COLLABORATORS | COACHES | ADVOCATES | MENTORS
FRIENDS | VOLUNTEERS | REGULARS | DINERS | VISITORS
CPAs | CONSULTANTS | WEALTH ADVISORS | *NEIGHBORS*
COLLABORATORS | COACHES | ADVOCATES | MENTORS |
CONNOISSEURS | CUSTOMERS | TEACHERS |
| VOLUNTEERS |

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2026 AND 2025

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UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
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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 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, 2026 and 2025, 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of Union WELL, Inc. as of June 30, 2026 and 2025, 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 (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.

Emphasis of a Matter

Regarding a Correction of an Error

During the fiscal year, Union WELL, Inc. reclassified the investments in State of California Local Agency Investment Fund (LAIF) from cash equivalents to investments. As a result, Union WELL, Inc. reported a restatement for a correction of an error (see Note 2 to the financial statements). Our opinion is not modified with respect to this matter.

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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 within one year after the date that 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 System financial statements is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2026, on our consideration of Union WELL, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Union WELL, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union WELL, Inc.'s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Ontario, California
September 9, 2026

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF FINANCIAL POSITION
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Cash	$ 378,076	$ 665,118
Investments	27,459,481	24,902,962
Accounts Receivable	23,050	35,433
Interest Receivable	282,445	288,179
Student Activity Fees Receivable	-	88,299
Prepaid Expenses	126,893	121,965
Inventory	894	1,152
Due from Related Parties	367,905	152,780
Capital Assets, Net of Accumulated Depreciation	1,721,712	1,639,707
Right of Use Asset - Financing, Net	162,009	93,218
Total Assets	$ 30,522,465	$ 27,988,813
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 197,409	$ 219,745
Due to Related Parties	2,627,477	1,957,894
Unearned Revenues	38,859	36,244
Lease Obligations - Financing	166,466	95,735
Total Liabilities	3,030,211	2,309,618
NET ASSETS		
Without Donor Restrictions:		
Board Designated	4,470,864	4,243,737
Undesignated	23,021,390	21,435,458
Total Net Assets	27,492,254	25,679,195
Total Liabilities and Net Assets	$ 30,522,465	$ 27,988,813

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
REVENUES		
Student Activity Fees	$ 17,196,636	$ 15,207,749
Contract and Lease Payments	1,841,810	1,796,513
Program Service Fees	1,475,932	1,230,578
Contributions and Grants	1,500	10,000
Interest and Investment Income	1,045,805	1,363,165
Subtotal	21,561,683	19,608,005
OPERATING INCOME	21,561,683	19,608,005
EXPENSES		
Building Operations	6,224,654	5,169,843
Programs and Services	9,427,247	7,903,675
Administration	4,091,206	3,951,418
Loss on Disposal of Capital Assets	7,017	1,502
Total Expenses	19,750,124	17,026,438
INCREASE IN NET ASSETS BEFORE TAXES	1,811,559	2,581,567
UNRELATED BUSINESS INCOME TAXES REFUND	1,500	6,938
INCREASE IN NET ASSETS	1,813,059	2,588,505
Net Assets Without Donor Restrictions - Beginning of Year	25,679,195	23,090,690
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	$ 27,492,254	$ 25,679,195

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2026

	Building Operations	Programs and Services	Administration	Total
Advertising	$ 1,240	$ 21,338	$ 993	$ 23,571
Conferences	6,718	19,239	6,416	32,373
Depreciation and Amortization	397,902	46,370	32,704	476,976
Dues and Subscriptions	62,046	165,651	102,344	330,041
Insurance	-	927	253,919	254,846
Interest Expense	882	4,020	3,397	8,299
Office Expenses	-	2,915	3,865	6,780
Outside Services	1,771,806	7,922,574	3,574,075	13,268,455
Postage and Delivery	-	70	605	675
Printing	109	482	232	823
Repairs and Maintenance	2,612,817	126,198	17,530	2,756,545
Small Equipment	340,698	405,775	7,483	753,956
Special Events	-	233,264	3,677	236,941
Supplies	30,470	405,865	66,381	502,716
Telephone	2,910	25,417	6,244	34,571
Travel	16,468	21,947	11,341	49,756
Utilities	980,588	25,195	-	1,005,783
Subtotal	6,224,654	9,427,247	4,091,206	19,743,107
Loss on Disposal of Capital Assets	7,017	-	-	7,017
Total Functional Expenses	$ 6,231,671	$ 9,427,247	$ 4,091,206	$ 19,750,124

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	5,169,843	7,903,675	3,951,418	17,024,936
Loss on Disposal of Capital Assets	1,502	-	-	1,502
Total Functional Expenses	$ 5,171,345	$ 7,903,675	$ 3,951,418	$ 17,026,438

See accompanying Notes to Financial Statements.

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 1,813,059	$ 2,588,505
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	387,839	338,931
Lease Amortization	85,387	28,794
Software Amortization	3,750	3,438
Change in Operating Lease Asset and Liability		
Loss on Disposal of Capital Assets	7,017	1,502
(Increase) Decrease in:		
Accounts Receivable	12,383	(9,235)
Interest Receivable	5,734	(6,116)
Student Activity Fees Receivable	88,299	392,604
Prepaid Expenses	(4,928)	(36,882)
Inventory	258	45
Due from Related Parties	(215,125)	33,393
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	(22,336)	14,016
Due to Related Parties	669,583	(579,550)
Unearned Revenues	2,615	(47,090)
Net Cash Provided by Operating Activities	2,833,535	2,722,355
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments Related to Acquisition of Capital Assets	(480,610)	(501,653)
Purchases of Investments	(13,141,805)	(11,365,243)
Proceeds from sale of Investments	10,585,286	9,643,227
Net Cash Used by Operating Activities	(3,037,129)	(2,223,669)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments Made on Financing Leases	(83,448)	(27,666)
NET INCREASE (DECREASE) IN CASH	(287,042)	471,020
Cash - Beginning of Year	665,118	194,098
CASH - END OF YEAR	$ 378,076	$ 665,118
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Purchase of Capital Assets Included in Accounts Payable	$ -	$ 46,025
Right-of-Use Asset Obtained in Exchange for New Financing Lease Liability	$ 154,179	$ 53,524

See accompanying Notes to Financial Statements.

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. considers highly liquid investments with a maturity of three months or less to be cash and cash equivalents.

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, 2026 and 2025, 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, 2026 and 2025, student activity fees receivable were $- and $88,299, respectively.

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, 2026 and 2025, prepaid expense for goods and services were $126,893 and $121,965, 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.

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, 2026 and 2025, 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:

	2026	2025
Unearned Revenue, Beginning of the Year	$ 36,244	$ 83,334
Refunds or Returns	-	-
Revenue Recognized	(36,244)	(83,334)
Cash Received in Advance of Performance	38,859	36,244
Unearned Revenue, End of the Year	$ 38,859	$ 36,244

	2026	2025
Student Activity Fee Receivable, Beginning of the Year	$ 88,299	$ 480,903
Payments Made	(88,299)	(480,903)
Charges for Fees	-	88,299
Student Activity Fee Receivable, End of the Year	$ -	$ 88,299

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.

Advertising

Union WELL, Inc. expenses advertising costs as incurred. Advertising expenses for the years ended June 30, 2026 and 2025, were $23,571 and $31,161, 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, 2026 and 2025, and Union WELL, Inc. does not expect this to change significantly over the next 12 months.

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.

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 9, 2026, the date the financial statements were available to be issued.

NOTE 2 RESTATEMENT

The June 30, 2025 financial statements have been restated for the reclassification of LAIF investments. As of June 30, 2025, the investments held in LAIF were presented as cash equivalents in the statement of financial position. In fiscal year 2026, the amount is reclassified to investments. While there was no effect on the beginning net assets, the effect of the restatement in the statement of cash flows as of June 30, 2025, is as follows:

	As Previously Reported	As Restated	Change
Cash flows from investing activities			
Payments Related to Acquisition of Capital Assets	$ (501,653)	$ (501,653)	$ -
Purchases of Investments	-	$ (11,365,243)	(11,365,243)
Proceeds from sale of Investments	-	9,643,227	9,643,227
	$ (501,653)	$ (2,223,669)	$ (1,722,016)
Net increase (decrease) in cash and cash equivalents	$ 2,193,036	$ 471,020	$ (1,722,016)
Cash and cash equivalents - beginning of year	$ 23,375,044	$ 194,098	$ (23,180,946)
Cash and cash equivalents - end of year	$ 25,568,080	$ 665,118	$ (24,902,962)

The statement of financial position was also restated as of June 30, 2025:

Cash and cash equivalents, as previously reported	$ 25,568,080
Adjustment to reclassify to investments	(24,902,962)
Cash, as restated	$ 665,118
Investments, as previously reported	$ -
Adjustments to reclassify to investments	24,902,962
Investments, as restated	$ 24,902,962

NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents Union WELL, Inc. financial assets:

	2026	2025
Financial Assets - End of Year:		
Cash	$ 378,076	$ 665,118
Investments	27,459,481	24,902,962
Accounts Receivable	23,050	35,433
Interest Receivable	282,445	288,179
Due from Related Parties	367,905	152,780
Student Activity Fees Receivable - Held by Sacramento State	-	88,299
Total Financial Assets - End of Year	28,510,957	26,132,771
Less: Amounts Not Available to be Used Within One Year:		
Board-Designated Net Assets	4,470,864	4,243,737
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	$ 24,040,093	$ 21,889,034

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

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 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. The investments in LAIF are carried at amortized cost, which is deemed to not represent a material difference from fair value. Union WELL, Inc.'s investments in LAIF are measured on a recurring basis throughout the year.

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENT (CONTINUED)

As of June 30, 2026 and 2025, the LAIF pool included structured notes and asset backed securities, which totaled 3.47% and 3.81%, 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, 2026 and 2025, the fair value of LAIF was 99.89% and 100%, respectively, of the carrying value. There were no LAIF funds invested in derivatives as of June 30, 2026 and 2025. 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:

June 30, 2026	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	$ -	$ -	$ -	$ 27,459,481	$ 27,459,481

June 30, 2025	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	$ -	$ -	$ -	$ 24,902,962	$ 24,902,962

Commitments and redemption schedules for those value based on net asset values are as follows:

Description	Fair Value	Unfunded Commitments	Frequency	Redemption Notice
LAIF	$ 27,459,481	-	n/a	n/a

NOTE 5 CAPITAL ASSETS

Capital assets consisted of the following:

	2026	2025
Furniture and Fixtures	$ 1,371,485	$ 1,283,407
Fitness Equipment	927,800	906,962
Minor Equipment	6,707	40,453
Leasehold Improvements	1,515,581	1,407,098
Construction Work in Progress	70,634	149,557
Computers	878,456	762,807
Software	11,250	11,250
Artwork	44,596	44,596
Total	4,826,509	4,606,130
Less: Accumulated Depreciation	3,104,797	2,966,423
Capital Assets, Net	$ 1,721,712	$ 1,639,707

Depreciation expense for the fiscal years ended June 30, 2026 and 2025, was $473,226 and $338,931, respectively.

NOTE 6 LEASES

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

	2026	2025
Operating Lease Costs	$ -	$ -
Finance Lease Costs:		
Amortization of Right-to-Use Assets	85,387	28,794
Interest on Lease Liabilities	7,996	4,151
Total Cost	$ 93,383	$ 32,945
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Finance Leases	$ 85,387	$ 28,794
Financing Cash Flows from Finance Leases	83,448	27,666
Right-Of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	$ 154,179	$ 53,524
Weighted Average Remaining Lease Term:		
Financing Leases	2.55	3.8
Operating Leases	-	-
Weighted Average Discount Rate:		
Financing Leases	4.58%	4.92%
Operating Leases	-	-

Year Ending June 30,	Financing Leases
2027	$ 97,944
2028	39,589
2029	20,719
2030	13,200
2031	5,337
Total Lease Payments	176,789
Less: Interest	(10,323)
Present Value of Lease Liabilities	$ 166,466

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, 2026 and 2025, consisted of the following:

	2026	2025
Personnel Services	$ 7,351,849	$ 6,805,399
Personnel Benefit Expenses	2,794,742	2,402,124
Payroll Services	1,014,659	920,752
Accounting Services	165,036	160,542
Other Outside Services	1,942,169	859,892
Total	$ 13,268,455	$ 11,148,709

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, 2026 and 2025, Union WELL, Inc. received payments for leased office space to UEI totaling $639,531 and $607,250, respectively, and for leased office space to ASI totaling $354,619 and $344,984, respectively. For the fiscal years ended June 30, 2026 and 2025, Union WELL, Inc. received Public Safety fees from UEI totaling $-0- and $5,661, respectively. For the fiscal years ended June 30, 2026 and 2025, Union WELL, Inc. received Public Safety Fees from ASI totaling $-0- and $3,783, 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 $2,296,226 and $2,307,593 for the fiscal years ended June 30, 2026 and 2025, respectively, for campus cost recovery services, which include administration, telephone, postage, IT support, and utilities. Sacramento State made payments to Union WELL, Inc. totaling $1,683,651 and $1,386,405 for services, space, and programs for the fiscal years ended June 30, 2026 and 2025, respectively.

Union WELL, Inc. incurred expenses primarily related to professional fees and advertising by UEI in the amounts of $18,179 and $15,458 for the fiscal years ended June 30, 2026 and 2025, respectively.

For the fiscal years ended June 30, 2026 and 2025, Union WELL, Inc. was charged $165,036 and $160,452, respectively, for accounting and financial services provided by ASI.

NOTE 8 RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2026	2025
Sacramento State	$ 360,896	$ 151,400
UEI	2,727	694
University Foundation	3,890	-
ASI	392	686
Total	$ 367,905	$ 152,780

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

	2026	2025
Sacramento State	$ 413,761	$ 330,730
UEI	2,213,716	1,627,164
Total	$ 2,627,477	$ 1,957,894

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 $130,209 and $145,187 for the years ended June 30, 2026 and 2025, respectively. These contributions, totaling $130,209, 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 REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Assets:	
Current assets:	
Cash and cash equivalents	378,076
Short-term investments	27,459,481
Accounts receivable, net	673,400
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net, current portion	—
Prepaid expenses and other current assets	127,787
Total current assets	28,638,744
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	1,883,721
Other assets	-
Total noncurrent assets	1,883,721
Total assets	30,522,465
Deferred outflows of resources:	
Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-
Total deferred outflows of resources	-
Liabilities:	
Current liabilities:	
Accounts payable	2,824,886
Accrued salaries and benefits payable	-
Accrued compensated absences - current portion	-
Unearned revenues	38,859
Lease Liabilities - current portion	92,071
SBITA liabilities - current portion	-
P3 liabilities - current portion	-

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Long-term debt obligations - current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts - current portion	-
Other liabilities, current	
Total current liabilities	2,955,816
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	74,395
SBITA liabilities, net of current portion	-
P3 liabilities, 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	74,395
Total liabilities	3,030,211
Deferred inflows of resources:	
Service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding(s)	-
Nonexchange transactions	-
Leases	-
P3	-
Others	-
Total deferred inflows of resources	-
Net position:	
Net investment in capital assets	1,721,712
Restricted for:	
Endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	25,770,542
Total net position	27,492,254

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Revenues:	
Operating revenues:	
Student Tuition & Fees, gross	—
Scholarship allowances, enter as negative	—
Student Financial Aid Grants:	
Federal Financial Aid Grants	—
State Financial Aid Grants	—
Local Financial Aid Grants	—
Nongovernmental and Other Financial Aid Grants	—
Grants and contracts, noncapital:	
Federal	—
State	—
Local	—
Nongovernmental	—
Sales and services of Educational Activities	—
Sales and services Auxiliary Enterprises, gross	1,475,932
Scholarship allowances for sales of auxiliary enterprises	—
Other operating revenues	19,039,946
Total operating revenues	20,515,878
Expenses:	
Operating expenses:	
Instruction	—
Research	—
Public service	—
Academic support	—
Student services	14,129,231
Institutional support	1,683,697
Operation and maintenance of plant	3,444,904
Student grants and scholarships	—
Auxiliary enterprise expenses	—
Depreciation and amortization	476,976
Total operating expenses	19,734,808
NonCapital Subsidies:	
State appropriations	—
Gifts	1,500
Other Noncapital Subsidies received/(provided)	—
Federal Noncapital Subsidies received/(provided)	—
Total NonCapital Subsidies Received:	1,500
Operating Income (Loss) and NonCapital Subsidies:	782,570

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Nonoperating revenues (expenses):	
Federal Subsidies, capital received/(provided)	—
State appropriations, capital	—
Capital Subsidies received/(provided)	—
Grants and gifts, capital	—
Investment income (loss), net	1,045,805
Endowment income (loss), net	—
Interest Revenue	—
Interest Expense	(8,299)
Gains or losses on capital assets	(7,017)
Additions/reductions to permanent endowments	—
Total nonoperating revenues (expenses)	1,030,489
Increase (decrease) in net position	1,813,059
Net position:	
Net position at beginning of year, as previously reported	25,679,195
Restatements	—
Net position at beginning of year, as restated	25,679,195
Net position at end of year	27,492,254

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
YEAR ENDED JUNE 30, 2026
(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	378,076
Total	**378,076**

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)	27,459,481		**27,459,481**
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			
			-
			-
			-
			-
			-
Total other investments:	-	-	-
Total investments	**27,459,481**	**-**	**27,459,481**
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	**27,459,481**	**-**	**27,459,481**

2.2 Fair value hierarchy in investments

Investment Type	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	-				
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)	**27,459,481**	-	-	-	27,459,481
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	
Other investments:					
	-				
	-				
	-				
	-				
	-				
Total other investments:	-	-	-	-	-
Total investments	**27,459,481**	**-**	**-**	**-**	**27,459,481**

2.3 Investments held by the University under contractual agreements

	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, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

3.1 Capital Assets

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2025 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2026
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	-				-				-
Works of art and historical treasures	**44,596**				**44,596**				**44,596**
Construction work in progress (CWIP)	**149,557**				**149,557**	17,134		(96,057)	**70,634**
Intangible assets:									
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Intangible assets in progress (PWIP)	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	**194,153**	-	-	-	**194,153**	**17,134**	-	**(96,057)**	**115,230**
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Leasehold improvements	**1,407,098**				**1,407,098**	19,288	(6,862)	96,057	**1,515,581**
Personal property:									
Equipment	**2,993,629**				**2,993,629**	444,189	(253,370)		**3,184,448**
Library books and materials	-				-				-
Intangible assets:									
Software and websites	**11,250**				**11,250**				**11,250**
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	**11,250**	-	-	-	**11,250**	-	-	-	**11,250**
Total depreciable/amortizable capital assets	**4,411,977**	-	-	-	**4,411,977**	**463,477**	**(260,232)**	**96,057**	**4,711,279**
Total capital assets	**4,606,130**	-	-	-	**4,606,130**	**480,611**	**(260,232)**	-	**4,826,509**

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2026
(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	**(821,381)**				**(821,381)**	(41,078)	6,862		**(855,597)**
Personal property:									
Equipment	**(2,141,604)**				**(2,141,604)**	(346,761)	246,353		**(2,242,012)**
Library books and materials	-				-				-
Intangible assets:									
Software and websites	**(3,438)**				**(3,438)**	(3,750)			**(7,188)**
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	(3,438)	-	-	-	(3,438)	(3,750)	-	-	**(7,188)**
Total accumulated depreciation/amortization	**(2,966,423)**	**-**	**-**	**-**	**(2,966,423)**	**(391,589)**	**253,215**	**-**	**(3,104,797)**
Total capital assets, net excluding ROU assets	**1,639,707**	**-**	**-**	**-**	**1,639,707**	**89,022**	**(7,017)**	**-**	**1,721,712**

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Composition of capital assets - Lease ROU, net:	Balance June 30, 2025	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	-				-				-
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	-				-				-
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Personal property:									
Equipment	**164,327**				**164,327**	154,178		(45,283)	**273,222**
Total depreciable/amortizable lease assets	**164,327**	-	-	-	**164,327**	**154,178**	-	**(45,283)**	**273,222**
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Land and land improvements	-				-				-
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Personal property:									
Equipment	**(71,109)**				**(71,109)**	(85,387)		45,283	**(111,213)**
Total accumulated depreciation/amortization	**(71,109)**	-	-	-	**(71,109)**	**(85,387)**	-	**45,283**	**(111,213)**
Total capital assets - lease ROU, net	**93,218**	-	-	-	**93,218**	**68,791**	-	-	**162,009**

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Composition of capital assets - SBITA ROU, net	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
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, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Composition of capital assets - P3 ROU, net:	Balance June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2026
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	-				-				-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-				-				-
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Personal property:									
Equipment	-				-				-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-				-				-
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Personal property:									
Equipment	-				-				-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	-	-	-	-	-	-	-	-	-
Total capital assets, net including ROU assets									**1,883,721**

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

3.2 Detail of depreciation and amortization expense

Depreciation and amortization expense related to capital assets	391,589
Amortization expense - Leases ROU	85,387
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	
Total depreciation and amortization	**476,976**

4. Long-term liabilities

	Balance June 30, 2025	Prior Period Adjustments/Reclassifications	Balance June 30, 2025 (Restated)	Additions	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
1. Accrued compensated absences	-		-		-	-		-
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-		-			-		-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
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:								
	-		-			-		-
	-		-			-		-
	-		-			-		-
	-		-			-		-
Total others	-	-	-	-	-	-	-	-
Sub-total long-term debt	-	-	-	-	-	-	-	-
4.6 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	-	-	-	-	-	-	-	-

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

5. Lease, SBITA, P3 liabilities:	Balance June 30, 2025	Prior Period Adjustments/Reclassifications	Additions	Remeasurements	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
Lease liabilities	95,735		154,177		(83,446)	166,466	92,071	74,395
SBITA liabilities	-					-		-
P3 liabilities - SCA	-					-		-
P3 liabilities - non-SCA	-					-		-
Sub-total P3 liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Lease, SBITA, P3 liabilities	**95,735**	**-**	**154,177**	**-**	**(83,446)**	**166,466**	**92,071**	**74,395**
Total long-term liabilities						**166,466**	**92,071**	**74,395**

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

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:												
2027	92,071	5,873	97,944			-			-	92,071	5,873	97,944
2028	36,976	2,613	39,589			-			-	36,976	2,613	39,589
2029	19,434	1,285	20,719			-			-	19,434	1,285	20,719
2030	12,739	461	13,200			-			-	12,739	461	13,200
2031	5,246	91	5,337			-			-	5,246	91	5,337
2032 - 2036			-			-			-	-	-	-
2037 - 2041			-			-			-	-	-	-
2042 - 2046			-			-			-	-	-	-
2047 - 2051			-			-			-	-	-	-
2052 - 2056			-			-			-	-	-	-
Thereafter			-			-			-	-	-	-
Total minimum lease payments	$ 166,466	$ 10,323	$ 176,789	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 166,466	$ 10,323	176,789
Less: amounts representing interest												(10,323)
Present value of future minimum lease payments												166,466
Total Leases, SBITA, P3 liabilities												166,466
Less: current portion												(92,071)
Leases, SBITA, P3 liabilities, net of current portion												**$ 74,395**

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2026
(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	Interest	Principal Only	Interest Only	Interest	Principal Only	Interest Only	Interest
Year ending June 30:									
2027			-			-	-	-	-
2028			-			-	-	-	-
2029			-			-	-	-	-
2030			-			-	-	-	-
2031			-			-	-	-	-
2032 - 2036			-			-	-	-	-
2037 - 2041			-			-	-	-	-
2042 - 2046			-			-	-	-	-
2047 - 2051			-			-	-	-	-
2052 - 2056			-			-	-	-	-
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									-

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	2,296,226
Payments received from University for services, space, and programs	1,683,651
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)	(413,761)
Other amounts (payable to) University (enter as negative number)	-
Accounts receivable from University (enter as positive number)	360,896
Other amounts receivable from University (enter as positive number)	-

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2026
(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:

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	-	-	-	-		14,129,231		**14,129,231**
Institutional support	-	-	-	-		1,683,697		**1,683,697**
Operation and maintenance of plant	-	-	-	-		3,444,904		**3,444,904**
Student grants and scholarships					-			**-**
Auxiliary enterprise expenses	-	-	-	-		-		**-**
Depreciation and amortization							476,976	**476,976**
Total operating expenses	**-**	**-**	**-**	**-**	**-**	**19,257,832**	**476,976**	**19,734,808**

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	-

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF UNDESIGNATED AND BOARD-DESIGNATED NET ASSETS
YEAR ENDED JUNE 30, 2026

	Net Assets Without Donor Restrictions				
	Undesignated	Board Designated			
	Operations	Property and Equipment	Repairs and Replacement	Art Acquisition	Total
REVENUES					
Revenue from Program Activities:					
Student Activity Fees	$ 17,196,636	$ -	$ -	$ -	$ 17,196,636
Revenue from Operations	3,319,242	-	-	-	3,319,242
Total Revenue from Program Activities	20,515,878	-	-	-	20,515,878
Other Income:					
Noncash Donation	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-
Total Other Income	-	-	-	-	-
Total Revenues	20,515,878	-	-	-	20,515,878
EXPENSES					
Personnel	-	-	-	-	-
Employee Benefits	-	-	-	-	-
Advertising	23,571	-	-	-	23,571
Conferences	32,373	-	-	-	32,373
Depreciation and Amortization	-	476,976	-	-	476,976
Dues and Subscriptions	330,041	-	-	-	330,041
Insurance	254,846	-	-	-	254,846
Interest	8,299				8,299
Office Expenses	6,780	-	-	-	6,780
Outside Services	13,268,455	-	-	-	13,268,455
Postage and Delivery	675	-	-	-	675
Printing	823	-	-	-	823
Repairs and Maintenance	2,756,545	-	-	-	2,756,545
Small Equipment	93,343	-	659,340	1,273	753,956
Special Events Expenses	236,941	-	-	-	236,941
Supplies	502,716	-	-	-	502,716
Telephone	34,571	-	-	-	34,571
Travel	49,756	-	-	-	49,756
Utilities	1,005,783	-	-	-	1,005,783
Total Expenses	18,605,518	476,976	659,340	1,273	19,743,107
EXCESS (DEFICIENCY) OF REVENUE FROM PROGRAM ACTIVITIES OVER (UNDER) EXPENSES	1,910,360	(476,976)	(659,340)	(1,273)	772,771
INTEREST AND INVESTMENT INCOME	942,873	-	102,932	-	1,045,805
SALE OF EQUIPMENT	-	-	-	-	-
UNRELATED BUSINESS INCOME TAXES REFUND	(1,500)	-	-	-	(1,500)
LOSS ON DISPOSAL OF CAPITAL ASSETS	-	(7,017)	-	-	(7,017)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	2,854,733	(483,993)	(556,408)	(1,273)	1,813,059
INTERFUND TRANSFERS					
Transfer of Board-Designated Funds	(1,003,912)		998,912	5,000	-
Fixed Asset Acquisitions	(264,889)	634,789	(369,900)		-
Total Interfund Transfers	(1,268,801)	634,789	629,012	5,000	-
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,585,932	150,796	72,604	3,727	1,813,059
Net Assets Without Donor Restrictions - Beginning of Year	21,435,458	1,732,925	2,465,703	45,109	25,679,195
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	$ 23,021,390	$ 1,883,721	$ 2,538,307	$ 48,836	$ 27,492,254

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 $9,141,498 and the required twenty-five percent (25%) replacement level is $2,285,375. This amount, plus the $150,000 for expendable property acquisitions and interest earned represents the designation, which was $2,538,307 as of June 30, 2026.

Art Acquisition

Union WELL, Inc. annually designates net assets of $5,000 for art acquisition, less actual purchases. As of June 30, 2026, the designation totaled $48,836.

Property and Equipment

Union WELL, Inc. designates net assets based on the net book value of its property and equipment. At June 30, 2026, the designation for depreciable property and equipment was $1,637,191.

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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, 2026; 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 9, 2026.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2026-001 that we consider to be a material weakness.

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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.*

*Union WELL Inc.**'s Response to Findings***

Government Auditing Standards requires the auditor to perform limited procedures on the 'Union WELL Inc.s response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Union WELL Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Ontario, California
September 9, 2026

UNIVERSITY UNION OPERATION OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULES OF FINDINGS AND RESPONSES
JUNE 30, 2026 AND 2025

Section I – Summary of Auditors' Results

Financial Statements

1.	Type of auditors' report issued:	Unmodified	
2.	Internal control over financial reporting:		
	• Material weakness(es) identified?	____ X____ yes	_____ no
	• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes	____X____ none reported
3.	Noncompliance material to financial statements noted?	_____ yes	____X____ no

Section II – Financial Statement Findings

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Criteria or specific requirement: Management is responsible for establishing and maintaining effective internal control over financial reporting and for the fair presentation of the financial statements, including the notes to the financial statements, in conformity with accounting principles generally accepted in the United States of America. This responsibility includes accurately classifying and presenting cash and cash equivalents and investments in the financial statements and related disclosures.

Condition: During the audit, it was determined that certain investment balances had historically been presented as cash and cash equivalents based on their liquidity. The balances were more appropriately classified and disclosed as investments. The correction required a restatement of the previously issued financial statement balances to separately present the investment balances from cash and cash equivalents.

Cause: The investment balances had historically been presented as cash and cash equivalents due to their liquidity. Union WELL, Inc. did not have an effective financial statement review control to evaluate whether the balances met the applicable classification and disclosure requirements for cash and cash equivalents or should be presented as investments.

Effect: Cash and cash equivalents were overstated and investments were understated in the previously issued financial statements. The misclassification resulted in a restatement to separately present the investment balances from cash and cash equivalents.

Repeat Finding: No

Section II – Financial Statement Findings (continued)

Recommendation: Union WELL, Inc. should implement a formal year-end review process to evaluate the classification of cash and cash equivalents and investments in accordance with accounting principles generally accepted in the United States of America. The review should include consideration of the nature of each financial instrument, the applicable classification criteria, and the related financial statement disclosure requirements.

Views of responsible officials and planned corrective actions: Management agrees and will implement a plan to correct the issue and strengthen the year-end review of the classification and disclosure of cash and cash equivalents and investments.



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