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**ASSOCIATED STUDENTS OF CALIFORNIA
STATE UNIVERSITY, SACRAMENTO
SACRAMENTO, CALIFORNIA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2026 AND 2025

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Associated Students of California State University, Sacramento
Sacramento, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Associated Students of California State University, Sacramento (ASI), 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 present fairly, in all material respects, the financial position of ASI 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.

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 ASI 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 1 to the financial statements). Our opinion is not modified with respect to this matter.

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 ASI'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 ASI'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 ASI's ability to continue as a going concern for a reasonable period of time.

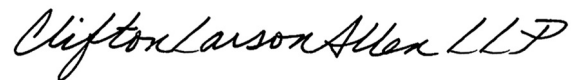
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were 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 is presented for purposes of additional analysis and is not a required part of the System 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 System financial statements. The information has been subjected to the auditing procedures applied in the audits of the System financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the System financial statements or to the System 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 System financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2026, on our consideration of ASI'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 ASI'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 ASI's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sacramento, California
September 11, 2026

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2026 AND 2025

	2026	(Restated) 2025
ASSETS		
Cash and Cash Equivalents	\$ 8,718,290	\$ 9,948,379
Club and Hornet Cash	1,351,594	1,097,034
Investments	4,141,826	3,971,348
Accounts Receivable - Net of Allowance for Credit Losses of \$1,000 for 2026 and 2025	311,854	280,725
Interest Receivable	40,431	43,510
Student Activity Fees Receivable - Held by Sacramento State	19,682	19,488
Deposits and Prepaid Expenses	244,869	185,935
Inventory	221,039	318,002
Due from Related Parties	896,959	808,786
Capital Assets - Net of Accumulated Depreciation	2,212,572	1,778,652
Right-of-Use Asset - Financing, Net	33,302	34,895
Total Assets	<u>18,192,418</u>	<u>18,486,754</u>
LIABILITIES		
Accounts Payable	365,809	499,762
Accrued Payroll and Related Liabilities	816,499	773,707
Unearned Revenue	1,579,050	1,389,220
Due to Related Parties	228,872	135,192
Funds Held for Campus Organizations	267,533	289,071
Funds Held for Student Organizations	1,481,401	1,166,871
Lease Liability - Financing	34,608	35,838
Note Payable	-	39,791
Total Liabilities	<u>4,773,772</u>	<u>4,329,452</u>
NET ASSETS		
Without Donor Restrictions:		
Board Designated	8,934,245	8,114,502
Undesignated	4,484,401	6,042,800
Total Net Assets	<u>13,418,646</u>	<u>14,157,302</u>
Total Liabilities and Net Assets	<u><u>\$ 18,192,418</u></u>	<u><u>\$ 18,486,754</u></u>

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2026 AND 2025

	<u>2026</u>	<u>2025</u>
REVENUES		
Student Activity Fees	\$ 5,561,136	\$ 5,681,252
Program Service Fees	5,209,237	4,585,899
Government Grants and Contracts	2,889,780	2,363,492
Financial Service Fees	178,161	196,790
Investment Income	502,707	553,092
In-Kind Contributions	288,525	40,996
Cash Contributions	234,454	187,810
Gain on Sale of Fixed Assets	14,000	-
Other Income	447,250	408,208
Fundraising Events	280	353
Total Revenues	<u>15,325,530</u>	<u>14,017,892</u>
EXPENSES		
Programs	8,896,024	7,541,873
Administration	2,851,068	2,465,341
Grants, Contracts, & Passthrough Expenses	4,317,094	3,709,600
Total Expenses	<u>16,064,186</u>	<u>13,716,814</u>
CHANGE IN NET ASSETS	(738,656)	301,078
Net Assets Without Donor Restrictions - Beginning of Year	<u>14,157,302</u>	<u>13,856,224</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u><u>\$ 13,418,646</u></u>	<u><u>\$ 14,157,302</u></u>

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2026

	Programs	Administration	Grants, Contracts, & Passthrough Expenses	Fundraising	Total
Advertising and Promotion	\$ 30,355	\$ 260	\$ 8,629	\$ -	\$ 39,244
Bank Fees	147,052	752	-	-	147,804
CSUS Administration Charge	595,636	397,005	-	-	992,641
Depreciation and Amortization	303,233	42,913	-	-	346,146
Food	13,373	5,490	10,815	-	29,678
Grant Expenses	-	-	40,458	-	40,458
Grants and Other Assistance	17,456	-	1,070,211	-	1,087,667
Insurance	237,834	9,044	5	-	246,883
Interest Expense	2,343	542	-	-	2,885
Noncapital Equipment Purchases	108,076	39,706	200,384	-	348,166
Occupancy	260,440	97,235	46,577	-	404,252
Other Expenses	359,471	86,303	23,469	-	469,243
Outside Services	307,886	317,274	50,194	-	675,354
Printing	21,521	144	-	-	21,665
Program Supplies and Materials	474,118	9,814	180,831	-	664,763
Purchases for Resale	372,517	-	-	-	372,517
Salaries and Related Expenses	5,358,456	1,825,976	2,677,786	-	9,862,218
Travel and Meeting Expense	207,493	18,451	130	-	226,074
Vehicle and Equipment Costs	78,764	159	7,605	-	86,528
Total Expenses by Function	<u>\$ 8,896,024</u>	<u>\$ 2,851,068</u>	<u>\$ 4,317,094</u>	<u>\$ -</u>	<u>\$ 16,064,186</u>

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Programs	Administration	Grants, Contracts, & Passthrough Expenses	Fundraising	Total
Advertising and promotion	\$ 25,587	\$ 1,113	\$ 6,637	\$ -	\$ 33,337
Bank fees	128,692	35	-	-	128,727
CSUS Administration Charge	-	164,668	-	-	164,668
Depreciation	243,701	27,447	-	-	271,148
Food	17,277	8,791	8,674	-	34,742
Grant expenses	-	-	18,200	-	18,200
Grants and other assistance	-	-	983,404	-	983,404
Insurance	193,556	7,570	-	-	201,126
Interest Expense	4,544	387	-	-	4,931
Noncapital equipment purchases	73,207	72,122	5,303	-	150,632
Occupancy	275,038	94,593	54,122	-	423,753
Other expenses	334,558	77,051	25,351	-	436,960
Outside services	152,027	351,029	42,049	-	545,105
Printing	24,572	30	-	-	24,602
Program supplies and materials	417,242	6,033	137,297	-	560,572
Purchases for resale	331,774	-	-	-	331,774
Salaries and related expenses	5,099,172	1,631,488	2,427,138	-	9,157,798
Travel and meeting expense	146,174	22,984	-	-	169,158
Vehicle and equipment costs	74,752	-	1,425	-	76,177
Total Expenses by Function	<u>\$ 7,541,873</u>	<u>\$ 2,465,341</u>	<u>\$ 3,709,600</u>	<u>\$ -</u>	<u>\$ 13,716,814</u>

See accompanying Notes to Financial Statements.

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

	2026	(Restated) 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (738,656)	\$ 301,078
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	318,560	248,101
Lease Amortization	11,889	11,946
Software Amortization	15,697	11,101
Noncash Contribution Received	(9,760)	(31,188)
(Increase) Decrease in Assets:		
Accounts Receivable	(31,129)	(34,189)
Interest Receivable	3,079	(696)
Student Activity Fees Receivable	(194)	468,695
Deposits and Prepaid Expenses	(58,934)	(29,545)
Inventory	96,963	(147,666)
Due from Related Parties	(88,173)	(248,127)
Increase (Decrease) in Liabilities:		
Accounts Payable	(133,953)	93,115
Accrued Payroll and Related Liabilities	42,792	152,651
Unearned Revenue	189,830	(184,817)
Due to Related Parties	93,680	(10,458)
Funds Held for Campus Organizations	(21,538)	941
Funds Held for Student Organizations	314,530	162,149
Net Cash Provided by Operating Activities	<u>4,683</u>	<u>763,091</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Capital Assets	(758,417)	(599,150)
Purchases of Investments	(171,062)	(179,683)
Proceeds from sale of Investments	584	2,916
Net Cash Used by Investing Activities	<u>(928,895)</u>	<u>(775,917)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Paid on Financing Leases	(11,526)	(11,379)
Principal Payments on Note Payable	(39,791)	(37,873)
Net Cash Used by Financing Activities	<u>(51,317)</u>	<u>(49,252)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(975,529)	(62,078)
Cash and Cash Equivalents	9,948,379	11,107,491
Club and Hornet Cash	1,097,034	-
Cash and Cash Equivalents - Beginning of Year	<u>11,045,413</u>	<u>11,107,491</u>
Cash and Cash Equivalents	8,718,290	9,948,379
Club and Hornet Cash	1,351,594	1,097,034
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 10,069,884</u>	<u>\$ 11,045,413</u>

See accompanying Notes to Financial Statements.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

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

Nature of the Organization

Associated Students of California State University, Sacramento (ASI), a component unit of California State University, Sacramento (Sacramento State), is a nonprofit, tax-exempt auxiliary organization of Sacramento State organized to administer various student programs and activities. Student activity fees and other program revenues are collected for the support of student related programs and activities. Managed programs include the student body leadership in the Government Office; the Aquatic Center; the ASI Office of Business and Administration; Student Services, which includes cap and gown sales; the Children's Center; Peak Adventures; and the Student Engagement and Outreach department.

Basis of Presentation

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

ASI is required to classify 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 ASI'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 ASI 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

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

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

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 of methodology represent unadjusted quoted prices for identical assets or liabilities in active markets that ASI 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.

Although ASI 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. ASI used the multiplier provided by LAIF to determine the estimated fair value of ASI's investment in the pool. ASI's investments in LAIF are measured on a recurring basis throughout the year.

Accounts Receivable

Accounts receivable are composed of uncollected revenue generated from program activities, grant reimbursements, and administrative fees from ASI's funds held for others. ASI reviews accounts receivable on a monthly basis to determine if any receivables are potentially uncollectible. ASI has recorded an allowance for credit losses in the amounts of \$1,000 as of June 30, 2026 and 2025. Associated Students of California State University, Sacramento periodically assesses its methodologies for estimating credit losses in consideration with historical trends, changes in the overall economic environment, and current future economic conditions.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

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

Student Activity Fees Receivable – Held by Sacramento State

As of June 30, 2026 and 2025, student fees receivable were \$19,680 and \$19,488, respectively.

Deposits and Prepaid Expenses

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

Inventory

ASI inventory is 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 caps, gowns, bike parts, retail clothing, and accessories for ASI internal programs including Student Services, Peak Adventures, and the Aquatic Center.

Due From Related Parties

Due from related parties represents amounts owed to ASI from Sacramento State; University Enterprises, Inc. (UEI); the University Union Operation of California State University, Sacramento (Union WELL Inc.); and The University Foundation at Sacramento State (UFSS) for goods and services provided by ASI program activities.

Capital Assets

Capital assets are stated at cost. It is the policy of ASI to capitalize all furniture and equipment and leasehold improvements costing \$5,000 or more with a useful life greater than one year. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets, typically between 3 and 30 years.

Due to Related Parties

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

Funds Held for Campus Organizations

ASI acts as a collecting and disbursing agency for several Sacramento State organizations and departments. Funds held for campus organizations are related to deposits received from these organizations and departments. Currently, ASI holds only two of these accounts for Sacramento State, which include the State Hornet and the Jesse Snow accounts.

Funds Held for Student Organizations

As a service to Sacramento State affiliated student organizations and programs, ASI acts as a collecting and disbursing agency for over 300 student organizations. These amounts are related to deposits received from these organizations.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

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

Unearned Revenue

Unearned revenue represents the amount ASI has received in advance of providing the related services. To facilitate preparation for the many classes, camps, courses, and trips provided by Peak Adventures and the Aquatic Center, ASI requires advance registration and payment.

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 ASI 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, ASI satisfies the performance obligations.

ASI's revenues are generated from its operations and are recognized as described below:

Student Activity Fees

Student activity fees represent mandatory fees assessed to students by Sacramento State each semester to support ASI programs. The fees are collected by Sacramento State and remitted to ASI. Student activity fees are recognized over the period of service, which is the academic semester during which the program services are delivered.

Program Service Fees

Program service fees are fees ASI receives for providing childcare, recreational classes, student services, and other activities. Program service fees also include sales of graduation apparel, such as caps and gowns, as well as retail clothing and accessories related to Student Services, Peak Adventures, and the Aquatic Center. The fees are collected by ASI and recognized on the date the service is provided or the product is sold.

Financial Service Fees

Financial service fees are received for providing accounting and financial services to Union WELL Inc., the University IRAs, the State Hornet, clubs, and organizations. Revenue is recognized over the period of service.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

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

Revenues from Contracts with Customers (Continued)

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

	2026	2025
Unearned Revenue - Beginning of the Year	\$ 1,389,220	\$ 1,574,037
Revenue Recognized	(1,389,220)	(1,574,037)
Cash Received in Advance of Performance	1,579,050	1,389,220
Unearned Revenue - End of the Year	<u>\$ 1,579,050</u>	<u>\$ 1,389,220</u>

	2026	2025
Student Activity Fee Receivable - Beginning of the Year	\$ 19,488	\$ 488,183
Payments Made	(19,488)	(488,183)
Charges for Fees	19,682	19,488
Student Activity Fee Receivable - End of the Year	<u>\$ 19,682</u>	<u>\$ 19,488</u>

Contributions

Cash and in-kind contributions are received to support ASI's programs and services. Generally, contributions are recognized in revenue when they are received. Contributions with conditions, such as eligibility requirements, are not recorded until the conditions have been met.

Government Grants and Contracts

ASI receives grants from the state of California and various other grantors for direct and indirect program costs associated with specific programs and projects. The grants received are subject to certain restrictions, which are met by incurring qualifying expenses for the particular program or project that is funded by the grant. Revenue from such grants is recognized when the funds have been expended on activities stipulated in the grant agreement. For unconditional grants, revenue is recognized and increases net assets with donor restrictions at the time the grant is received or pledged, and the funds are released from restriction when the qualifying expenses have been incurred. For conditional grants, funds received in advance are classified as unearned revenue and held as a liability until the conditions have been met. Once all conditions are met, revenue is recognized and increases net assets without donor restrictions.

Advertising

ASI expenses advertising costs as incurred. Advertising expenses for the years ended June 30, 2026 and 2025, were \$39,244 and \$33,337, respectively.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

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

Tax Status

The Internal Revenue Service has granted ASI status as an exempt organization under section 501(c)(3) of the Internal Revenue Code (IRC). The ruling provides that ASI is not subject to excise tax under Section 4940(a). Income determined to be unrelated business income is taxable. For the fiscal year ended June 30, 2026 and 2025, there were no accrual for federal or state tax liabilities for unrelated business income taxes.

ASI 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. ASI's practice is to recognize interest and penalties, if any, related to uncertain tax positions in tax expense. ASI 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. ASI has processes presently in place to ensure the maintenance of its tax-exempt status (its group exemption) to identify and report unrelated business 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. ASI has determined that 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 ASI does not expect this to change significantly over the next 12 months.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. 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 statements of activities. The presentation of expenses by function and nature is included in the statements of functional expenses. ASI 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 ASI benefit more than one program or supporting service and are allocated on a reasonable basis that is consistently applied. Payroll and related costs 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. ASI 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.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

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

Leases

Associated Students of California State University, Sacramento 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 ASI's right to use an underlying asset for the lease term and lease liabilities represent ASI'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 ASI will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. ASI 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, ASI 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. ASI 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.

Evaluation of Subsequent Events

Management has evaluated subsequent events through September 11, 2026, the date the financial statements were available to be issued.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

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

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			
Acquisition of Capital Assets	\$ (599,150)	\$ (599,150)	\$ -
Purchases of Investments	-	(179,683)	(179,683)
Proceeds from sale of Investments	-	2,916	2,916
	<u>\$ (599,150)</u>	<u>\$ (775,917)</u>	<u>\$ (176,767)</u>
Net change in cash and cash equivalents	\$ 114,689	\$ (62,078)	\$ (176,767)
Cash and cash equivalents - beginning of year	\$ 14,902,072	\$ 11,107,491	\$ (3,794,581)
Cash and cash equivalents - end of year	\$ 15,016,761	\$ 11,045,413	\$ (3,971,348)

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

Cash and cash equivalents, as previously reported	\$ 13,919,727
Adjustment to reclassify to investments	<u>(3,971,348)</u>
Cash and cash equivalents, as restated	\$ 9,948,379
Investments, as previously reported	\$ -
Adjustments to reclassify to investments	<u>3,971,348</u>
Investments, as restated	\$ 3,971,348

Reclassifications

Certain amounts in the 2025 financial statements have been reclassified to conform to the 2026 presentation. These reclassifications had no effect on previously reported change in net assets or net assets.

Revisions

Certain revisions of amounts previously reported have been made to the accompanying financial statements. In footnote 2 of the financial statements, the disclosure of the financial assets available to meet general expenditures over the next twelve months for the prior year has been revised to \$6,957,734. The revision had no impact on previously reported net assets.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 2 LIQUIDITY AND AVAILABILITY OF ASSETS

The following represents ASI's financial assets:

	<u>2026</u>	<u>2025</u>
Financial Assets - End of Year		
Cash and Cash Equivalents	\$ 8,718,290	\$ 9,948,379
Investments	4,141,826	3,971,348
Accounts Receivable - Net of Allowance for Credit Losses of \$1,000 for 2026 and 2025	1,249,244	1,133,021
Student Activity Fees Receivable - Held by Sacramento State	19,682	19,488
Total Financial Assets - End of Year	<u>14,129,042</u>	<u>15,072,236</u>
Less: Amounts Not Available to be Used Within One Year		
Board Designated Net Assets	(8,934,245)	(8,114,502)
Unavailable Board Designated Net Assets	<u>(8,934,245)</u>	<u>(8,114,502)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 5,194,797</u>	<u>\$ 6,957,734</u>

In order to manage liquidity, ASI 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. ASI is substantially supported by student activity and program services fees, which are unrestricted and are available to meet general expenditure obligations.

NOTE 3 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. Associated Students of California State University used the multiplier provided by LAIF to determine the estimated fair value of its investments in the pool. ASI'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. Associated Students of California State University's investments in LAIF are measured on a recurring basis throughout the year.

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. ASI is considered to be a voluntary participant in the LAIF investment pool.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 3 FAIR VALUE MEASUREMENT (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, ASI's assets at fair value at 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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,141,826</u>	<u>\$ 4,141,826</u>

The following table sets forth by level, within the fair value hierarchy, ASI's assets at fair value at 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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,971,348</u>	<u>\$ 3,971,348</u>

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

<u>Description</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Frequency</u>	<u>Redemption Notice</u>
LAIF	\$ 4,141,826	-	n/a	n/a

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 4 CAPITAL ASSETS

Capital assets consisted of the following:

	2026	2025
Furniture and Equipment	\$ 3,596,981	\$ 3,012,336
Leasehold Improvements	2,945,984	2,906,294
Construction Work in Progress	97,567	106,176
Software and Websites	62,790	62,790
Totals	6,703,322	6,087,596
Less: Accumulated Depreciation/Amortization	(4,490,750)	(4,308,944)
Capital Assets - Net	<u>\$ 2,212,572</u>	<u>\$ 1,778,652</u>

Depreciation and amortization expense for the fiscal years ended June 30, 2026 and 2025 was \$346,146 and \$271,148, respectively.

ASI leases a parcel of land from the Trustees of the California State University, Sacramento (the Trustees), located on its campus, for the purpose of operating and maintaining a childcare center (the Facility). The Facility is required to be used primarily to provide day care services for the children of Sacramento State students, staff, and faculty. The lease agreement terminates on December 31, 2028. ASI has no monetary obligation to the Trustees for rental payments under the terms of the lease agreement; however, ASI financed the construction and operation of the Facility. The costs of construction of the Facility were capitalized as leasehold improvements.

NOTE 5 NOTE PAYABLE

Note payable consisted of the following:

<u>Description</u>	2026	2025
Note payable to Yankee Finance Company, LLC related to a new fleet of rowing shells for the Aquatic Center. Payments were made in semi-annual installments of \$20,644 through May 2026, including interest at 5%. The loan was secured by the fleet.	<u>\$ -</u>	<u>\$ 39,791</u>

The Capital Crew Booster Club and the Lake Natoma Rowing Association have committed to make contributions to ASI, which are intended to cover the cost of the note payable installments. However, there are certain conditions related to the contributions; consequently, the contributions will be recorded as the note payable installments are paid and as the conditions are met. The entire outstanding balance was paid off at June 30, 2026.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 6 LEASE COMMITMENTS

Associated Students of California State University, Sacramento has six lease commitments for copiers and printers under noncancelable leases. The following table provides quantitative information concerning leases for the year ended June 30:

	<u>2026</u>	<u>2025</u>
Financing Lease Costs:		
Amortization of Right-to-Use Assets	\$ 11,889	\$ 11,946
Interest on Lease Liabilities	1,725	1,824
Total Cost	<u>\$ 13,614</u>	<u>\$ 13,770</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Financing Leases	\$ 11,889	\$ 11,946
Financing Cash Flows from Financing Leases	11,526	11,379
ROU Assets Obtained in Exchange for New Financing Lease Liabilities	10,296	11,402
Weighted Average Remaining Lease Term:		
Financing Leases	3.13	3.58
Weighted Average Discount Rate:		
Financing Leases	4.62%	4.52%
	Financing	
<u>Year Ending June 30.</u>	<u>Leases</u>	
2027	\$ 13,125	
2028	11,515	
2029	9,158	
2030	2,722	
2031	764	
Total Lease Payments	<u>37,284</u>	
Less: Interest	<u>(2,676)</u>	
Present Value of Lease Liabilities	<u>\$ 34,608</u>	

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 7 RELATED PARTY TRANSACTIONS

For the fiscal years ended June 30, 2026 and 2025, ASI earned revenues of \$165,036 and \$160,542, respectively, for providing financial services to Union WELL Inc., a component unit of Sacramento State.

For the fiscal years ended June 30, 2026 and 2025, ASI earned revenues of \$12,775 and \$35,898, respectively, for providing financial services to Sacramento State organizations, which include the State Hornet, Alumni Center, and the financial administration of Sacramento State's IRA grants.

Other than those disclosed elsewhere in these financial statements, transactions between ASI and related organizations during the fiscal years ended June 30, 2026 and 2025, included the payments by ASI to Sacramento State of \$1,340,185 and \$407,237, respectively, for campus cost recovery services that include administration, telephone, postage, IT support, and utilities; and \$46,214 and \$30,130, respectively, for personnel costs. Sacramento State made payments totaling \$524,386 and \$489,774 for services, space, and programs for the fiscal years ended June 30, 2026 and 2025, respectively. For the fiscal years ended June 30, 2026 and 2025, ASI donated \$50,381 and \$32,600, respectively, for gifts in-kind to Sacramento State. Public safety charges were paid to Union WELL Inc. from ASI for the fiscal years ended June 30, 2026 and 2025, with a charge of \$0 and \$3,783, respectively, for Peak Adventures to cover police calls in the WELL building. Peak Adventures also used the services of Capital Public Radio for advertising during the years ended June 30, 2026 and 2025.

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

	2026	2025
Sacramento State	\$ 700,753	\$ 805,296
University Enterprises, Inc.	195,206	3,490
Capital Public Radio	1,000	-
University Foundation	-	-
Union WELL, Inc.	-	-
Totals	<u>\$ 896,959</u>	<u>\$ 808,786</u>

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

	2026	2025
Sacramento State	228,480	\$ 119,506
Union WELL, Inc.	392	686
University Foundation	-	15,000
Totals	<u>\$ 228,872</u>	<u>\$ 135,192</u>

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NOTE 8 PENSION PLAN

ASI sponsors a tax sheltered annuity defined contribution retirement plan (the Plan) under IRC Section 403(b). Participating employees are eligible to join the Plan after 1,000 hours of service in twelve consecutive months. Upon joining the Plan, employees are eligible for an employer contribution of 10% of gross salary, subject to certain statutory limits. The Plan provides 100% immediate vesting. Employer contributions to the Plan were \$445,312 and \$372,465 for the fiscal years ended June 30, 2026 and 2025, respectively.

NOTE 9 CONTINGENCY

ASI is subject to certain claims arising out of the ordinary course of business. Although it is not possible to predict the outcome of these claims, management believes they will not have a material effect on the financial condition of ASI.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF MANAGED PROGRAMS
JUNE 30, 2026

	Managed Programs									
	Business and Administration	Student Services	Government	Student Engagement and Outreach	Aquatic Center	Children's Center	Peak Adventures	Equipment Reserve - FA	ASI External Grants	Total Managed Programs
REVENUES										
Student Activity Fees	\$ 1,444,038	\$ -	\$ 1,286,149	\$ 664,285	\$ 314,828	\$ 638,338	\$ 788,498	\$ -	\$ 425,000	\$ 5,561,136
Program Service Fees	-	646,318	375	20,139	3,416,815	395,198	730,392	-	-	5,209,237
Government Grants and Contracts	-	-	-	5,396	112,957	2,771,427	-	-	-	2,889,780
Financial Service Fees	178,161	-	-	-	-	-	-	-	-	178,161
Investment Income	499,086	-	-	-	3,621	-	-	-	-	502,707
Cash Contributions	-	-	-	168,979	55,475	-	10,000	-	-	234,454
In-Kind Contributions	-	-	-	-	288,525	-	-	-	-	288,525
Gain (Loss) on Sale of Fixed Assets	-	-	-	-	-	-	14,000	-	-	14,000
Other Income	8,000	-	-	350,000	4,250	85,000	-	-	-	447,250
Fundraising Events	-	-	-	-	75	205	-	-	-	280
Total Revenues	2,129,285	646,318	1,286,524	1,208,799	4,196,546	3,890,168	1,542,890	-	425,000	15,325,530
EXPENSES										
Salaries and Related Expenses	1,825,975	212,136	493,891	816,017	2,276,222	3,165,268	1,072,709	-	-	9,862,218
Services and Supplies	1,102,370	331,702	821,035	413,333	1,584,675	714,778	462,929	-	425,000	5,855,822
Depreciation	22,413	-	10,170	19,818	136,726	10,122	44,826	102,071	-	346,146
Total Expenses	2,950,758	543,838	1,325,096	1,249,168	3,997,623	3,890,168	1,580,464	102,071	425,000	16,064,186
CHANGE IN NET ASSETS BEFORE TAXES	(821,473)	102,480	(38,572)	(40,369)	198,923	-	(37,574)	(102,071)	-	(738,656)
Unrelated Business Income Taxes	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	<u>\$ (821,473)</u>	<u>\$ 102,480</u>	<u>\$ (38,572)</u>	<u>\$ (40,369)</u>	<u>\$ 198,923</u>	<u>\$ -</u>	<u>\$ (37,574)</u>	<u>\$ (102,071)</u>	<u>\$ -</u>	<u>\$ (738,656)</u>

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF NET POSITION

JUNE 30, 2026

(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Assets:

Current assets:

Cash and cash equivalents	10,069,884
Short-term investments	4,141,826
Accounts receivable, net	1,268,926
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net, current portion	—
Prepaid expenses and other current assets	465,908
Total current assets	15,946,544

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	2,245,874
Other assets	—
Total noncurrent assets	2,245,874
Total assets	18,192,418

Deferred outflows of resources:

Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Leases	—
P3	—
Others	—
Total deferred outflows of resources	—

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULE OF NET POSITION
JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Liabilities:	
Current liabilities:	
Accounts payable	365,809
Accrued salaries and benefits payable	491,531
Accrued compensated absences - current portion	142,559
Unearned revenues	1,579,050
Lease Liabilities - current portion	11,749
SBITA liabilities - current portion	—
P3 liabilities - current portion	—
Long-term debt obligations - current portion	—
Claims liability for losses and loss adjustment expenses, current portion	—
Depository accounts - current portion	1,748,934
Other liabilities, current	228,872
Total current liabilities	4,568,504
Noncurrent liabilities:	
Accrued compensated absences, net of current portion	182,409
Unearned revenues	—
Grants refundable	—
Lease liabilities, net of current portion	22,859
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	205,268
Total liabilities	4,773,772
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	—
Restricted for:	
Endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	—
Unrestricted	13,418,646
Total net position	13,418,646

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS 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	692,152
State	2,197,628
Local	—
Nongovernmental	—
Sales and services of Educational Activities	—
Sales and services Auxiliary Enterprises, gross	5,209,237
Scholarship allowances for sales of auxiliary enterprises	—
Other operating revenues	6,475,352
Total operating revenues	14,574,369

Expenses:

Operating expenses:

Instruction	—
Research	—
Public service	—
Academic support	—
Student services	4,000,482
Institutional support	992,641
Operation and maintenance of plant	404,252
Student grants and scholarships	1,128,124
Auxiliary enterprise expenses	9,189,656
Depreciation and amortization	346,146
Total operating expenses	16,061,301

NonCapital Subsidies:

State appropriations	—
Gifts	234,454
Other Noncapital Subsidies received/(provided)	—
Federal Noncapital Subsidies received/(provided)	—
Total NonCapital Subsidies Received:	234,454

Operating Income (Loss) and NonCapital Subsidies: (1,252,478)

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS 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)

Nonoperating revenues (expenses):

Federal Subsidies, capital received/(provided)	—
State appropriations, capital	—
Capital Subsidies received/(provided)	—
Grants and gifts, capital	—
Investment income (loss), net	502,707
Endowment income (loss), net	—
Interest Revenue	—
Interest Expense	(2,885)
Gains or losses on capital assets	14,000
Additions/reductions to permanent endowments	—
Total nonoperating revenues (expenses)	<u>513,822</u>
Increase (decrease) in net position	<u>(738,656)</u>

Net position:

Net position at beginning of year, as previously reported	14,157,302
Restatements	—
Net position at beginning of year, as restated	<u>14,157,302</u>
Net position at end of year	<u>13,418,646</u>

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS 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

Total

<u>0</u>
<u>10069884</u>
<u>\$ 10,069,884</u>

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)	4141826		4,141,826
State of California Surplus Money Investment Fund (SMIF)			-
Other investments:			-
			-
			-
			-
			-
Total other investments:	0	0	-
Total investments	<u>4,141,826</u>	<u>0</u>	<u>4,141,826</u>
Less endowment investments (enter as negative number)	<u>0</u>	<u>0</u>	<u>0</u>
Total investments, net of endowments	<u>\$ 4,141,826</u>	<u>0</u>	<u>4,141,826</u>

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

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)	4,141,826	-	-	-	4,141,826
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	
Other investments:					
	-				
	-				
	-				
	-				
	-				
Total other investments:	-	-	-	-	-
Total investments	\$ 4,141,826	0	0	0	4,141,826
-Agree with above-					

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):			-

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
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	-				-				-
Construction work in progress (CWIP)	106,176				106,176	64,476		(73,086)	97,566
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	106,176	-	-	-	106,176	64,476	-	(73,086)	97,566
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-				-				-
Improvements, other than buildings	-				-				-
Infrastructure	-				-				-
Leasehold improvements	2,906,294				2,906,294	80,438	(40,748)		2,945,984
Personal property:									
Equipment	3,012,336				3,012,336	623,262	(111,703)	73,086	3,596,981
Library books and materials	-				-				-
Intangible assets:									
Software and websites	62,790				62,790				62,790
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
-	-				-				-
-	-				-				-
-	-				-				-
-	-				-				-
-	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	62,790	-	-	-	62,790	-	-	-	62,790
Total depreciable/amortizable capital assets	5,981,420	-	-	-	5,981,420	703,700	(152,451)	73,086	6,605,755
Total capital assets	6,087,596	-	-	-	6,087,596	768,176	(152,451)	-	6,703,321
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	(2,176,656)				(2,176,656)	(64,309)	40,748		(2,200,217)
Personal property:									
Equipment	(2,108,717)				(2,108,717)	(254,251)	111,704		(2,251,264)
Library books and materials	-				-				-
Intangible assets:									
Software and websites	(23,571)				(23,571)	(15,697)			(39,268)
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:									
-	-				-				-
-	-				-				-
-	-				-				-
-	-				-				-
-	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	(23,571)	-	-	-	(23,571)	(15,697)	-	-	(39,268)
Total accumulated depreciation/amortization	(4,308,944)	-	-	-	(4,308,944)	(334,257)	152,452	-	(4,490,749)
Total capital assets, net excluding ROU assets	1,778,652	-	-	-	1,778,652	433,919	1	-	2,212,572

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
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YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

Capital Assets - Right of Use, net

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	61,639				61,639	10,296		(11,497)	60,438
Total depreciable/amortizable lease assets	61,639	-	-	-	61,639	10,296	-	(11,497)	60,438
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	(26,744)				(26,744)	(11,889)		11,497	(27,136)
Total accumulated depreciation/amortization	(26,744)	-	-	-	(26,744)	(11,889)	-	11,497	(27,136)
Total capital assets - lease ROU, net	34,895	-	-	-	34,895	(1,593)	-	-	33,302

Composition of capital assets - SBITA 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
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	-	-	-	-	-	-	-	-	-

Composition of capital assets - P3 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 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									<u>2,245,874</u>

3.2 Detail of depreciation and amortization expense

Depreciation and amortization expense related to capital assets	334,257
Amortization expense - Leases ROU	11,889
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-

Depreciation and Amortization expense - Others	
Total depreciation and amortization	<u>346,146</u>

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
YEAR ENDED JUNE 30, 2026
(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

4. Long-term liabilities

	Balance June 30, 2025	Prior Period Adjustments/Reclas sifications	Balance June 30, 2025 (Restated)	Additions	Reductions	Balance June 30, 2026	Current Portion	Noncurrent Portion
1. Accrued compensated absences	309,094		309,094	15,874	-	324,968	142,559	182,409
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:								
Yankee Finance LLC	39,791		39,791		(39,791)	-		-
	-		-			-		-
	-		-			-		-
	-		-			-		-
Total others	39,791	-	39,791	-	(39,791)	-	-	-
Sub-total long-term debt	39,791	-	39,791	-	(39,791)	-	-	-
4.6 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	39,791	-	39,791	-	(39,791)	-	-	-
5. Lease, SBITA, P3 liabilities:								
Lease liabilities	35,838		10,295		(11,525)	34,608	11,749	22,859
SBITA liabilities	-		-			-		-
P3 liabilities - SCA	-		-			-		-
P3 liabilities - non-SCA	-		-			-		-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	35,838	-	10,295	-	(11,525)	34,608	11,749	22,859
Total long-term liabilities						359,576	154,308	205,268

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
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(FOR INCLUSION IN THE CALIFORNIA STATE UNIVERSITY)

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	11,749	1,376	13,125	-	-	-	-	-	-	11,749	1,376	13,125
2028	10,662	853	11,515	-	-	-	-	-	-	10,662	853	11,515
2029	8,808	350	9,158	-	-	-	-	-	-	8,808	350	9,158
2030	2,632	90	2,722	-	-	-	-	-	-	2,632	90	2,722
2031	757	7	764	-	-	-	-	-	-	757	7	764
2032 - 2036	-	-	-	-	-	-	-	-	-	-	-	-
2037 - 2041	-	-	-	-	-	-	-	-	-	-	-	-
2042 - 2046	-	-	-	-	-	-	-	-	-	-	-	-
2047 - 2051	-	-	-	-	-	-	-	-	-	-	-	-
2052 - 2056	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total minimum lease payments	34,608	2,676	37,284	-	-	-	-	-	-	34,608	2,676	37,284
Less: amounts representing interest												(2,676)
Present value of future minimum lease payments												34,608
Total Leases, SBITA, P3 liabilities												34,608
Less: current portion												(11,749)
Leases, SBITA, P3 liabilities, net of current portion												22,859

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	\$ 46,214
Payments to University for other than salaries of University personnel	1,340,185
Payments received from University for services, space, and programs	524,386
Gifts-in-kind to the University from discretely presented component units	32,925
Gifts (cash or assets) to the University from discretely presented component units	17,456
Accounts (payable to) University (enter as negative number)	(1,709,881)
Other amounts (payable to) University (enter as negative number)	(267,533)
Accounts receivable from University (enter as positive number)	700,753
Other amounts receivable from University (enter as positive number)	19,682

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

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
OTHER INFORMATION
YEAR ENDED JUNE 30, 2026
(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	2,319,679	816,206	-	-	-	864,597	-	4,000,482
Institutional support	-	-	-	-	-	992,641	-	992,641
Operation and maintenance of plant	-	-	-	-	-	404,252	-	404,252
Student grants and scholarships	-	-	-	-	1,128,124	-	-	1,128,124
Auxiliary enterprise expenses	5,360,084	1,366,249	-	-	-	2,463,323	-	9,189,656
Depreciation and amortization	-	-	-	-	-	-	346,146	346,146
Total operating expenses	7,679,763	2,182,455	-	-	1,128,124	4,724,813	346,146	16,061,301

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

-
-
-

See accompanying Note to Supplementary Information.

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2026

NOTE 1 BASIS OF PRESENTATION

These 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, these schedules do not represent financial statements that are prepared in accordance with accounting principles generally accepted in the United States of America issued by the Financial Accounting Standards Board.



**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
Associated Students of California State University, Sacramento
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 Associated Students of California State University 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 11, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Associated Students of California State University'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 Associated Students of California State University's internal control. Accordingly, we do not express an opinion on the effectiveness of Associated Students of California State University'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 items 2026-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

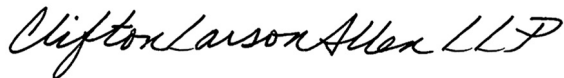
As part of obtaining reasonable assurance about whether Associated Students of California State University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2026-001.

Associated Students of California State University, Sacramento's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the 'Associated Students of California State University, Sacramento's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Associated Students of California State University, Sacramento'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

Sacramento, California
September 11, 2026

ASSOCIATED STUDENTS 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? | <u> X </u> yes | <u> </u> no |
| • Significant deficiency(ies) identified that are not considered to be material weakness(es)? | <u> </u> yes | <u> X </u> none reported |
| 3. Noncompliance material to financial statements noted? | <u> </u> yes | <u> X </u> 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. ASI 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

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SCHEDULES OF FINDINGS AND RESPONSES
JUNE 30, 2026 AND 2025

Section II – Financial Statement Findings (continued)

Recommendation: ASI 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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