

# **University Union Operation of California State University, Sacramento**

**Sacramento, California**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITORS' REPORT**

**June 30, 2019 and 2018**



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# University Union Operation of California State University, Sacramento

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June 30, 2019 and 2018

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
University Union Operation of  
California State University, Sacramento  
Sacramento, California

We have audited the accompanying financial statements of University Union Operation of California State University, Sacramento (the Union WELL Inc.), a not-for-profit corporation, and a component unit of California State University, Sacramento, which comprise the statements of financial position as of June 30, 2019 and 2018; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union WELL Inc.'s preparation and fair presentation of the financial statements 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 the Union WELL Inc.'s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **INDEPENDENT AUDITORS' REPORT**

(Continued)

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Union WELL Inc., as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information listed as such in the table of contents is presented for purposes of additional analysis as required by the California State University Chancellor's Office 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 audit 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*KCoe Jam, LLP*

September 16, 2019  
Chico, California

## **FINANCIAL SECTION**

**University Union Operation of California State University, Sacramento**  
**STATEMENTS OF FINANCIAL POSITION**

June 30	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 16,184,985	\$ 15,532,282
Accounts receivable	18,396	19,292
Interest receivable	111,592	77,432
Student fee receivable	123,012	127,498
Prepaid expenses	33,882	34,378
Inventory	1,131	1,708
Due from related parties	266,962	148,570
Capital assets - net of accumulated depreciation	1,405,225	993,163
<b>TOTAL ASSETS</b>	<b>\$ 18,145,185</b>	<b>\$ 16,934,323</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 128,351	\$ 180,965
Due to related parties	774,642	662,004
Unearned revenues	186,040	196,691
<b>Total Liabilities</b>	<b>1,089,033</b>	<b>1,039,660</b>
<b>NET ASSETS</b>		
Without donor restrictions:		
Board designated	3,726,469	3,230,392
Undesignated	13,329,683	12,664,271
<b>Total Net Assets</b>	<b>17,056,152</b>	<b>15,894,663</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 18,145,185</b>	<b>\$ 16,934,323</b>

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

**University Union Operation of California State University, Sacramento**  
**STATEMENTS OF ACTIVITIES**

Years Ended June 30	2019	2018
<b>REVENUES</b>		
<b>Operating Income</b>		
Student activity fees	\$ 9,389,045	\$ 9,835,974
Contract and lease payments	1,360,617	1,371,441
Program service fees	1,231,531	1,243,116
Contributions and grants	14,082	7,500
Interest and investment income	479,298	258,027
<b>Total Operating Income</b>	<b>12,474,573</b>	<b>12,716,058</b>
<b>Other Income</b>		
Noncash donations	-	1,895
Insurance proceeds	-	5,438
<b>Total Other Income</b>	<b>-</b>	<b>7,333</b>
<b>TOTAL REVENUES</b>	<b>12,474,573</b>	<b>12,723,391</b>
<b>Expenses</b>		
Building operations	3,882,907	3,710,881
Programs and services	4,754,741	4,387,993
Administration	2,638,131	2,546,835
Loss on disposal of capital assets	31,613	5,799
<b>Total Expenses</b>	<b>11,307,392</b>	<b>10,651,508</b>
Change in net assets before taxes	1,167,181	2,071,883
Less: Unrelated business income taxes	5,692	2,345
<b>Change in Net Assets</b>	<b>1,161,489</b>	<b>2,069,538</b>
<b>Net Assets Without Donor Restrictions - Beginning of Year</b>	<b>15,894,663</b>	<b>13,825,125</b>
<b>Net Assets Without Donor Restrictions - End of Year</b>	<b>\$ 17,056,152</b>	<b>\$ 15,894,663</b>

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

**University Union Operation of California State University, Sacramento**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

June 30, 2019	Building Operations	Programs and Services	Administration	Total
Advertising	\$ 3,395	\$ 14,583	\$ 5,322	\$ 23,300
Conferences	2,045	15,087	4,350	21,482
Depreciation	287,980	-	-	287,980
Dues and subscriptions	8,249	62,174	109,235	179,658
Insurance	-	1,575	44,757	46,332
Office expenses	368	3,624	3,414	7,406
Outside services	1,070,970	4,032,799	2,031,546	7,135,315
Postage and delivery	17	83	659	759
Printing	93	8,162	523	8,778
Repairs and maintenance	1,547,844	66,212	175,521	1,789,577
Small equipment	369,731	-	-	369,731
Special events	-	238,765	25,480	264,245
Supplies	22,083	245,418	217,356	484,857
Telephone	3,995	20,856	6,545	31,396
Travel	6,002	20,419	11,725	38,146
Utilities	560,135	24,984	1,698	586,817
<b>Subtotal</b>	<b>3,882,907</b>	<b>4,754,741</b>	<b>2,638,131</b>	<b>11,275,779</b>
Loss on disposal of capital assets	31,613	-	-	31,613
Unrelated business income taxes	-	5,692	-	5,692
<b>Total Functional Expenses</b>	<b>\$ 3,914,520</b>	<b>\$ 4,760,433</b>	<b>\$ 2,638,131</b>	<b>\$ 11,313,084</b>

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



# University Union Operation of California State University, Sacramento

## STATEMENTS OF FUNCTIONAL EXPENSES

(Continued)

June 30, 2018	Building Operations	Programs and Services	Administration	Total
Advertising	\$ -	\$ 14,124	\$ 564	\$ 14,688
Conferences	545	12,631	14,913	28,089
Depreciation	256,823	-	-	256,823
Dues and subscriptions	8,350	74,361	114,368	197,079
Insurance	-	1,624	52,011	53,635
Office expenses	54	3,148	3,981	7,183
Outside services	1,039,749	3,674,257	2,044,528	6,758,534
Postage and delivery	119	140	599	858
Printing	823	12,349	1,719	14,891
Repairs and maintenance	1,427,262	66,420	189,901	1,683,583
Small equipment	367,922	-	-	367,922
Special events	-	211,079	30,000	241,079
Supplies	23,124	252,645	65,851	341,620
Telephone	5,410	21,525	6,226	33,161
Travel	1,074	18,512	20,374	39,960
Utilities	579,626	25,178	1,800	606,604
<b>Subtotal</b>	<b>3,710,881</b>	<b>4,387,993</b>	<b>2,546,835</b>	<b>10,645,709</b>
Loss on disposal of capital assets	5,799	-	-	5,799
Unrelated business income taxes	-	2,345	-	2,345
<b>Total Functional Expenses</b>	<b>\$ 3,716,680</b>	<b>\$ 4,390,338</b>	<b>\$ 2,546,835</b>	<b>\$ 10,653,853</b>

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

**University Union Operation of California State University, Sacramento**  
**STATEMENTS OF CASH FLOWS**

Years Ended June 30	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,161,489	\$ 2,069,538
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	287,980	256,823
Loss on disposal of capital assets	31,613	5,799
(Increase) Decrease in:		
Accounts receivable	896	16,798
Interest receivable	(34,160)	(44,694)
Student fee receivable	4,486	(19,083)
Prepaid expenses	496	(8,900)
Inventory	577	(217)
Due from related parties	(118,392)	204,690
Increase (Decrease) in:		
Accounts payable and accrued liabilities	(52,614)	93,670
Due to related parties	112,638	(7,800)
Unearned revenues	(10,651)	6,188
<b>Total Adjustments</b>	<b>222,869</b>	<b>503,274</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,384,358</b>	<b>2,572,812</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments related to the acquisition of capital assets	(731,655)	(303,043)
<b>Net Change in Cash and Cash Equivalents</b>	<b>652,703</b>	<b>2,269,769</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>15,532,282</b>	<b>13,262,513</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 16,184,985</b>	<b>\$ 15,532,282</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid for taxes	\$ 2,304	\$ -

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

# University Union Operation of California State University, Sacramento

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. 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 the Board of Directors of Union WELL Inc. Union WELL Inc., operates the University Union building, recreational sports, and The WELLness Center (The WELL), legal title 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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation** The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Union WELL Inc., classifies net assets and revenues, expenses, and gains and losses into three 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 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, and which is different from the fair value of Union WELL Inc.'s position in the LAIF pool. Union WELL Inc., considers highly liquid investments with a maturity of three months or less to be cash and cash equivalents.

**Fair Value Measurements** Union WELL Inc., reports its investments at fair value as described in FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 established a single authoritative definition of fair value, sets out a framework of measuring fair value, and requires additional disclosure about fair value measurement of assets such as investments.

# University Union Operation of California State University, Sacramento

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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This standard establishes a framework for measuring fair value for the investments held by Union WELL Inc. That framework 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements). 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 to the valuation methodology include:

- 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 receivable 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 accounts receivable on a monthly basis to determine if any receivables are potentially uncollectible. As of June 30, 2019 and 2018, Union WELL Inc. has not recorded any allowance for doubtful accounts as all amounts were considered to be collectible.

**Student Fee Receivable – Held by Sacramento State** Student fee receivables consist of student activity fees for the fall 2019 semester collected by Sacramento State during student registration. These fees will be remitted to Union WELL Inc., during the fiscal year ending June 30, 2020. As of June 30, 2019 and 2018, student fee receivable amounts were \$123,012 and \$127,498, respectively.

**Prepaid Expenses** These amounts are the result of payments made for goods and services to be utilized in future periods.

# University Union Operation of California State University, Sacramento

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**Inventory** The WELL opened in fall 2010 with all inventory 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 ear buds.

**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., 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., from Sacramento State, UEI, and ASI.

**Unearned Revenues** Unearned revenues represent the amount of Union WELL Inc. programs and lease contracts 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 fall 2019 semester.

**Student Activity Fees** Student activity fees are remitted directly to the Chancellor's Office 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, Chancellor's office 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 year ended June 30, 2019 and 2018, student activity fees include a return of surplus revenue and recreational sports activity fees.

**Contract and Lease Payments** Contract and lease payments represent income received under operating and sublease agreements for space rented within the University Union building and The WELL.

**Advertising** Union WELL Inc., expenses advertising costs as incurred. Advertising expenses for the years ended June 30, 2019 and 2018, were \$23,300 and \$14,688, 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.

# University Union Operation of California State University, Sacramento

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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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, 2019, and Union WELL Inc., does not expect this to change significantly over the next 12 months.

**Use of Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Functional Allocation of Expenses** The costs of providing various program and supporting activities have been summarized on a functional basis in the statement of activities. The presentation of expenses by function and nature is included in the statement 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. Other costs that are incurred by Union WELL Inc., benefit more than one program or supporting service and are allocated on a reasonable basis that is consistently applied. Costs including outside services are allocated based on estimates of time and effort, other costs including depreciation, occupancy, office costs, computers, and software are allocated based on estimates of usage or benefit received by each program. Expenses that are not directly associated with a program are allocated to administration expenses. Union WELL Inc., reevaluates its allocation method each year to determine if there are adjustments that are necessary to the allocation method based on actual activities conducted during the year.

**Implementation of New Accounting Standard** In August 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities – Presentation of Financial Statements of Not-for-Profit Entities*. The update addressed the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Union WELL Inc., has adjusted the presentation of the accompanying financial statements accordingly.

# University Union Operation of California State University, Sacramento

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### 3. CASH AND CASH EQUIVALENTS

As of June 30, 2019 and 2018, cash and cash equivalents represent short-term investments in LAIF in the amounts of \$15,974,780 and \$15,334,667, respectively, and funds held at financial institutions in the amounts of \$210,205 and \$197,615, respectively. As of June 30, 2019 and 2018, the cash balances reported by financial institutions were \$244,462 and \$224,353, respectively. The amounts for the years ended June 30, 2019 and 2018, were not in excess of limits insured by the Federal Deposit Insurance Corporation.

### 4. LIQUIDITY AND AVAILABILITY OF ASSETS

The following represents Union WELL Inc.'s financial assets:

June 30	2019	2018
<b>Financial Assets - End of Year</b>		
Cash and cash equivalents	\$ 16,184,985	\$ 15,532,282
Accounts receivable	396,950	245,294
Student activity fees receivable - held by Sacramento State	123,012	127,498
<b>Total Financial Assets - End of Year</b>	<b>16,704,947</b>	<b>15,905,074</b>
<b>Less: Amounts Not Available to be Used Within One Year</b>		
Board-designated net assets	3,726,469	3,230,392
<b>Financial Assets Available to Meet General Expenditures Over the Next Twelve Months</b>	<b>\$ 12,978,478</b>	<b>\$ 12,674,682</b>

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.

# University Union Operation of California State University, Sacramento

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### 5. 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, 2019 and 2018.

As of June 30, 2019 and 2018, the LAIF pool included structured notes and asset-backed securities which totaled 1.77% and 2.67%, 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, 2019 and 2018, the fair value of LAIF was 100.17% and 99.81%, respectively, of the carrying value. There were no LAIF funds invested in derivatives as of June 30, 2019 and 2018. 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 considered to be a voluntary participant in the LAIF investment pool.

The following table sets 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)	Total
June 30, 2019				
LAIF	\$ -	\$ 15,974,780	\$ -	\$ 15,974,780

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
June 30, 2018				
LAIF	\$ -	\$ 15,334,667	\$ -	\$ 15,334,667



# University Union Operation of California State University, Sacramento

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### 6. CAPITAL ASSETS

Capital assets consisted of the following:

June 30	2019	2018
Furniture and fixtures	\$ 799,076	\$ 702,477
Fitness equipment	645,390	641,750
Minor equipment	6,707	6,707
Leasehold improvements	1,181,141	1,162,149
Construction work in progress	62,668	31,198
Computers	423,308	440,556
Art work	44,596	34,516
<b>Totals</b>	<b>3,162,886</b>	<b>3,019,353</b>
Accumulated depreciation	(1,757,661)	(2,026,190)
<b>Capital Assets - Net</b>	<b>\$ 1,405,225</b>	<b>\$ 993,163</b>

Depreciation expense for the fiscal years ended June 30, 2019 and 2018, was \$287,980 and \$256,823, respectively.

### 7. LEASE COMMITMENTS

Union WELL Inc., has lease commitments for copiers and printers under non-cancelable leases. Total lease payments were \$26,414 and \$27,062 for the fiscal years ended June 30, 2019 and 2018, respectively. The future minimum payments for the operating leases are as follows:

Years Ended June 30	
2019	\$ 39,816
2020	34,553
2021	31,822
2022	29,170
2023	5,304
<b>Total</b>	<b>\$ 140,665</b>

# University Union Operation of California State University, Sacramento

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### 8. OUTSIDE SERVICES

Union WELL Inc., operates pursuant to a Memorandum of Understanding (MOU) with UEI and Sacramento State which, among other provisions, compensates UEI and Sacramento State 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 statement of functional expenses. Outside services for the fiscal years ended June 30, 2019 and 2018, consisted of the following:

June 30	2019	2018
Personnel services	\$ 4,387,224	\$ 4,209,131
Personnel benefit expenses	1,540,731	1,327,957
Payroll services	592,796	549,575
Accounting services	127,226	123,838
Other outside services	487,338	548,033
<b>Totals</b>	<b>\$ 7,135,315</b>	<b>\$ 6,758,534</b>

### 9. RELATED-PARTY TRANSACTIONS

Space located within the University Union building is used or operated by Sacramento State, ASI, The University Foundation at Sacramento State (UFSS) 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, 2019 and 2018, Union WELL Inc., received payments for leased office space to UEI totaling \$446,023 and \$471,943, respectively, and for leased office space to ASI totaling \$204,552 and \$183,080, respectively. For the fiscal years ended June 30, 2019 and 2018, Union WELL Inc., received Public Safety fees from UEI totaling \$5,412 and \$12,862, respectively. For the fiscal years ended June 30, 2019 and 2018, Union WELL Inc., received Public Safety Fees from ASI totaling \$2,436 and \$5,791, respectively. For the fiscal years ended June 30, 2019 and 2018, Union WELL Inc., received payments from UFSS for space and programs totaling \$13,535 and \$16,940, 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 \$1,067,612 and \$1,132,730 for the fiscal years ended June 30, 2019 and 2018, respectively, for campus cost recovery services which include administration, telephone, postage, IT support, and utilities; and \$-0- and \$41,336 for personnel costs during the fiscal years ended June 30, 2019 and 2018, respectively. Sacramento State made payments to Union WELL Inc., totaling \$1,122,258 and \$1,353,231 for services, space, and programs for the fiscal years ended June 30, 2019 and 2018, respectively.

Union WELL Inc., incurred expenses primarily related to catering services, video production, and advertising by UEI in the amounts of \$8,880 and \$9,865 for the fiscal years ended June 30, 2019 and 2018, respectively.

# University Union Operation of California State University, Sacramento

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

For fiscal years ended June 30, 2019 and 2018, Union WELL Inc., was charged \$127,226 and \$123,838, respectively, for accounting and financial services provided by ASI.

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

June 30		2019		2018
Sacramento State	\$	132,310	\$	145,015
UEI		134,158		3,555
ASI		494		-
<b>Totals</b>	\$	266,962	\$	148,570

The amounts due to related entities are compromised of the following:

June 30		2019		2018
Sacramento State	\$	217,053	\$	233,666
UEI		547,053		417,646
ASI		10,536		10,692
<b>Totals</b>	\$	774,642	\$	662,004

### 10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The employees assigned to Union WELL Inc., under the provisions of the MOU with UEI are also eligible to participate in the UEI's OPEB plan (the plan). The plan is a single-employer defined benefit healthcare plan administered by UEI. The plan provides lifetime post-retirement medical and dental coverage to its eligible employees who retire at age 55 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. For each of the fiscal years ended June 30, 2019 and 2018, Union WELL, Inc., paid a contribution to UEI of \$50,000 to be deposited into the UEI VEBA account on behalf of Union WELL, Inc. The amount of the annual contributions will be the higher of \$50,000 or 10% of the unfunded liability for retired and actively vested employees. When the total post-retirement liability for all retired and actively vested Union WELL Inc. staff is 100% funded, additional contributions would only be necessary to maintain the 100% funded level. Annual contributions will be paid to UEI no later than June 20 of each fiscal year and deposited into the VEBA account. Union WELL, Inc.'s unfunded liability was \$1,796,183 and \$1,783,060 for the fiscal years ended June 30, 2019 and 2018, respectively. The June 30, 2019, unfunded liability was based on an actuarial study with a measurement date of June 30, 2018. The June 30, 2018, unfunded liability was based on an actuarial study with a measurement date of June 30, 2016, which was rolled forward to June 30, 2017. This liability is included in the total OPEB unfunded liability recorded on UEI's financial statements. For full disclosures of OPEB and VEBA plans, see UEI's financial statements.

# University Union Operation of California State University, Sacramento

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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### 11. NONCASH DONATIONS AND INSURANCE PROCEEDS

During the fiscal year ended June 30, 2019, Union WELL Inc., did not received any noncash donations or insurance proceeds.

During the fiscal year ended June 30, 2018, Union WELL Inc., received one donated piece of art with an assessed value of \$1,895. This item has since been capitalized and included as part of Union WELL Inc.'s assets. During 2018, Union WELL Inc., received an insurance proceed payment of \$5,438 related to floor damage caused by lease customers in The WELL Gym Box. Both the noncash donation and the insurance proceeds are presented on the statements of activities as other income.

### 12. SUBSEQUENT EVENTS

In preparing these statements, Union WELL Inc., has evaluated events and transactions for potential recognition through September 16, 2019, the date the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION SECTION**

# University Union Operation of California State University, Sacramento

## SCHEDULE OF NET POSITION

June 30, 2019

(for inclusion in the California State University)

Assets:		
Current assets:		
Cash and cash equivalents	\$	210,205
Short-term investments		15,974,780
Accounts receivable, net		396,950
Capital lease receivable, current portion		-
Notes receivable, current portion		-
Pledges receivable, net		-
Prepaid expenses and other current assets		158,025
Total current assets		<u>16,739,960</u>
Noncurrent assets:		
Restricted cash and cash equivalents		-
Accounts receivable, net		-
Capital lease 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		1,405,225
Other assets		-
Total noncurrent assets		<u>1,405,225</u>
Total assets		<u>18,145,185</u>
Deferred outflows of resources:		
Unamortized loss on debt refunding		-
Net pension liability		-
Net OPEB liability		-
Others		-
Total deferred outflows of resources		<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable		128,351
Accrued salaries and benefits		-
Accrued compensated absences, current portion		-
Unearned revenues		186,040
Capital lease obligations, current portion		-
Long-term debt obligations, current portion		-
Claims liability for losses and loss adjustment expenses, current portion		-
Depository accounts		774,642
Other liabilities		-
Total current liabilities		<u>1,089,033</u>
Noncurrent liabilities:		
Accrued compensated absences, net of current portion		-
Unearned revenues		-
Grants refundable		-
Capital lease obligations, net of current portion		-
Long-term debt obligations, net of current portion		-
Claims liability for losses and loss adjustment expenses, net of current portion		-
Depository accounts		-
Net other postemployment benefits liability		-
Net pension liability		-
Other liabilities		-
Total noncurrent liabilities		<u>-</u>
Total liabilities		<u>1,089,033</u>
Deferred inflows of resources:		
Service concession arrangements		-
Net pension liability		-
Net OPEB liability		-
Unamortized gain on debt refunding		-
Nonexchange transactions		-
Others		-
Total deferred inflows of resources		<u>-</u>
Net Position:		
Net investment in capital assets		1,405,225
Restricted for:		
Nonexpendable – endowments		-
Expendable:		
Scholarships and fellowships		-
Research		-
Loans		-
Capital projects		-
Debt service		-
Others		-
Unrestricted		<u>15,650,927</u>
Total net position	\$	<u>17,056,152</u>

**University Union Operation of California State University, Sacramento**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Year Ended June 30, 2019**  
**(for inclusion in the California State University)**

Revenues:		
Operating revenues:		
Student tuition and fees, gross	\$	9,389,045
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		1,231,531
Scholarship allowances (enter as negative)		-
Other operating revenues		1,360,617
Total operating revenues		<u>11,981,193</u>
Expenses:		
Operating expenses:		
Instruction		-
Research		-
Public service		-
Academic support		-
Student services		8,586,986
Institutional support		299,761
Operation and maintenance of plant		2,106,744
Student grants and scholarships		-
Auxiliary enterprise expenses		-
Depreciation and amortization		287,980
Total operating expenses		<u>11,281,471</u>
Operating income (loss)		<u>699,722</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		14,082
Investment income (loss), net		479,298
Endowment income (loss), net		-
Interest expense		-
Other nonoperating revenues (expenses) - excl. interagency transfers		(31,613)
Other nonoperating revenues (expenses) - interagency transfers		-
Net nonoperating revenues (expenses)		<u>461,767</u>
Income (loss) before other revenues (expenses)		1,161,489
State appropriations, capital		-
Grants and gifts, capital		-
Additions (reductions) to permanent endowments		-
Increase (decrease) in net position		<u>1,161,489</u>
Net position:		
Net position at beginning of year, as previously reported		15,894,663
Restatements		-
Net position at beginning of year, as restated		<u>15,894,663</u>
Net position at end of year	\$	<u><u>17,056,152</u></u>

# University Union Operation of California State University, Sacramento

## OTHER INFORMATION

June 30, 2019

(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		-
<b>Noncurrent restricted cash and cash equivalents</b>		-
Current cash and cash equivalents		210,205
<b>Total</b>	<b>\$</b>	<b>210,205</b>

### 2.1 Composition of investments:

	<b>Current</b>	<b>Noncurrent</b>	<b>Total</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	-	-	-
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 (excluding SWIFT)	-	-	-
Other investments	-	-	-
State of California Local Agency Investment Fund (LAIF)	15,974,780	-	15,974,780
State of California Surplus Money Investment Fund (SMIF)	-	-	-
<b>Total investments</b>	<b>15,974,780</b>	<b>-</b>	<b>15,974,780</b>
Less endowment investments (enter as negative number)	-	-	-
<b>Total investments, net of endowments</b>	<b>\$ 15,974,780</b>	<b>\$ -</b>	<b>\$ 15,974,780</b>



# University Union Operation of California State University, Sacramento

## OTHER INFORMATION

June 30, 2019

(for inclusion in the California State University)

### 2.2 Fair value hierarchy in investments:

	Total	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)
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	-	-	-	-	-
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 (excluding SWIFT)	-	-	-	-	-
Other investments	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	15,974,780	-	-	-	15,974,780
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
<b>Total investments</b>	<b>\$ 15,974,780</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,974,780</b>

### 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.

Investments held by the University under contractual agreements (e.g CSU

Consolidated SWIFT Inv pool):

Current	Noncurrent	Total
\$ -	\$ -	\$ -

# University Union Operation of California State University, Sacramento

## OTHER INFORMATION

June 30, 2019

(for inclusion in the California State University)

### 3.1 Composition of capital assets:

	Balance June 30, 2018	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2018 (Restated)	Additions	Retirements	Transfer of completed CWIP	Balance June 30, 2019
<b>Non-depreciable/Non-amortizable capital assets:</b>									
Land and land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Works of art and historical treasures	34,516	-	-	-	34,516	10,080	-	-	44,596
Construction work in progress (CWIP)	31,198	-	-	-	31,198	58,404	-	(26,934)	62,668
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
<b>Total non-depreciable/non-amortizable capital assets</b>	<b>65,714</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,714</b>	<b>68,484</b>	<b>-</b>	<b>(26,934)</b>	<b>107,264</b>
<b>Depreciable/Amortizable capital assets:</b>									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	1,162,149	-	-	-	1,162,149	191,383	(172,391)	-	1,181,141
Personal property:									
Equipment	1,791,490	-	-	-	1,791,490	498,723	(415,732)	-	1,874,481
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
<b>Total depreciable/amortizable capital assets</b>	<b>2,953,639</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,953,639</b>	<b>690,106</b>	<b>(588,123)</b>	<b>-</b>	<b>3,055,622</b>
<b>Total capital assets</b>	<b>3,019,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,019,353</b>	<b>758,590</b>	<b>(588,123)</b>	<b>(26,934)</b>	<b>3,162,886</b>
<b>Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)</b>									
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(824,697)	-	-	-	(824,697)	(55,289)	140,777	-	(739,209)
Personal property:									
Equipment	(1,201,493)	-	-	-	(1,201,493)	(232,691)	415,732	-	(1,018,452)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	-	-	-	-	-	-	-	-	-
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets:	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
<b>Total accumulated depreciation/amortization</b>	<b>(2,026,190)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,026,190)</b>	<b>(287,980)</b>	<b>556,509</b>	<b>-</b>	<b>(1,757,661)</b>
<b>Total capital assets, net</b>	<b>\$ 993,163</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 993,163</b>	<b>\$ 470,610</b>	<b>\$ (31,614)</b>	<b>\$ (26,934)</b>	<b>\$ 1,405,225</b>

# University Union Operation of California State University, Sacramento

## OTHER INFORMATION

June 30, 2019

(for inclusion in the California State University)

### 3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 287,980
Amortization expense related to other assets	-
<b>Total depreciation and amortization</b>	<b>\$ 287,980</b>

### 4 Long-term liabilities:

	Balance June 30, 2018	Prior Period Adjustments / Reclassifications	Balance June 30, 2018 (Restated)	Additions	Reductions	Balance June 30, 2019	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:</b>								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
<b>Total capital lease obligations</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 Others:	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total others	-	-	-	-	-	-	-	-
<b>Sub-total long-term debt</b>	-	-	-	-	-	-	-	-
4.5 Unamortized net bond premium/(discount)	-	-	-	-	-	-	-	-
<b>Total long-term debt obligations</b>	-	-	-	-	-	-	-	-
<b>Total long-term liabilities</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

June 30, 2019

(for inclusion in the California State University)

### 5 Capital lease obligations schedule:

Year ending June 30:

2020  
2021  
2022  
2023  
2024  
2025 - 2029  
2030 - 2034  
2035 - 2039  
2040 - 2044  
2045 - 2049  
Thereafter

**Total minimum lease payments**

Less: amounts representing interest

**Present value of future minimum lease payments**

Unamortized net premium/(discount)

**Total capital lease obligations**

Less: current portion

**Capital lease obligations, net of current portion**

Capital lease obligations related to SRB			All other capital lease obligations			Total capital lease obligations		
Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
								-
								-
								-
								-
								\$ -

### 6 Long-term debt obligations schedule:

Year ending June 30:

2020  
2021  
2022  
2023  
2024  
2025 - 2029  
2030 - 2034  
2035 - 2039  
2040 - 2044  
2045 - 2049  
Thereafter

**Total minimum payments**

Less: amounts representing interest

**Present value of future minimum payments**

Unamortized net premium/(discount)

**Total long-term debt obligations**

Less: current portion

**Long-term debt obligations, net of current portion**

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
								-
								-
								-
								-
								\$ -

# University Union Operation of California State University, Sacramento

## OTHER INFORMATION

June 30, 2019

(for inclusion in the California State University)

**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	\$	1,067,612
Payments received from University for services, space, and programs	\$	1,122,258
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)	\$	(217,053)
Other amounts (payable to) University (enter as negative number)	\$	-
Accounts receivable from University (enter as positive number)	\$	132,310
Other amounts receivable from University (enter as positive number)	\$	123,012

**8 Restatements/Prior period adjustments:**

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

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

Transaction #1	Enter transaction description
----------------	-------------------------------

Transaction #2	Enter transaction description
----------------	-------------------------------

# University Union Operation of California State University, Sacramento

## OTHER INFORMATION

June 30, 2019

(for inclusion in the California State University)

### 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	-	-	-	-	-	8,586,986	-	8,586,986
Institutional support	-	-	-	-	-	299,761	-	299,761
Operation and maintenance of plant	-	-	-	-	-	2,106,744	-	2,106,744
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	287,980	287,980
<b>Total operating expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,993,491</b>	<b>\$ 287,980</b>	<b>\$ 11,281,471</b>

### 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 - others:	-
	-
	-
	-
	-
	-
	-
Total deferred outflows - others	-
<b>Total deferred outflows of resources</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 - others:	-
	-
	-
	-
	-
	-
	-
Total deferred inflows - others	-
<b>Total deferred inflows of resources</b>	<b>\$ -</b>

# University Union Operation of California State University, Sacramento

## SCHEDULE OF UNDESIGNATED AND BOARD DESIGNATED NET ASSETS

June 30, 2019

	NET ASSETS WITHOUT DONOR RESTRICTIONS				
	Undesignated	Board Designated			Total
	Operations	Property and Equipment	Repairs and Replacement	Art Acquisition	
<b>REVENUE FROM PROGRAM ACTIVITIES</b>					
Student activity fees	\$ 9,389,045	\$ -	\$ -	\$ -	\$ 9,389,045
Revenue from operations	2,606,230	-	-	-	2,606,230
Total program activities revenue	11,995,275	-	-	-	11,995,275
Other income:					
Noncash Donation	-	-	-	-	-
Insurance proceeds	-	-	-	-	-
Total other income	-	-	-	-	-
<b>Total revenue</b>	11,995,275	-	-	-	11,995,275
<b>EXPENSES</b>					
Personnel	-	-	-	-	-
Employee benefits	-	-	-	-	-
Advertising	23,300	-	-	-	23,300
Conferences	21,482	-	-	-	21,482
Depreciation	-	287,980	-	-	287,980
Dues and subscriptions	179,658	-	-	-	179,658
Insurance	52,024	-	-	-	52,024
Office expenses	7,406	-	-	-	7,406
Outside services	7,135,315	-	-	-	7,135,315
Postage and delivery	759	-	-	-	759
Printing	8,778	-	-	-	8,778
Repairs and maintenance	1,789,577	-	-	-	1,789,577
Small equipment	79,350	-	289,331	1,050	369,731
Special events expenses	264,245	-	-	-	264,245
Supplies	484,857	-	-	-	484,857
Telephone	31,396	-	-	-	31,396
Travel	38,146	-	-	-	38,146
Utilities	586,817	-	-	-	586,817
Total expenses	10,703,110	287,980	289,331	1,050	11,281,471
<b>EXCESS (DEFICIENCY) OF REVENUE FROM PROGRAM ACTIVITIES OVER EXPENSES</b>	1,292,165	(287,980)	(289,331)	(1,050)	713,804
Interest and investment income	425,066	-	54,232	-	479,298
Sale of equipment	-	-	-	-	-
Loss on disposal of capital assets	-	(31,613)	-	-	(31,613)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	1,717,231	(319,593)	(235,099)	(1,050)	1,161,489
<b>INTERFUND TRANSFERS</b>					
Transfer of board designated funds	(783,513)	-	778,513	5,000	-
Fixed asset acquisitions	(268,306)	700,185	(421,799)	(10,080)	-
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	665,412	380,592	121,615	(6,130)	1,161,489
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>					
Beginning of Year	12,664,271	961,965	2,226,451	41,976	15,894,663
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>					
End of Year	\$ 13,329,683	\$ 1,342,557	\$ 2,348,066	\$ 35,846	\$ 17,056,152

**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.

**2. BOARD DESIGNATED NET ASSETS**

**Repairs and Replacement** Union WELL Inc., annually designates net assets of \$100,000, plus 5% of the total replacement value of equipment and furniture and fixtures, for their repair and replacement. Total replacement value is determined using the latest available consumer price index and was estimated to be approximately \$3,070,266 at June 30, 2019. The cumulative amount of these net asset designations is limited to no more than 50% of the total replacement value of such equipment and furniture and fixtures, plus \$100,000. This amount, plus interest earned, plus insurance proceeds, less actual replacements, represents the designation which was \$2,348,066 as of June 30, 2019.

**Art Acquisition** Union WELL Inc., annually designates net assets of \$5,000 for art acquisition, less actual purchases. As of June 30, 2019, the designation totaled \$35,846.

**Property and Equipment** Union WELL Inc., designates net assets based on the net book value of its property and equipment. At June 30, 2019, the designation for depreciable property and equipment was \$1,342,557. An additional \$62,668 of construction work in progress was included in undesignated operations and is expected to be transferred to designated property and equipment during the year ending June 30, 2020.