

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2025 AND 2024**



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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, 2025 and 2024, 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, 2025 and 2024, 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 (U.S. GAAP).

#### ***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 audits. 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***

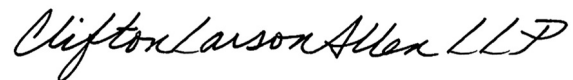
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information schedules required for inclusion in California State University (supplementary information) is presented for purposes of additional analysis and is not a required part of 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.

***Supplementary Information (Continued)***

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 10, 2025, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Sacramento, California  
September 10, 2025

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 25,568,080	\$ 23,375,044
Accounts Receivable	35,433	26,198
Interest Receivable	288,179	282,063
Student Activity Fees Receivable	88,299	480,903
Prepaid Expenses	121,965	85,083
Inventory	1,152	1,197
Due from Related Parties	152,780	186,173
Capital Assets, Net of Accumulated Depreciation	1,639,707	1,435,900
Right of Use Asset - Financing, Net	<u>93,218</u>	<u>68,488</u>
Total Assets	<u><u>\$ 27,988,813</u></u>	<u><u>\$ 25,941,049</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 219,745	\$ 159,704
Due to Related Parties	1,957,894	2,537,444
Unearned Revenues	36,244	83,334
Lease Obligations - Financing	<u>95,735</u>	<u>69,877</u>
Total Liabilities	2,309,618	2,850,359
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Board Designated	4,243,737	3,913,872
Undesignated	<u>21,435,458</u>	<u>19,176,818</u>
Total Net Assets	<u>25,679,195</u>	<u>23,090,690</u>
Total Liabilities and Net Assets	<u><u>\$ 27,988,813</u></u>	<u><u>\$ 25,941,049</u></u>

See accompanying Notes to Financial Statements.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>REVENUES</b>		
Student Activity Fees	\$ 15,207,749	\$ 10,488,391
Contract and Lease Payments	1,796,513	1,736,277
Program Service Fees	1,230,578	1,427,511
Contributions and Grants	10,000	8,500
Interest and Investment Income	1,363,165	1,143,255
Subtotal	<u>19,608,005</u>	<u>14,803,934</u>
<b>OPERATING INCOME</b>	19,608,005	14,803,934
<b>EXPENSES</b>		
Building Operations	5,169,843	5,170,002
Programs and Services	7,903,675	7,277,406
Administration	3,951,418	4,103,489
Loss on Disposal of Capital Assets	1,502	12,114
Total Expenses	<u>17,026,438</u>	<u>16,563,011</u>
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE TAXES</b>	2,581,567	(1,759,077)
<b>UNRELATED BUSINESS INCOME TAXES REFUND (EXPENSE)</b>	<u>6,938</u>	<u>(8,077)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	2,588,505	(1,767,154)
Net Assets Without Donor Restrictions - Beginning of Year	<u>23,090,690</u>	<u>24,857,844</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	<u><u>\$ 25,679,195</u></u>	<u><u>\$ 23,090,690</u></u>

See accompanying Notes to Financial Statements.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2025**

	Building Operations	Programs and Services	Administration	Total
Advertising	\$ 620	\$ 30,541	\$ -	\$ 31,161
Conferences	2,794	13,762	5,793	22,349
Depreciation and Amortization	348,421	8,659	14,083	371,163
Dues and Subscriptions	47,246	200,469	140,746	388,461
Insurance	-	1,044	272,612	273,656
Interest Expense	1,128	942	1,985	4,055
Office Expenses	60	2,765	4,176	7,001
Outside Services	1,105,519	6,631,503	3,411,687	11,148,709
Postage and Delivery	-	-	571	571
Printing	1	282	212	495
Repairs and Maintenance	2,437,386	105,774	7,895	2,551,055
Small Equipment	338,413	238,366	1,852	578,631
Special Events	-	228,955	-	228,955
Supplies	11,555	361,823	72,980	446,358
Telephone	3,411	26,545	7,565	37,521
Travel	7,301	28,492	9,261	45,054
Utilities	865,988	23,753	-	889,741
Subtotal	<u>5,169,843</u>	<u>7,903,675</u>	<u>3,951,418</u>	<u>17,024,936</u>
Loss on Disposal of Capital Assets	1,502	-	-	1,502
Unrelated Business Income Taxes	<u>-</u>	<u>(6,938)</u>	<u>-</u>	<u>(6,938)</u>
Total Functional Expenses	<u><u>\$ 5,171,345</u></u>	<u><u>\$ 7,896,737</u></u>	<u><u>\$ 3,951,418</u></u>	<u><u>\$ 17,019,500</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, 2024**

	Building Operations	Programs and Services	Administration	Total
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**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 2,588,505	\$ (1,767,154)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	338,931	322,780
Lease Amortization	28,794	-
Software Amortization	3,438	26,966
Change in Operating Lease Asset and Liability		
Loss on Disposal of Capital Assets	1,502	12,114
(Increase) Decrease in:		
Accounts Receivable	(9,235)	(7,182)
Interest Receivable	(6,116)	(77,997)
Student Activity Fees Receivable	392,604	(385,397)
Prepaid Expenses	(36,882)	(14,947)
Inventory	45	10
Due from Related Parties	33,393	(19,016)
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	14,016	58,430
Due to Related Parties	(579,550)	294,424
Unearned Revenues	(47,090)	(90,328)
Net Cash Provided (Used) by Operating Activities	<u>2,722,355</u>	<u>(1,647,297)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments Related to Acquisition of Capital Assets	(501,653)	(385,133)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments Made on Financing Leases	<u>(27,666)</u>	<u>(25,813)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,193,036	(2,058,243)
Cash and Cash Equivalents - Beginning of Year	<u>23,375,044</u>	<u>25,433,287</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 25,568,080</u></u>	<u><u>\$ 23,375,044</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Purchase of Capital Assets Included in Accounts Payable	<u>\$ 46,025</u>	<u>\$ -</u>
Right-of-Use Asset Obtained in		
Exchange for New Financing Lease Liability	<u>\$ 53,524</u>	<u>\$ 65,520</u>

See accompanying Notes to Financial Statements.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**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, 2025 AND 2024**

**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, 2025 and 2024, Union WELL, Inc. has not recorded any allowance for credit losses, 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.

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

As of June 30, 2025 and 2024, student activity fees receivable were \$88,299 and \$480,903, respectively.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

**Prepaid Expenses**

These amounts are the result of payments made for goods and services to be utilized in future periods. As of June 30, 2025 and 2024, prepaid expense for goods and services were \$121,965 and \$85,083, 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.

**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.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

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

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, 2025 and 2024, 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.

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

	2025	2024
Unearned Revenue, Beginning of the Year	\$ 83,334	\$ 173,662
Refunds or Returns	-	-
Revenue Recognized	(83,334)	(173,662)
Cash Received in Advance of Performance	36,244	83,334
Unearned Revenue, End of the Year	<u>\$ 36,244</u>	<u>\$ 83,334</u>
	2025	2024
Student Activity Fee Receivable, Beginning of the Year	\$ 480,903	\$ 95,506
Payments Made	(480,903)	(95,506)
Charges for Fees	88,299	480,903
Student Activity Fee Receivable, End of the Year	<u>\$ 88,299</u>	<u>\$ 480,903</u>

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

**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 \$578,631 as of fiscal year ended June 30, 2025, 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, \$238,366 and \$1,852, respectively. This reclassification is reflected in the financial statements as of fiscal year ended June 30, 2025.

**Advertising**

Union WELL, Inc. expenses advertising costs as incurred. Advertising expenses for the years ended June 30, 2025 and 2024, were \$31,161 and \$28,138, respectively.

**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, 2025 and 2024, and Union WELL, Inc. does not expect this to change significantly over the next 12 months.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

**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 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.

**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 10, 2025, the date the financial statements were available to be issued.



**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 2 CASH AND CASH EQUIVALENTS**

As of June 30, 2025 and 2024, cash and cash equivalents represent short-term investments in LAIF in the amounts of \$24,902,962 and \$23,180,946, respectively, and funds held at financial institutions in the amounts of \$665,118 and \$194,098 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:

	2025	2024
Financial Assets - End of Year:		
Cash and Cash Equivalents	\$ 25,568,080	\$ 23,375,044
Accounts Receivable	35,433	26,198
Interest Receivable	288,179	282,063
Due from Related Parties	152,780	186,173
Student Activity Fees Receivable - Held by Sacramento State	88,299	480,903
Total Financial Assets - End of Year	26,132,771	24,350,381
Less: Amounts Not Available to be Used Within One Year:		
Board-Designated Net Assets	4,243,737	3,913,872
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ 21,889,034</u>	<u>\$ 20,436,509</u>

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.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

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, 2025 and 2024.

As of June 30, 2025 and 2024, the LAIF pool included structured notes and asset backed securities, which totaled 3.81% and 3.00%, 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, 2025 and 2024, the fair value of LAIF was 100% and 99.63%, respectively, of the carrying value. There were no LAIF funds invested in derivatives as of June 30, 2025 and 2024. 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.

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

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	Total
LAIF <u>June 30, 2025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,902,962</u>	<u>\$ 24,902,962</u>
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	Total
LAIF <u>June 30, 2024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,180,946</u>	<u>\$ 23,180,946</u>

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 5 CAPITAL ASSETS**

Capital assets consisted of the following:

	<u>2025</u>	<u>2024</u>
Furniture and Fixtures	\$ 1,283,407	\$ 1,281,608
Fitness Equipment	906,962	826,581
Minor Equipment	40,453	40,453
Leasehold Improvements	1,407,098	1,277,065
Construction Work in Progress	149,557	164,603
Computers	762,807	719,881
Software	11,250	-
Artwork	44,596	44,596
Total	<u>4,606,130</u>	<u>4,354,787</u>
Less: Accumulated Depreciation	<u>2,966,423</u>	<u>2,918,887</u>
Capital Assets, Net	<u><u>\$ 1,639,707</u></u>	<u><u>\$ 1,435,900</u></u>

Depreciation expense for the fiscal years ended June 30, 2025 and 2024, was \$338,931 and \$322,780, respectively.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**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:

	2025	2024
Operating Lease Costs	\$ -	\$ -
Finance Lease Costs:		
Amortization of Right-to-Use Assets	28,794	26,966
Interest on Lease Liabilities	4,151	3,142
Total Cost	<u>\$ 32,945</u>	<u>\$ 30,108</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	\$ 28,794	\$ 26,966
Financing Cash Flows from Finance Leases	27,666	25,813
Right-Of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$ 53,524	\$ 65,520
Weighted Average Remaining Lease Term:		
Financing Leases	3.8	2.51
Operating Leases	-	-
Weighted Average Discount Rate:		
Financing Leases	4.92%	3.65%
Operating Leases	-	-

<u>Year Ending June 30,</u>	<u>Financing Leases</u>
2026	\$ 31,308
2027	27,168
2028	27,168
2029	13,603
2030	6,084
Total Lease Payments	105,331
Less: Interest	(9,596)
Present Value of Lease Liabilities	<u>\$ 95,735</u>

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**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, 2025 and 2024, consisted of the following:

	2025	2024
Personnel Services	\$ 6,805,399	\$ 6,493,052
Personnel Benefit Expenses	2,402,124	2,121,293
Payroll Services	920,752	861,434
Accounting Services	160,542	153,320
Other Outside Services	859,892	1,001,544
Total	<u>\$ 11,148,709</u>	<u>\$ 10,630,643</u>

**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, 2025 and 2024, Union WELL, Inc. received payments for leased office space to UEI totaling \$607,250 and \$555,777, respectively, and for leased office space to ASI totaling \$344,984 and \$310,465, respectively. For the fiscal years ended June 30, 2025 and 2024, Union WELL, Inc. received Public Safety fees from UEI totaling \$5,661 and \$4,646, respectively. For the fiscal years ended June 30, 2025 and 2024, Union WELL, Inc. received Public Safety Fees from ASI totaling \$3,783 and \$3,105, 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 \$2,307,593 and \$1,294,565 for the fiscal years ended June 30, 2025 and 2024, respectively, for campus cost recovery services, which include administration, telephone, postage, IT support, and utilities. Sacramento State made payments to Union WELL, Inc. totaling \$1,386,405 and \$1,343,009 for services, space, and programs for the fiscal years ended June 30, 2025 and 2024, respectively.

Union WELL, Inc. incurred expenses primarily related to professional fees and advertising by UEI in the amounts of \$15,458 and \$9,242 for the fiscal years ended June 30, 2025 and 2024, respectively.

For the fiscal years ended June 30, 2025 and 2024, Union WELL, Inc. was charged \$160,542 and \$153,320, respectively, for accounting and financial services provided by ASI.

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

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

	2025	2024
Sacramento State	\$ 151,400	\$ 174,314
UEI	694	6,393
ASI	686	5,466
Total	<u>\$ 152,780</u>	<u>\$ 186,173</u>

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

	2025	2024
Sacramento State	\$ 330,730	\$ 993,753
UEI	1,627,164	1,543,691
Total	<u>\$ 1,957,894</u>	<u>\$ 2,537,444</u>

**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 \$145,187 and \$383,288 for the years ended June 30, 2025 and 2024, respectively. These contributions, totaling \$145,187, 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**  
**JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

**Assets:**

**Current assets:**

Cash and cash equivalents	665,118
Short-term investments	24,902,962
Accounts receivable, net	476,392
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	211,416
<b>Total current assets</b>	<u>26,255,888</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	1,732,925
Other assets	—
<b>Total noncurrent assets</b>	<u>1,732,925</u>
<b>Total assets</b>	<u>27,988,813</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	219,745
Accrued salaries and benefits	—
Accrued compensated absences, current portion	—
Unearned revenues	36,244
Lease liabilities, current portion	27,083
SBITA liabilities - current portion	—
P3 liabilities - current portion	—

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**SCHEDULE OF NET POSITION (CONTINUED)**  
**JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

Long-term debt obligations, current portion	—
current portion	—
Depository accounts	—
Other liabilities	1,957,894
<b>Total current liabilities</b>	<b>2,240,966</b>
<b>Noncurrent liabilities:</b>	
Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Lease liabilities, net of current portion	68,652
SBITA liabilities, net of current portion	—
P3 liabilities, net of current portion	—
Long-term debt obligations, net of current portion	—
of current portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—
<b>Total noncurrent liabilities</b>	<b>68,652</b>
<b>Total liabilities</b>	<b>2,309,618</b>
<b>Deferred inflows of resources:</b>	
P3 service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Lease	—
P3	—
Others	—
<b>Total deferred inflows of resources</b>	<b>—</b>
<b>Net position:</b>	
Net investment in capital assets	—
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	25,679,195
<b>Total net position</b>	<b>25,679,195</b>



**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2025**  
**(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	1,230,578
--	-----------

Scholarship allowances (enter as negative)	—
--	---

Other operating revenues	17,004,262
--------------------------	------------

<b>Total operating revenues</b>	<u>18,234,840</u>
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**Expenses:**

**Operating expenses:**

Instruction	—
-------------	---

Research	—
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Public service	—
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Academic support	—
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Student services	13,105,957
------------------	------------

Institutional support	566,208
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Operation and maintenance of plant	2,977,553
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Student grants and scholarships	—
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Auxiliary enterprise expenses	—
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Depreciation and amortization	371,163
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<b>Total operating expenses</b>	<u>17,020,881</u>
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<b>Operating income (loss)</b>	<u>1,213,959</u>
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**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

<b>Nonoperating revenues (expenses):</b>	
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	10,000
Investment income (loss), net	1,363,165
Endowment income (loss), net	—
Interest expense	(4,055)
Other nonoperating revenues (expenses)	5,436
<b>Net nonoperating revenues (expenses)</b>	<u>1,374,546</u>
<b>Income (loss) before other revenues (expenses)</b>	<u>2,588,505</u>
State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
<b>Increase (decrease) in net position</b>	<u>2,588,505</u>
<b>Net position:</b>	
Net position at beginning of year, as previously reported	23,090,690
Restatements	—
<b>Net position at beginning of year, as restated</b>	<u>23,090,690</u>
<b>Net position at end of year</b>	<u><u>25,679,195</u></u>

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

**1 Cash and cash equivalents:**

Portion of restricted cash and cash equivalents related to endowments

All other restricted cash and cash equivalents

**Noncurrent restricted cash and cash equivalents**

Current cash and cash equivalents

**Total**

-
665,118
<b>665,118</b>

**2.1 Composition of investments:**

Investment Type	Current	Noncurrent	Total
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)	24,902,962		<b>24,902,962</b>
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
			-
			-
			-
			-
			-
Total Other investments	-	-	-
<b>Total investments</b>	<b>24,902,962</b>	-	<b>24,902,962</b>
Less endowment investments (enter as negative number)	-	-	-
<b>Total investments, net of endowments</b>	<b>24,902,962</b>	-	<b>24,902,962</b>

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

**2.2 Fair value hierarchy in investments:**

<b>Investment Type</b>	<b>Total</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Net Asset Value (NAV)</b>
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)	<b>24,902,962</b>	-	-	-	24,902,962
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	
Other investments:					
	-				
	-				
	-				
	-				
	-				
Total other investments:	-	-	-	-	-
<b>Total investments</b>	<b>24,902,962</b>	-	-	-	<b>24,902,962</b>

-Agree with above-

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

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

Instruction: Amounts should agree with University's investments held on behalf of Discretely Presented Component Units.

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

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

**3.1 Capital Assets, excluding ROU assets:**

**Composition of capital assets, excluding ROU assets:**

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
<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)	164,603	(11,250)			153,353			(3,796)	149,557
Intangible assets:									
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Intangible assets in progress (PWIP)	-	11,250			11,250			(11,250)	-
Licenses and permits	-				-				-
Other intangible assets:									
-	-				-				-
-	-				-				-
-	-				-				-
-	-				-				-
-	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	11,250	-	-	11,250	-	-	(11,250)	-
<b>Total non-depreciable/non-amortizable capital assets</b>	209,199	-	-	-	209,199	-	-	(15,046)	194,153
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Leasehold improvements	1,277,065				1,277,065	130,033			1,407,098
Personal property:									
Equipment	2,868,523				2,868,523	417,645	(296,335)	3,796	2,993,629
Library books and materials	-				-				-
Intangible assets:									
Software and websites	-				-			11,250	11,250
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
-	-				-				-
-	-				-				-
-	-				-				-
-	-				-				-
-	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
<b>Total intangible assets</b>	-	-	-	-	-	-	-	11,250	11,250
<b>Total depreciable/amortizable capital assets</b>	4,145,588	-	-	-	4,145,588	547,678	(296,335)	15,046	4,411,977
<b>Total capital assets</b>	4,354,787	-	-	-	4,354,787	547,678	(296,335)	-	4,606,130

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)

Buildings and building improvements	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-
Infrastructure	-	-	-	-	-
Leasehold improvements	(787,079)	(787,079)	(34,302)		(821,381)
Personal property:					
Equipment	(2,131,808)	(2,131,808)	(304,629)	294,833	(2,141,604)
Library books and materials	-	-	-	-	-
Intangible assets:					
Software and websites	-	-	(3,438)		(3,438)
Rights and easements	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Other intangible assets:					
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total Other intangible assets	-	-	-	-	-
<b>Total intangible assets</b>	-	-	(3,438)	-	(3,438)
<b>Total accumulated depreciation/amortization</b>	<b>(2,918,887)</b>	<b>(2,918,887)</b>	<b>(342,369)</b>	<b>294,833</b>	<b>(2,966,423)</b>
<b>Total capital assets, net excluding lease assets</b>	<b>1,435,900</b>	<b>1,435,900</b>	<b>205,309</b>	<b>(1,502)</b>	<b>1,639,707</b>

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

Composition of capital assets - Lease ROU, net:	Balance June 30, 2024	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
<b>Non-depreciable/Non-amortizable lease assets:</b>									
Land and land improvements	-				-				-
<b>Total non-depreciable/non-amortizable lease assets</b>	-	-	-	-	-	-	-	-	-
<b>Depreciable/Amortizable lease assets:</b>									
Land and land improvements	-				-				-
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Personal property:									
Equipment	110,803				110,803	53,524			164,327
<b>Total depreciable/amortizable lease assets</b>	110,803	-	-	-	110,803	53,524	-	-	164,327
<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	(42,315)				(42,315)	(28,794)			(71,109)
<b>Total accumulated depreciation/amortization</b>	(42,315)	-	-	-	(42,315)	(28,794)	-	-	(71,109)
<b>Total capital assets - lease ROU, net</b>	68,488	-	-	-	68,488	24,730	-	-	93,218



**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

Composition of capital assets - SBITA ROU, net	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Depreciable/Amortizable SBITA assets:									
Software	-				-				-
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-				-				-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	-	-	-	-	-	-	-	-	-

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

Composition of capital assets - P3 ROU, net:	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
<b>Non-depreciable/Non-amortizable P3 assets:</b>									
Land and land improvements	-				-				-
<b>Total non-depreciable/non-amortizable P3 assets</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>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>Total capital assets - P3 ROU, net</b>	-	-	-	-	-	-	-	-	-
<b>Total capital assets, net including ROU assets</b>									<u><u>1,732,925</u></u>

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

**3.2 Detail of depreciation and amortization expense:**

Depreciation and amortization expense related to capital assets	342,369
Amortization expense - Leases ROU	28,794
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-

Depreciation and Amortization expense - Others

<b>Total depreciation and amortization</b>	<b><u>371,163</u></b>
--	-----------------------

**4 Long-term liabilities:**

	Balance June 30, 2024	Prior Period Adjustments/Recla ssifications	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
<b>1. Accrued compensated absences</b>	-		-		-	-		-
<b>2. Claims liability for losses and loss adjustment expenses</b>	-		-			-		-
<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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub-total long-term debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.6 Unamortized net bond premium/(discount)	-		-			-	-	-
<b>Total long-term debt obligations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

	Balance June 30, 2024	Prior Period Adjustments/Recla ssifications	Additions	Remeasurements	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
<b>5. Lease, SBITA, P3 liabilities:</b>								
Lease liabilities	69,877		53,524		(27,666)	95,735	27,083	68,652
SBITA liabilities	-					-		-
P3 liabilities - SCA	-					-		-
P3 liabilities - non-SCA	-					-		-
<b>Sub-total P3 liabilities</b>	-	-	-	-	-	-	-	-
<b>Total Lease, SBITA, P3 liabilities</b>	<b>69,877</b>	<b>-</b>	<b>53,524</b>	<b>-</b>	<b>(27,666)</b>	<b>95,735</b>	<b>27,083</b>	<b>68,652</b>
<b>Total long-term liabilities</b>						<b>95,735</b>	<b>27,083</b>	<b>68,652</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
<b>Year ending June 30:</b>												
2026	27,083	4,225	31,308			-			-	27,083	4,225	31,308
2027	24,215	2,953	27,168			-			-	24,215	2,953	27,168
2028	25,481	1,687	27,168			-			-	25,481	1,687	27,168
2029	12,962	641	13,603			-			-	12,962	641	13,603
2030	5,994	91	6,085			-			-	5,994	91	6,085
2031 - 2035			-			-			-	-	-	-
2036 - 2040			-			-			-	-	-	-
2041 - 2045			-			-			-	-	-	-
2046 - 2050			-			-			-	-	-	-
2051 - 2055			-			-			-	-	-	-
Thereafter			-			-			-	-	-	-
<b>Total minimum lease payments</b>	<b>95,735</b>	<b>9,597</b>	<b>105,332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,735</b>	<b>9,597</b>	<b>105,332</b>
Less: amounts representing interest												(9,597)
<b>Present value of future minimum lease payments</b>												<b>95,735</b>
<b>Total Leases, SBITA, P3 liabilities</b>												<b>95,735</b>
Less: current portion												(27,083)
<b>Leases, SBITA, P3 liabilities, net of current portion</b>												<b>68,652</b>

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

**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
<b>Year ending June 30:</b>									
2026			-			-	-	-	-
2027			-			-	-	-	-
2028			-			-	-	-	-
2029			-			-	-	-	-
2030			-			-	-	-	-
2031 - 2035			-			-	-	-	-
2036 - 2040			-			-	-	-	-
2041 - 2045			-			-	-	-	-
2046 - 2050			-			-	-	-	-
2051 - 2055			-			-	-	-	-
Thereafter			-			-	-	-	-
<b>Total minimum payments</b>	-	-	-	-	-	-	-	-	-
Less: amounts representing interest									-
<b>Present value of future minimum payments</b>									-
Unamortized net premium/(discount)									-
<b>Total long-term debt obligations</b>									-
Less: current portion									-
<b>Long-term debt obligations, net of current portion</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	2,307,593
Payments received from University for services, space, and programs	1,386,405
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	(330,730)
Other amounts (payable to) University	
Accounts receivable from University	151,400
Other amounts receivable from University	88,299

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

**8 Restatements**

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement/PPA:

Note: Additional account details can be found in the Table of Object Codes and  
CSU Fund Definitions

Debit/(Credit)
----------------

Restatement #1

Enter transaction description

Restatement #2

Enter transaction description

**9 Natural classifications of operating expenses:**

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	-	-	-	-	-	-	-	-
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	13,105,957	-	13,105,957
Institutional support	-	-	-	-	-	566,208	-	566,208
Operation and maintenance of plant	-	-	-	-	-	2,977,553	-	2,977,553
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	371,163	371,163
<b>Total operating expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,649,718</b>	<b>371,163</b>	<b>17,020,881</b>

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**OTHER INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)**

No pension plan reported

N/A

**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

-

**Total deferred outflows of resources**

-

**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

-

**Total deferred inflows of resources**

-

**11 Other nonoperating revenues (expenses)**

Other nonoperating revenues	6,938
Other nonoperating (expenses)	(1,502)
<b>Total other nonoperating revenues (expenses)</b>	<b>5,436</b>

**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**SCHEDULE OF UNDESIGNATED AND BOARD-DESIGNATED NET ASSETS**  
**YEAR ENDED JUNE 30, 2025**

	Net Assets Without Donor Restrictions				
	Undesignated	Board Designated			Total
		Property and Equipment	Repairs and Replacement	Art Acquisition	
	Operations				
<b>REVENUES</b>					
Revenue from Program Activities:					
Student Activity Fees	\$ 15,207,749	\$ -	\$ -	\$ -	\$ 15,207,749
Revenue from Operations	3,037,091	-	-	-	3,037,091
Total Revenue from Program Activities	18,244,840	-	-	-	18,244,840
Other Income:					
Noncash Donation	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-
Total Other Income	-	-	-	-	-
Total Revenues	18,244,840	-	-	-	18,244,840
<b>EXPENSES</b>					
Personnel	-	-	-	-	-
Employee Benefits	-	-	-	-	-
Advertising	31,161	-	-	-	31,161
Conferences	22,349	-	-	-	22,349
Depreciation and Amortization	-	371,163	-	-	371,163
Dues and Subscriptions	388,461	-	-	-	388,461
Unrelated Business Income Taxes	(6,938)	-	-	-	(6,938)
Insurance	273,656	-	-	-	273,656
Interest	4,055	-	-	-	4,055
Office Expenses	7,001	-	-	-	7,001
Outside Services	11,148,709	-	-	-	11,148,709
Postage and Delivery	571	-	-	-	571
Printing	495	-	-	-	495
Repairs and Maintenance	2,551,055	-	-	-	2,551,055
Small Equipment	71,966	-	504,665	2,000	578,631
Special Events Expenses	228,955	-	-	-	228,955
Supplies	446,358	-	-	-	446,358
Telephone	37,521	-	-	-	37,521
Travel	45,054	-	-	-	45,054
Utilities	889,741	-	-	-	889,741
Total Expenses	16,140,170	371,163	504,665	2,000	17,017,998
<b>EXCESS (DEFICIENCY) OF REVENUE FROM PROGRAM ACTIVITIES OVER (UNDER) EXPENSES</b>	2,104,670	(371,163)	(504,665)	(2,000)	1,226,842
<b>INTEREST AND INVESTMENT INCOME</b>	1,253,680	-	109,485	-	1,363,165
<b>SALE OF EQUIPMENT</b>	-	-	-	-	-
<b>LOSS ON DISPOSAL OF CAPITAL ASSETS</b>	-	(1,502)	-	-	(1,502)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES</b>	3,358,350	(372,665)	(395,180)	(2,000)	2,588,505
<b>INTERFUND TRANSFERS</b>					
Transfer of Board-Designated Funds	(990,407)		985,407	5,000	-
Fixed Asset Acquisitions	(109,303)	601,203	(491,900)		-
Total Interfund Transfers	(1,099,710)	601,203	493,507	5,000	-
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	2,258,640	228,538	98,327	3,000	2,588,505
Net Assets Without Donor Restrictions - Beginning of Year	19,176,818	1,504,387	2,367,376	42,109	23,090,690
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	<u>\$ 21,435,458</u>	<u>\$ 1,732,925</u>	<u>\$ 2,465,703</u>	<u>\$ 45,109</u>	<u>\$ 25,679,195</u>



**UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025 AND 2024**

**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 2024-25, the current total replacement value of the University Union furnishings and equipment is \$8,824,873 and the required twenty-five percent (25%) replacement level is \$2,206,218. This amount, plus the \$150,000 for expendable property acquisitions and interest earned represents the designation, which was \$2,465,703 as of June 30, 2025.

**Art Acquisition**

Union WELL, Inc. annually designates net assets of \$5,000 for art acquisition, less actual purchases. As of June 30, 2025, the designation totaled \$45,109.

**Property and Equipment**

Union WELL, Inc. designates net assets based on the net book value of its property and equipment. At June 30, 2025, the designation for depreciable property and equipment was \$1,732,925.



**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, 2025; 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 10, 2025.

**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.

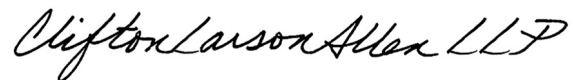
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Sacramento, California  
September 10, 2025

