -   |                          |
| State of California Local Agency Investment Fund (LAIF)  | 23,180,946           | -   | -   | -   | 23180946                 |
| State of California Surplus Money Investment Fund (SMIF) | -                    | -   | -   | -   |                          |
| Other investments:                                       |                      |   |   |   |                          |
|  | -                    |   |   |   |                          |
|  | -                    |   |   |   |                          |
|  | -                    |   |   |   |                          |
|  | -                    |   |   |   |                          |
| Total other investments:                                 | -                    | -   | -   | -   | -                        |
| <b>Total investments</b>                                 | <b>\$ 23,180,946</b> | <b>—</b>  | <b>—</b>  | <b>—</b>  | <b>23,180,946</b>        |

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
 OTHER INFORMATION (CONTINUED)  
 YEAR ENDED JUNE 30, 2024  
 (FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

**2.3 Investments held by the University under contractual agreements:**

|  | Current | Noncurrent | Total |
|--|---------|------------|-------|
| Investments held by the University under contractual agreements<br>e.g. - CSU Consolidated Investment Pool (formerly SWIFT): |         |            | \$ -  |

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
OTHER INFORMATION (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

|   | Balance<br>June 30, 2023 | Reclassifications | Prior Period Additions | Prior Period Retirements | Balance<br>June 30, 2023<br>(Restated) | Additions      | Retirements      | Transfer of<br>completed<br>CWIP/PWIP | Balance<br>June 30, 2024 |
|---|--------------------------|-------------------|------------------------|--------------------------|--|----------------|------------------|---------------------------------------|--------------------------|
| <b>Non-depreciable/Non-amortizable capital assets:</b>      |                          |                   |                        |                          |  |                |                  |                                       |                          |
| Land and land improvements                                  | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Works of art and historical treasures                       | 44,596                   |                   |                        |                          | 44,596                                 |                |                  |                                       | 44,596                   |
| Construction work in progress (CWIP)                        | 158,749                  |                   |                        |                          | 158,749                                | 15,047         |                  | -9193                                 | 164,603                  |
| Intangible assets:  |                          |                   |                        |                          |  |                |                  |                                       |                          |
| Rights and easements  | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Patents, copyrights and trademarks                          | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Intangible assets in progress (PWIP)                        | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Licenses and permits  | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Other intangible assets:                                    |                          |                   |                        |                          |  |                |                  |                                       |                          |
|   | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
|   | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
|   | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
|   | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
|   | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
|   | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Total Other intangible assets                               | -                        | -                 | -                      | -                        | -                                      | -              | -                | -                                     | -                        |
| <b>Total intangible assets</b>                              | -                        | -                 | -                      | -                        | -                                      | -              | -                | -                                     | -                        |
| <b>Total non-depreciable/non-amortizable capital assets</b> | <b>203,345</b>           | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>203,345</b>                         | <b>15,047</b>  | <b>-</b>         | <b>(9,193)</b>                        | <b>209,199</b>           |
| <b>Depreciable/Amortizable capital assets:</b>              |                          |                   |                        |                          |  |                |                  |                                       |                          |
| Buildings and building improvements                         | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Improvements, other than buildings                          | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Infrastructure  | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Leasehold improvements                                      | 1,163,493                |                   |                        |                          | 1,163,493                              | 11,9902        | -6,330           |                                       | 1,277,065                |
| Personal property:  |                          |                   |                        |                          |  |                |                  |                                       |                          |
| Equipment   | 2,718,997                |                   |                        |                          | 2,718,997                              | 250,182        | -109,849         | 9,193                                 | 2,868,523                |
| Library books and materials                                 | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Intangible assets:  |                          |                   |                        |                          |  |                |                  |                                       |                          |
| Software and websites                                       | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Rights and easements  | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Patents, copyrights and trademarks                          | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Licenses and permits  | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Other intangible assets:                                    |                          |                   |                        |                          |  |                |                  |                                       |                          |
|   | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
|   | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
|   | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
|   | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
|   | -                        |                   |                        |                          | -                                      |                |                  |                                       | -                        |
| Total Other intangible assets                               | -                        | -                 | -                      | -                        | -                                      | -              | -                | -                                     | -                        |
| <b>Total intangible assets</b>                              | <b>-</b>                 | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>-</b>                               | <b>-</b>       | <b>-</b>         | <b>-</b>                              | <b>-</b>                 |
| <b>Total depreciable/amortizable capital assets</b>         | <b>3,882,490</b>         | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>3,882,490</b>                       | <b>370,084</b> | <b>(116,179)</b> | <b>9,193</b>                          | <b>4,145,588</b>         |
| <b>Total capital assets</b>                                 | <b>4,085,835</b>         | <b>-</b>          | <b>-</b>               | <b>-</b>                 | <b>4,085,835</b>                       | <b>385,131</b> | <b>(116,179)</b> | <b>-</b>                              | <b>4,354,787</b>         |



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OTHER INFORMATION (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
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| Composition of capital assets - Lease ROU, net:   | Balance<br>June 30, 2023 | Prior Period<br>Reclassifications | Prior Period Additions | Prior Period Reductions | Balance<br>June 30, 2023<br>(Restated) | Additions       | Remeasurements | Reductions | Balance<br>June 30, 2024 |
|---|--------------------------|-----------------------------------|------------------------|-------------------------|--|-----------------|----------------|------------|--------------------------|
| <b>Non-depreciable/Non-amortizable lease assets:</b>  |                          |                                   |                        |                         |  |                 |                |            |                          |
| Land and land improvements  | —                        |                                   |                        |                         | —                                      |                 |                |            | —                        |
| <b>Total non-depreciable/non-amortizable lease assets</b>   | <b>—</b>                 |                                   |                        |                         | <b>—</b>                               |                 |                |            | <b>—</b>                 |
| <b>Depreciable/Amortizable lease assets:</b>  |                          |                                   |                        |                         |  |                 |                |            |                          |
| Land and land improvements  | —                        |                                   |                        |                         | —                                      |                 |                |            | —                        |
| Buildings and building improvements   | —                        |                                   |                        |                         | —                                      |                 |                |            | —                        |
| Improvements, other than buildings  | —                        |                                   |                        |                         | —                                      |                 |                |            | —                        |
| Infrastructure  | —                        |                                   |                        |                         | —                                      |                 |                |            | —                        |
| Personal property:  |                          |                                   |                        |                         |  |                 |                |            |                          |
| Equipment   | 45,283                   |                                   |                        |                         | 45,283                                 | 65,520          |                |            | 110,803                  |
| <b>Total depreciable/amortizable lease assets</b>   | <b>45,283</b>            |                                   |                        |                         | <b>45,283</b>                          | <b>65,520</b>   |                |            | <b>110,803</b>           |
| <b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b> |                          |                                   |                        |                         |  |                 |                |            |                          |
| Land and land improvements  | —                        |                                   |                        |                         | —                                      |                 |                |            | —                        |
| Buildings and building improvements   | —                        |                                   |                        |                         | —                                      |                 |                |            | —                        |
| Improvements, other than buildings  | —                        |                                   |                        |                         | —                                      |                 |                |            | —                        |
| Infrastructure  | —                        |                                   |                        |                         | —                                      |                 |                |            | —                        |
| Personal property:  |                          |                                   |                        |                         |  |                 |                |            |                          |
| Equipment   | (15,349)                 |                                   |                        |                         | (15,349)                               | -26,966         |                |            | (42,315)                 |
| <b>Total accumulated depreciation/amortization</b>  | <b>(15,349)</b>          |                                   |                        |                         | <b>(15,349)</b>                        | <b>(26,966)</b> |                |            | <b>(42,315)</b>          |
| <b>Total capital assets - lease ROU, net</b>  | <b>29,934</b>            |                                   |                        |                         | <b>29,934</b>                          | <b>38,554</b>   |                |            | <b>68,488</b>            |



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OTHER INFORMATION (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
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| Composition of capital assets - P3 ROU, net:           | Balance<br>June 30, 2023 | Reclassifications | Prior Period Additions | Prior Period Reductions | Balance<br>June 30, 2023<br>(Restated) | Additions | Remeasurements | Reductions | Balance<br>June 30, 2024 |
|--|--------------------------|-------------------|------------------------|-------------------------|--|-----------|----------------|------------|--------------------------|
| <b>Non-depreciable/Non-amortizable P3 assets:</b>      |                          |                   |                        |                         |  |           |                |            |                          |
| Land and land improvements                             | —                        |                   |                        |                         | —                                      |           |                |            | —                        |
| <b>Total non-depreciable/non-amortizable P3 assets</b> | <b>—</b>                 | <b>-</b>          | <b>-</b>               | <b>-</b>                | <b>-</b>                               | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>-</b>                 |
| <b>Depreciable/Amortizable P3 assets:</b>              |                          |                   |                        |                         |  |           |                |            |                          |
| Land and land improvements                             | —                        |                   |                        |                         | —                                      |           |                |            | —                        |
| Buildings and building improvements                    | —                        |                   |                        |                         | —                                      |           |                |            | —                        |
| Improvements, other than buildings                     | —                        |                   |                        |                         | —                                      |           |                |            | —                        |
| Infrastructure   | —                        |                   |                        |                         | —                                      |           |                |            | —                        |
| Personal property:                                     |                          |                   |                        |                         |  |           |                |            |                          |
| Equipment  | —                        |                   |                        |                         | —                                      |           |                |            | —                        |
| <b>Total depreciable/amortizable P3 assets</b>         | <b>—</b>                 | <b>-</b>          | <b>-</b>               | <b>-</b>                | <b>-</b>                               | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>-</b>                 |
| <b>Less accumulated depreciation/amortization:</b>     |                          |                   |                        |                         |  |           |                |            |                          |
| Land and land improvements                             | —                        |                   |                        |                         | —                                      |           |                |            | —                        |
| Buildings and building improvements                    | —                        |                   |                        |                         | —                                      |           |                |            | —                        |
| Improvements, other than buildings                     | —                        |                   |                        |                         | —                                      |           |                |            | —                        |
| Infrastructure   | —                        |                   |                        |                         | —                                      |           |                |            | —                        |
| Personal property:                                     |                          |                   |                        |                         |  |           |                |            |                          |
| Equipment  | —                        |                   |                        |                         | —                                      |           |                |            | —                        |
| <b>Total accumulated depreciation/amortization</b>     | <b>—</b>                 | <b>-</b>          | <b>-</b>               | <b>-</b>                | <b>-</b>                               | <b>-</b>  | <b>-</b>       | <b>-</b>   | <b>-</b>                 |
| <b>Total capital assets - P3 ROU, net</b>              | <b>—</b>                 | <b>—</b>          | <b>—</b>               | <b>—</b>                | <b>—</b>                               | <b>—</b>  | <b>—</b>       | <b>—</b>   | <b>—</b>                 |
| <br>   |                          |                   |                        |                         |  |           |                |            |                          |
| <b>Total capital assets, net including ROU assets</b>  |                          |                   |                        |                         |  |           |                |            | <u><u>1,504,388</u></u>  |

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OTHER INFORMATION (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
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**3.2 Detail of depreciation and amortization expense:**

|   |            |
|---|------------|
| Depreciation and amortization expense related to capital assets | \$ 322,780 |
| Amortization expense - Leases ROU                               | 26,966     |
| Amortization expense - SBITA ROU                                | -          |
| Amortization expense - P3 ROU                                   | -          |

Depreciation and Amortization expense - Others

**Total depreciation and amortization** **\$ 349,746**

**4 Long-term liabilities:**

|   | Balance<br>June 30, 2023 | Prior Period<br>Adjustments/Reclassifica-<br>tions | Balance<br>June 30, 2023<br>(Restated) | Additions | Reductions | Balance<br>June 30, 2024 | Current Portion | Noncurrent<br>Portion |
|---|--------------------------|--|--|-----------|------------|--------------------------|-----------------|-----------------------|
| 1. Accrued compensated absences                             | \$ -                     |  | -                                      |           |            | -                        |                 | -                     |
| 2. Claims liability for losses and loss adjustment expenses | -                        |  | -                                      |           |            | -                        |                 | -                     |
| <b>3. Capital lease obligations (pre-ASC 842):</b>          |                          |  |  |           |            |                          |                 |                       |
| Gross balance   | -                        |  | -                                      |           |            | -                        |                 | -                     |
| Unamortized net premium/(discount)                          | -                        |  | -                                      |           |            | -                        |                 | -                     |
| <b>Total capital lease obligations (pre ASC 842)</b>        | -                        |  | -                                      |           |            | -                        |                 | -                     |
| <b>4. Long-term debt obligations:</b>                       |                          |  |  |           |            |                          |                 |                       |
| 4.1 Auxiliary revenue bonds (non-SRB related)               | -                        |  | -                                      |           |            | -                        |                 | -                     |
| 4.2 Commercial paper  | -                        |  | -                                      |           |            | -                        |                 | -                     |
| 4.3 Notes payable (SRB related)                             | -                        |  | -                                      |           |            | -                        |                 | -                     |
| 4.4 Finance purchase of capital assets                      | -                        |  | -                                      |           |            | -                        |                 | -                     |
| 4.5 Others:   |                          |  |  |           |            |                          |                 |                       |
| -   | -                        |  | -                                      |           |            | -                        |                 | -                     |
| -   | -                        |  | -                                      |           |            | -                        |                 | -                     |
| -   | -                        |  | -                                      |           |            | -                        |                 | -                     |
| -   | -                        |  | -                                      |           |            | -                        |                 | -                     |
| <b>Total others</b>   | -                        |  | -                                      |           |            | -                        |                 | -                     |
| <b>Sub-total long-term debt</b>                             | -                        |  | -                                      |           |            | -                        |                 | -                     |
| 4.6 Unamortized net bond premium/(discount)                 | -                        |  | -                                      |           |            | -                        |                 | -                     |
| <b>Total long-term debt obligations</b>                     | -                        |  | -                                      |           |            | -                        |                 | -                     |

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|   | Balance          | Prior Period                  | Additions     | Remeasurements | Reductions      | Balance          | Current Portion  | Noncurrent Portion |
|---|------------------|-------------------------------|---------------|----------------|-----------------|------------------|------------------|--------------------|
|   | June 30, 2023    | Adjustments/Reclassifications |               |                |                 | June 30, 2024    |                  |                    |
| 5. Lease, SBITA, P3 liabilities:          |                  |                               |               |                |                 |                  |                  |                    |
| Lease liabilities                         | 30,170           |                               | 65,520        |                | -25,813         | 69,877           | 22,912           | 46,965             |
| SBITA liabilities                         | -                |                               |               |                |                 | -                |                  | -                  |
| P3 liabilities - SCA                      | -                |                               |               |                |                 | -                |                  | -                  |
| P3 liabilities - non-SCA                  | -                |                               |               |                |                 | -                |                  | -                  |
| <b>Sub-total P3 liabilities</b>           | -                | -                             | -             | -              | -               | -                | -                | -                  |
| <b>Total Lease, SBITA, P3 liabilities</b> | <b>\$ 30,170</b> | -                             | <b>65,520</b> | -              | <b>(25,813)</b> | <b>69,877</b>    | <b>22,912</b>    | <b>46,965</b>      |
| <b>Total long-term liabilities</b>        |                  |                               |               |                |                 | <b>\$ 69,877</b> | <b>\$ 22,912</b> | <b>\$ 46,965</b>   |

5 Future minimum payments schedule - leases, SBITA, P3:

|  | Lease Liabilities |               |                        | SBITA liabilities |               |                        | Public-Private or Public-Public Partnerships (P3) |               |                        | Total Leases, SBITA, P3 liabilities |               |                        |
|--|-------------------|---------------|------------------------|-------------------|---------------|------------------------|---|---------------|------------------------|-------------------------------------|---------------|------------------------|
|  | Principal Only    | Interest Only | Principal and Interest | Principal Only    | Interest Only | Principal and Interest | Principal Only                                    | Interest Only | Principal and Interest | Principal Only                      | Interest Only | Principal and Interest |
| Year ending June 30:   |                   |               |                        |                   |               |                        |   |               |                        |                                     |               |                        |
| 2025   | 22,912            | 2,821         | 25,733                 |                   |               | -                      |   |               | -                      | 22,912                              | 2,821         | 25,733                 |
| 2026   | 17,200            | 1,940         | 19,140                 |                   |               | -                      |   |               | -                      | 17,200                              | 1,940         | 19,140                 |
| 2027   | 13,810            | 1,190         | 15,000                 |                   |               | -                      |   |               | -                      | 13,810                              | 1,190         | 15,000                 |
| 2028   | 14,526            | 474           | 15,000                 |                   |               | -                      |   |               | -                      | 14,526                              | 474           | 15,000                 |
| 2029   | 1,429             | 7             | 1,436                  |                   |               | -                      |   |               | -                      | 1,429                               | 7             | 1,436                  |
| 2030 - 2034  | -                 | -             | -                      |                   |               | -                      |   |               | -                      | -                                   | -             | -                      |
| 2035 - 2039  | -                 | -             | -                      |                   |               | -                      |   |               | -                      | -                                   | -             | -                      |
| 2040 - 2044  | -                 | -             | -                      |                   |               | -                      |   |               | -                      | -                                   | -             | -                      |
| 2045 - 2049  | -                 | -             | -                      |                   |               | -                      |   |               | -                      | -                                   | -             | -                      |
| 2050 - 2054  | -                 | -             | -                      |                   |               | -                      |   |               | -                      | -                                   | -             | -                      |
| Thereafter   | -                 | -             | -                      |                   |               | -                      |   |               | -                      | -                                   | -             | -                      |
| <b>Total minimum lease payments</b>                          | <b>\$ 69,877</b>  | <b>6,432</b>  | <b>76,309</b>          | <b>-</b>          | <b>-</b>      | <b>-</b>               | <b>-</b>  | <b>-</b>      | <b>-</b>               | <b>69,877</b>                       | <b>6,432</b>  | <b>76,309</b>          |
| Less: amounts representing interest                          |                   |               |                        |                   |               |                        |   |               |                        |                                     |               | (6,432)                |
| <b>Present value of future minimum lease payments</b>        |                   |               |                        |                   |               |                        |   |               |                        |                                     |               | <b>69,877</b>          |
| <b>Total Leases, SBITA, P3 liabilities</b>                   |                   |               |                        |                   |               |                        |   |               |                        |                                     |               | <b>69,877</b>          |
| Less: current portion  |                   |               |                        |                   |               |                        |   |               |                        |                                     |               | (22,912)               |
| <b>Leases, SBITA, P3 liabilities, net of current portion</b> |                   |               |                        |                   |               |                        |   |               |                        |                                     |               | <b>\$ 46,965</b>       |

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6 Future minimum payments schedule - Long-term debt obligations:

|   | Auxiliary revenue bonds (non-SRB related) |               |                        | All other long-term debt obligations |               |                        | Total long-term debt obligations |               |                        |
|---|---|---------------|------------------------|--------------------------------------|---------------|------------------------|----------------------------------|---------------|------------------------|
|   | Principal Only                            | Interest Only | Principal and Interest | Principal Only                       | Interest Only | Principal and Interest | Principal Only                   | Interest Only | Principal and Interest |
| Year ending June 30:                                      |   |               |                        |                                      |               |                        |                                  |               |                        |
| 2025  |   |               | -                      |                                      |               | -                      |                                  |               | -                      |
| 2026  |   |               | -                      |                                      |               | -                      |                                  |               | -                      |
| 2027  |   |               | -                      |                                      |               | -                      |                                  |               | -                      |
| 2028  |   |               | -                      |                                      |               | -                      |                                  |               | -                      |
| 2029  |   |               | -                      |                                      |               | -                      |                                  |               | -                      |
| 2030 - 2034   |   |               | -                      |                                      |               | -                      |                                  |               | -                      |
| 2035 - 2039   |   |               | -                      |                                      |               | -                      |                                  |               | -                      |
| 2040 - 2044   |   |               | -                      |                                      |               | -                      |                                  |               | -                      |
| 2045 - 2049   |   |               | -                      |                                      |               | -                      |                                  |               | -                      |
| 2050 - 2054   |   |               | -                      |                                      |               | -                      |                                  |               | -                      |
| Thereafter  |   |               | -                      |                                      |               | -                      |                                  |               | -                      |
| <b>Total minimum payments</b>                             | <b>\$ -</b>                               | <b>-</b>      | <b>-</b>               | <b>-</b>                             | <b>-</b>      | <b>-</b>               | <b>-</b>                         | <b>-</b>      | <b>-</b>               |
| Less: amounts representing interest                       |   |               |                        |                                      |               |                        |                                  |               | -                      |
| <b>Present value of future minimum payments</b>           |   |               |                        |                                      |               |                        |                                  |               | <b>-</b>               |
| Unamortized net premium/(discount)                        |   |               |                        |                                      |               |                        |                                  |               | -                      |
| <b>Total long-term debt obligations</b>                   |   |               |                        |                                      |               |                        |                                  |               | <b>-</b>               |
| Less: current portion                                     |   |               |                        |                                      |               |                        |                                  |               | -                      |
| <b>Long-term debt obligations, net of current portion</b> |   |               |                        |                                      |               |                        |                                  |               | <b>\$ -</b>            |

7 Transactions with related entities:

|  |         |
|--|---------|
| Payments to University for salaries of University personnel working on contracts, grants, and other programs |         |
| Payments to University for other than salaries of University personnel                                       | 1294565 |
| Payments received from University for services, space, and programs  | 1343009 |
| Gifts-in-kind to the University from discretely presented component units                                    |         |
| Gifts (cash or assets) to the University from discretely presented component units                           |         |
| Accounts (payable to) University (enter as negative number)  | -993753 |
| Other amounts (payable to) University (enter as negative number)   |         |
| Accounts receivable from University (enter as positive number)   | 174314  |
| Other amounts receivable from University (enter as positive number)  | 480903  |



**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
OTHER INFORMATION (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

**No pension plan reported**

**10 Deferred outflows/inflows of resources:**

**1. Deferred Outflows of Resources**

Deferred outflows - unamortized loss on refunding(s)  
 Deferred outflows - net pension liability  
 Deferred outflows - net OPEB liability  
 Deferred outflows - leases  
 Deferred outflows - P3  
 Deferred outflows - others:  
     Sales/intra-entity transfers of future revenues  
     Gain/loss on sale leaseback  
     Loan origination fees and costs  
     Change in fair value of hedging derivative instrument  
     Irrevocable split-interest agreements

|   |           |          |
|---|-----------|----------|
| Total deferred outflows - others            | -         |          |
| <b>Total deferred outflows of resources</b> | <b>\$</b> | <b>-</b> |

**2. Deferred Inflows of Resources**

Deferred inflows - service concession arrangements  
 Deferred inflows - net pension liability  
 Deferred inflows - net OPEB liability  
 Deferred inflows - unamortized gain on debt refunding(s)  
 Deferred inflows - nonexchange transactions  
 Deferred inflows - leases  
 Deferred inflows - P3  
 Deferred inflows - others:  
     Sales/intra-entity transfers of future revenues  
     Gain/loss on sale leaseback  
     Loan origination fees and costs  
     Change in fair value of hedging derivative instrument  
     Irrevocable split-interest agreements

|  |           |          |
|--|-----------|----------|
| Total deferred inflows - others            | -         |          |
| <b>Total deferred inflows of resources</b> | <b>\$</b> | <b>-</b> |

**11 Other nonoperating revenues (expenses)**

|   |  |                 |
|---|--|-----------------|
| Other nonoperating revenues                         |  | -               |
| Other nonoperating (expenses)                       |  | -20191          |
| <b>Total other nonoperating revenues (expenses)</b> |  | <b>(20,191)</b> |

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**SCHEDULE OF UNDESIGNATED AND BOARD-DESIGNATED NET ASSETS**  
**YEAR ENDED JUNE 30, 2024**

|   | Net Assets Without Donor Restrictions |                           |                            |                    |                      |
|---|---------------------------------------|---------------------------|----------------------------|--------------------|----------------------|
|   | Undesignated                          | Board Designated          |                            |                    |                      |
|   | Operations                            | Property and<br>Equipment | Repairs and<br>Replacement | Art<br>Acquisition | Total                |
| <b>REVENUES</b>   |                                       |                           |                            |                    |                      |
| Revenue from Program Activities:  |                                       |                           |                            |                    |                      |
| Student Activity Fees   | \$ 10,488,391                         | \$ -                      | \$ -                       | \$ -               | \$ 10,488,391        |
| Revenue from Operations   | 3,172,288                             | -                         | -                          | -                  | 3,172,288            |
| Total Revenue from Program Activities   | 13,660,679                            | -                         | -                          | -                  | 13,660,679           |
| Other Income:   |                                       |                           |                            |                    |                      |
| Noncash Donation  | -                                     | -                         | -                          | -                  | -                    |
| Insurance Proceeds  | -                                     | -                         | -                          | -                  | -                    |
| Total Other Income  | -                                     | -                         | -                          | -                  | -                    |
| Total Revenues  | 13,660,679                            | -                         | -                          | -                  | 13,660,679           |
| <b>EXPENSES</b>   |                                       |                           |                            |                    |                      |
| Personnel   | -                                     | -                         | -                          | -                  | -                    |
| Employee Benefits   | -                                     | -                         | -                          | -                  | -                    |
| Advertising   | 28,138                                | -                         | -                          | -                  | 28,138               |
| Conferences   | 22,588                                | -                         | -                          | -                  | 22,588               |
| Depreciation  | -                                     | 349,746                   | -                          | -                  | 349,746              |
| Dues and Subscriptions  | 362,409                               | -                         | -                          | -                  | 362,409              |
| Unrelated Business Income Taxes   | 8,077                                 | -                         | -                          | -                  | 8,077                |
| Insurance   | 244,742                               | -                         | -                          | -                  | 244,742              |
| Interest  | 3,419                                 | -                         | -                          | -                  | 3,419                |
| Office Expenses   | 9,252                                 | -                         | -                          | -                  | 9,252                |
| Outside Services  | 10,630,643                            | -                         | -                          | -                  | 10,630,643           |
| Postage and Delivery  | 651                                   | -                         | -                          | -                  | 651                  |
| Printing  | 3,558                                 | -                         | -                          | -                  | 3,558                |
| Repairs and Maintenance   | 2,539,025                             | -                         | -                          | -                  | 2,539,025            |
| Small Equipment   | 93,637                                | -                         | 679,965                    | 2,068              | 775,670              |
| Special Events Expenses   | 228,240                               | -                         | -                          | -                  | 228,240              |
| Supplies  | 398,166                               | -                         | -                          | -                  | 398,166              |
| Telephone   | 34,299                                | -                         | -                          | -                  | 34,299               |
| Travel  | 48,357                                | -                         | -                          | -                  | 48,357               |
| Utilities   | 871,994                               | -                         | -                          | -                  | 871,994              |
| Total Expenses  | 15,527,195                            | 349,746                   | 679,965                    | 2,068              | 16,558,974           |
| <b>EXCESS (DEFICIENCY) OF REVENUE FROM<br/>PROGRAM ACTIVITIES OVER (UNDER) EXPENSES</b> | (1,866,516)                           | (349,746)                 | (679,965)                  | (2,068)            | (2,898,295)          |
| <b>INTEREST AND INVESTMENT INCOME</b>   | 1,054,393                             | -                         | 88,862                     | -                  | 1,143,255            |
| <b>SALE OF EQUIPMENT</b>  | -                                     | -                         | -                          | -                  | -                    |
| <b>LOSS ON DISPOSAL OF CAPITAL ASSETS</b>   | -                                     | (12,114)                  | -                          | -                  | (12,114)             |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER)<br/>EXPENSES</b>                         | (812,123)                             | (361,860)                 | (591,103)                  | (2,068)            | (1,767,154)          |
| <b>INTERFUND TRANSFERS</b>  |                                       |                           |                            |                    |                      |
| Transfer of Board-Designated Funds  | (1,067,063)                           | -                         | 1,062,063                  | 5,000              | -                    |
| Fixed Asset Acquisitions  | (214,155)                             | 450,652                   | (236,497)                  | -                  | -                    |
| Total Interfund Transfers   | (1,281,218)                           | 450,652                   | 825,566                    | 5,000              | -                    |
| <b>CHANGE IN NET ASSETS WITHOUT DONOR<br/>RESTRICTIONS</b>                              | (2,093,341)                           | 88,792                    | 234,463                    | 2,932              | (1,767,154)          |
| Net Assets Without Donor Restrictions - Beginning of Year                               | 21,270,159                            | 1,415,595                 | 2,132,913                  | 39,177             | 24,857,844           |
| <b>NET ASSETS WITHOUT DONOR RESTRICTIONS -<br/>END OF YEAR</b>                          | <u>\$ 19,176,818</u>                  | <u>\$ 1,504,387</u>       | <u>\$ 2,367,376</u>        | <u>\$ 42,109</u>   | <u>\$ 23,090,690</u> |

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 BASIS OF PRESENTATION**

The schedules are prepared in accordance with the instructions listed in an Administrative Directive dated June 24, 2003, entitled *Financial Reporting Requirements for Auxiliary Organizations*, from the California State University Office of the Chancellor. As a result, the schedules do not purport to represent financial statements prepared fully in accordance with accounting standards generally accepted in the United States of America applicable to governmental not for profit organizations.

**NOTE 2 BOARD DESIGNATED NET ASSETS**

**Repairs and Replacement**

Union WELL, Inc. Reserve and Fund Level Policy requires that the Repair and Replacement fund (Designated Unrestricted Net Asset, Fund 2) be replenished annually by transfers made prior to June 30 of each fiscal year, with money available after payment of the current year's operating obligations, in an amount of twenty-five percent (25%) of the then current total replacement cost of Union WELL, Inc. furnishings and equipment when the fund balance is below the required twenty-five percent (25%) replacement level, plus \$150,000 for expendable property acquisitions. The replacement value of Union WELL, Inc.'s Repair and Replacement fund is based on the reconciled balance of assets and inventory as of June 30, plus cost-of-living index additions from the date of acquisition, plus \$150,000 for expendable property acquisitions. Any interest earned on the fund's balance shall be credited to the fund as an addition to the annual funding requirement stated above. Based upon the increase in the furnishing's CPI-U for 2023-24, the current total replacement value of the University Union furnishings and equipment is \$8,514,056 and the required twenty-five percent (25%) replacement level is \$2,128,514. This amount, plus the \$150,000 for expendable property acquisitions and interest earned represents the designation, which was \$2,367,376 as of June 30, 2024.

**Art Acquisition**

Union WELL, Inc. annually designates net assets of \$5,000 for art acquisition, less actual purchases. As of June 30, 2024, the designation totaled \$42,109.

**Property and Equipment**

Union WELL, Inc. designates net assets based on the net book value of its property and equipment. At June 30, 2024, the designation for depreciable property and equipment was \$1,504,387.





**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  
Union WELL Inc.  
Sacramento, California

We have audited, in accordance with the 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, the financial statements of University Union Operation of California State University, Sacramento (Union WELL, Inc.) which comprise the statement of financial position as of June 30, 2024; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements, and have issued our report thereon dated September 11, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Union WELL, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Union WELL, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Union WELL, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Union WELL, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Sacramento, California  
September 11, 2024



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