

Financial Statements Report of  
Independent Certified Public  
Accountants

**San Diego State University Mission Valley  
Enterprises  
(a Component Unit of San Diego State  
University)**

June 30, 2025 and 2024

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Directors  
San Diego State University Mission Valley Enterprises

**Report on the audit of the financial statements****Opinions**

We have audited the financial statements of the business-type activities of San Diego State University Mission Valley Enterprises, (a California State University Auxiliary Organization and Component Unit of San Diego State University) (the "Organization"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities of the Organization as of June 30, 2025, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinions**

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

**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 the Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's 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 auditor's report that includes our opinions. 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 US 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 US 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 the Organization'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 the Organization'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.

**Required supplementary information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an

opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's financial statements. The supplementary information as required by the California State University is not required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic 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 12, 2025 on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.



San Diego, California  
September 12, 2025

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Board of Directors  
San Diego State University Mission Valley Enterprises

We have audited, in accordance with 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 (*Government Auditing Standards*), the financial statements of San Diego State University Mission Valley Enterprises (a California State University Auxiliary Organization and Component Unit of San Diego State University) (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 12, 2025.

### **Report on internal control over financial reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Report on compliance and other matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements,

noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Grant Thornton LLP*

San Diego, California  
September 12, 2025

**San Diego State University Mission Valley Enterprises**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**June 30, 2025 and 2024**

***Management's Discussion and Analysis***

This section of the San Diego State University Mission Valley Enterprises ("the Organization") annual financial report includes management's discussion and analysis of the financial performance of the Organization for the years ended June 30, 2025 and 2024. This discussion should be read in conjunction with the financial statements and notes.

***Introduction to the Financial Statements***

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Government Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

***Statements of Net Position***

The statements of net position includes all assets, deferred outflows and inflows of resources, liabilities, and net position of the Organization. The statements also identify major categories of restrictions on the net position of the Organization.

***Statements of Revenues, Expenses and Changes in Net Position***

The statements of revenues, expenses and changes in net position presents revenues earned, and expenses incurred during the period on an accrual basis.

***Statements of Cash Flows***

The statements of cash flows presents the inflows and outflows of cash for the year and is summarized by operating, capital and related financing and investing activities. These statements are prepared using the direct method of cash flow and therefore presents gross rather than net amounts for the periods' activities.

***Financial Overview***

**Summary**

The following discussion highlights management's understanding of the key financial aspects of the Organization's financial activities as of June 30, 2025 and 2024.

Fiscal Year 2024 was the first year of operations for the Organization as it was formed on June 20, 2023. Agreements were established with San Diego State University for staffing to administer the Organization, SDSU Police Department for safety and security and Aztec Shops, Ltd to provide administrative services. These agreements are discussed in further detail in Note 4 Affiliated Organizations.

The Campanile Foundation provided funding of \$1,000,000 in fiscal year 2025 and \$2,800,000 to capitalize the new entity in fiscal year 2024.

***Assets***

Current assets totaled \$1,235,000 as of June 30, 2025 and were cash of \$71,000, investments of \$785,000, accounts receivable of \$380,000 and prepaid expenses of \$1,000. Current assets totaled \$2,234,000 as of June 30, 2024 and were cash of \$2,156,000, accounts receivable of \$51,000 and prepaid expenses of \$27,000.

There were no noncurrent assets recorded as of June 30, 2025 and 2024.



**San Diego State University Mission Valley Enterprises**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2025 and 2024**

***Deferred Outflows of Resources***

There were no deferred outflows of resources as of June 30, 2025 and 2024.

***Liabilities***

Current liabilities totaled \$921,000 as of June 30, 2025 and were accounts payable of \$176,000 and accrued liabilities of \$745,000. Current liabilities totaled \$865,000 as of June 30, 2024 and were accounts payable of \$204,000 and accrued liabilities of \$661,000.

There were no long-term obligations as of June 30, 2025 and 2024.

***Deferred Inflows of Resources***

There were no deferred inflows of resources as of June 30, 2025 and 2024.

***Net Position***

Total unrestricted net position was \$315,000 as of June 30, 2025. The reduction of the net position is the result of the fiscal year 2025 operating expenses which were partially offset by the funding received by The Campanile Foundation and other operating revenues. Total unrestricted net position was \$1,369,000 as of June 30, 2024. The net position is the result of the funding received by The Campanile Foundation and other operating revenues which were partially offset by the fiscal year 2024 operating expenses.

***Operating Revenue and Expenses***

Operating revenues totaling \$246,000 and \$15,000 for the years ended June 30, 2025 and 2024, respectively, are derived from sponsorship, parking and rental revenue.

Operating expenses totaling \$2,489,000 are comprised of \$1,431,000 site operations and maintenance, \$228,000 administrative support and management services, \$161,000 safety and security and \$669,000 other operating expenses for the year ended June 30, 2025. Operating expenses totaling \$1,486,000 are comprised of \$782,000 site operations and maintenance, \$206,000 administrative support and management services, \$93,000 safety and security and \$406,000 other operating expenses for the year ended June 30, 2024.

SDSU collaborated with financial advisors from EY to estimate the annual cost of operating the site. Through this process, they developed the methodology for the Common Area Maintenance (CAM) fee, which will be charged to developers based upon the terms of the ground lease with the university and the Master Declaration for the site. Meanwhile, SDSU arranged alternative funding sources to finance the auxiliary until CAM fee revenue starts coming in. Once all common areas are completed, the projected income from CAM fees is estimated to be \$3.2 million.

***Nonoperating Revenues***

Nonoperating revenues come from sources that are not part of the Organization's primary business functions. Included in this classification is the transfers from The Campanile Foundation of \$1,000,000 in 2025 and \$2,800,000 to fund the new company as well as \$25,000 to fund the art consulting project in 2024.

**San Diego State University Mission Valley Enterprises**

**STATEMENTS OF NET POSITION**

**June 30,**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 2)	\$ 70,603	\$ 2,156,452
Investments	784,609	-
Accounts receivable, net (Note 3)	379,609	50,700
Prepaid expenses	642	27,000
	<hr/>	<hr/>
Total current assets	1,235,463	2,234,152
	<hr/>	<hr/>
Total assets	\$ 1,235,463	\$ 2,234,152
	<hr/>	<hr/>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 175,806	\$ 204,170
Accrued liabilities (Note 5)	744,733	661,010
	<hr/>	<hr/>
Total current liabilities	920,539	865,180
	<hr/>	<hr/>
Total liabilities	\$ 920,539	\$ 865,180
	<hr/>	<hr/>
<b>NET POSITION</b>		
Unrestricted	\$ 314,924	\$ 1,368,972
	<hr/>	<hr/>
Total net position	\$ 314,924	\$ 1,368,972
	<hr/>	<hr/>

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

**San Diego State University Mission Valley Enterprises**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**Years ended June 30,**

	<b>2025</b>	<b>2024</b>
<b>Operating revenues</b>		
Sponsorships	\$ 146,213	\$ -
Other operating revenues	<u>99,437</u>	<u>15,061</u>
Total operating revenues	<u>245,650</u>	<u>15,061</u>
<b>Operating expenses (Notes 4, 7, 8)</b>		
Site operations and maintenance (Note 7)	1,430,522	781,516
Administration support and management services (Note 4)	227,730	206,275
Safety and security (Note 4)	161,362	92,737
Other operating expenses (Note 8)	<u>669,422</u>	<u>405,898</u>
Total operating expenses	<u>2,489,036</u>	<u>1,486,426</u>
Operating income (loss)	<u>(2,243,386)</u>	<u>(1,471,365)</u>
<b>Nonoperating revenues</b>		
Contributions (Note 4)	1,000,000	2,825,000
Interest revenues (Note 2)	<u>36,031</u>	<u>15,337</u>
Total nonoperating revenues	<u>1,036,031</u>	<u>2,840,337</u>
Total change in net position	(1,207,355)	1,368,972
<b>Net position</b>		
Net position at beginning of year	1,368,972	-
Prior period adjustment	<u>153,307</u>	<u>-</u>
Net position at end of year	<u><u>\$ 314,924</u></u>	<u><u>\$ 1,368,972</u></u>

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

**San Diego State University Mission Valley Enterprises**

**STATEMENTS OF CASH FLOWS**

**Years ended June 30,**

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Sponsorship	\$ 146,213	\$ -
Payments for services and to suppliers	(2,975,861)	(690,960)
Other receipts	528,408	22,412
	<u>(2,301,240)</u>	<u>(668,548)</u>
Net cash provided by (used in) operating activities		
<b>Cash flows from investing activities:</b>		
Investments	<u>(784,609)</u>	<u>-</u>
<b>Cash flows from financing activities:</b>		
Contributions	<u>1,000,000</u>	<u>2,825,000</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(2,085,849)	2,156,452
<b>Cash and cash equivalents, beginning of year</b>	<u>2,156,452</u>	<u>-</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 70,603</u></u>	<u><u>\$ 2,156,452</u></u>

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

San Diego State University Mission Valley Enterprises

STATEMENTS OF CASH FLOWS - CONTINUED

Years ended June 30,

	2025	2024
<b>Reconciliation of change in net position to net cash provided by (used in)</b>		
<b>operating activities:</b>		
Change in net position	\$ (1,207,355)	\$ 1,368,972
Adjustments to reconcile change in net position to net cash provided by (used in)		
operating activities:		
Contribution	(1,000,000)	(2,825,000)
Change in assets, liabilities, deferred outflows and inflows of resources:		
Accounts receivable	(328,909)	(50,700)
Prepaid expenses and other assets	26,358	(27,000)
Accounts payable	(28,364)	204,170
Accrued expenses	237,030	661,010
Net cash provided by (used in) operating activities	<u>\$ (2,301,240)</u>	<u>\$ (668,548)</u>

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

## **San Diego State University Mission Valley Enterprises**

### **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2025 and 2024**

#### **NOTE 1 - DESCRIPTION OF ORGANIZATION**

San Diego State University Mission Valley Enterprises ("the Organization") was formed on June 20, 2023. It is an auxiliary organization of San Diego State University (the "University") and is organized and operated in accordance with the Education Code of the State of California and the California Code of Regulations. It is a nonprofit corporation created specifically to support the operation, management, maintenance and financial administration of the SDSU Mission Valley site, functions which are essential and integral to the development's success. This new auxiliary that commenced operations in fiscal year 2024 will allow the university to effectively manage activities at SDSU Mission Valley that are not supported by the state budget.

Activities will be funded by common area maintenance fees paid by developers of the ground lease developments, as well as revenue generated by park operations and sponsorships. All funds will be utilized for the successful operation and maintenance of SDSU Mission Valley. The success of the development will directly support the university's long term enrollment growth, expansion of its research enterprise and its economic impact on the San Diego region. The Organization reports as a special-purpose government entity engaged only in business-type activities.

The Organization is located on CSU-owned land where the University's new multiuse Snapdragon Stadium is located. It will be the site of future ground lease developments including housing, an innovation district and a hotel. Additionally, the Organization will operate and maintain the streets, landscaping, park and open spaces across the site, including 34 acres and passive park space that remains on City-owned land. The Organization's financial statements are included as a component unit of the University's annual financial statements as required by the Government Accounting Standards Board (GASB).

#### ***Affiliated Organizations***

The Organization is related to the four other auxiliaries of the University: Associated Students of San Diego State University, San Diego State University Research Foundation, Aztec Shops, Ltd. and The Campanile Foundation. The auxiliaries and the University periodically provide various services for one another and collaborate on projects.

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies utilized by the Organization follows.

#### ***Basis of Accounting***

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

#### ***Classification of Current and Noncurrent Assets and Liabilities***

The Organization considers assets to be current that can be reasonably expected, as a part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net position date. Liabilities that can be reasonably expected, as part of normal operations, to be liquidated within 12 months of the statements of net position date are considered to be current. All other assets and liabilities are noncurrent.

**San Diego State University Mission Valley Enterprises**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

***Cash and Cash Equivalents***

The Organization considers cash and short-term highly liquid investments with original maturities of three months or less to be cash and cash equivalents. Interest earned on cash deposits in the interest earning deposit account was approximately \$36,000 and \$15,000 for the years ended June 30, 2025 and 2024 respectively.

***Short-term Investment***

Investments, including State of California Local Agency Investment Fund (LAIF), are recorded at fair value in the statements of financial position. Investment interest income is included in the statement of activities as an increase in investment income, net.

***Fair Value Measurements***

LAIF is an investment pool managed by the California State Treasurer (the State). LAIF's investments are short term and follow the investment requirements of the State. LAIF is allowed by the state statutes, bond resolutions and investment policy resolutions to invest in United States government securities, federal agency securities, negotiable CDs, bankers' acceptances, commercial paper, corporate bonds, bank notes, other debt securities, repurchase agreements, reverse repurchase agreements and other investments.

Investments are presented in the financial statements at fair value in accordance with U.S. GAAP. The fair value of securities in the State's pooled investment program generally is based on quoted market prices. The State's office performs a quarterly fair market valuation of the pooled investment program portfolio. In addition, the State's office performs a monthly fair market valuation of all securities held against carrying cost. As of June 30, 2025 and 2024, the weighted-average maturity of the securities in the pooled investment program administered by the State's Office was approximately 248 days and 217 days, respectively. Weighted-average maturity is the average number of days, given a dollar-weighted value of individual investments, that the securities in the portfolio have remaining from evaluation date to stated maturity. The default credit risk of LAIF is considered minimal.

The Pooled Money Investment Board (the Board) provides oversight of the State's pooled investment program. The purpose of the Board is to design an effective cash management and investment program, using all monies flowing through the State's office bank accounts and keeping all available funds invested in a manner consistent with the goals of safety, liquidity and yield. The Board comprises the State Treasurer as chair, the State Controller and Director of Finance. The Board designates the amounts of money available for investment. The State is charged with making the actual investment transactions for this program. This investment program is not registered with the Securities and Exchange Commission as an investment company.

FASB ASC 820 establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value as follows:

Level 1 - Observable inputs such as quoted market prices in active markets.

Level 2 - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly.

Level 3 - Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Investments measured using a Net Asset Value (NAV) per share, or its equivalent, are not classified in the fair value hierarchy above because they may or may not be redeemed at the NAV or because the redemption at NAV is uncertain due to lock-up periods.

**San Diego State University Mission Valley Enterprises**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

As of June 30, 2025 and 2024, the Organization's investments in LAIF of \$784,609 and \$0, respectively, are categorized as NAV investments. There were no transfers between the different levels for the years ended June 30, 2025 and 2024.

***Accounts Receivable***

Accounts receivables are recorded at the actual amounts expected to be collected and include both billed and unbilled amounts.

***Capital Assets***

Capital assets in excess of \$2,500 will be recorded at cost.

Leased assets and subscription-based IT arrangements in excess of \$10,000 which qualify under GASB 87 and GASB 96 will be capitalized as a right of use asset.

***Asset Impairment***

The Organization's policy is to annually evaluate capital assets held for investment. The carrying values of such assets that are considered to be impaired are adjusted accordingly.

***Deferred Inflows and Outflows of Resources***

The Organization did not have any transactions that qualified as a deferred inflow or outflow of resources as of June 30, 2025 and 2024.

***Revenue Recognition***

Revenue from contributions are recognized in the fiscal year in which eligibility requirements have been satisfied.

***Net Position***

The Organization's net position is classified as unrestricted. Unrestricted assets may be designated for specific purposes by the Organization's Board of Directors.

***Classification of Revenues and Expenses***

The Organization considers operating revenues and expenses to be those revenues and expenses that result from exchange transactions or from activities that are connected directly to the Organization's primary functions, which are to support the operation, management, maintenance and financial administration of the SDSU Mission Valley site. Certain other transactions are reported as nonoperating revenues and expenses, including investment income, net of investment-related fees.

***Income Taxes***

The Organization and primarily all its affiliates are recognized by the Internal Revenue Service as exempt from federal income tax under Section 501(a) of the Internal Revenue Code as charitable organizations qualifying under Internal Revenue Code Section 501(c)(3), except for income taxes pertaining to unrelated business income. Under U.S. Generally Accepted Accounting Principles, the tax effects from uncertain tax positions are to 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 tax authority.



San Diego State University Mission Valley Enterprises

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue, gains, expenses and losses during the reporting period. Actual results could differ from those estimates.

***Subsequent Events***

The Organization has evaluated subsequent events through September 12, 2025, the date the financial statements were available to be issued.

***Pronouncements Issued***

The GASB has issued the following statements:

- GASB Statement No. 101, *Compensated Absences* – an amendment and replacement of GASB Statement No. 16 (effective for the year beginning after December 15, 2023)
- GASB Statement No. 102, *Certain Risk Disclosures* – an amendment of NCGA Interpretation 6, paragraph 5 (effective for the year beginning after June 15, 2024)

Management has determined that there is no impact on the financial statements of the Organization for the year ended June 30, 2025.

***Correction of an Error in Previously Issued Financial Statements***

During fiscal year 2025, the Organization received additional information regarding the allocation of water usage through the use of submeters. Based on this information, management determined that water expense for the fiscal year ended June 30, 2024, was overstated. The overstatement was corrected by adjusting Net Position at July 1, 2024 in the financial statements.

The effect of the adjustment to the beginning Net Position as of July 1, 2024, is as follows:

Net position, as previously reported	\$ 1,368,972
Correction of overstated water expense	<u>153,307</u>
	<u>\$ 1,522,279</u>

**San Diego State University Mission Valley Enterprises**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 3 - ACCOUNTS RECEIVABLE**

The accounts receivables balance of approximately \$380,000 and \$51,000 as of June 30, 2025 and 2024, respectively, are classified as current.

**NOTE 4 - AFFILIATED ORGANIZATIONS**

***Aztec Shops, Ltd.***

Aztec Shops, Ltd. (Aztec Shops) is the commercial services organization for the University. Pursuant to an agreement with Aztec Shops, effective through May 31, 2034, Aztec Shops shall provide administrative services that include financial, accounting, contracting services and the initial and potential ongoing information technology and marketing services. Aztec Shops charge an administrative fee for these services. For the years ended June 30, 2025 and 2024 the administrative fee paid to Aztec Shops totaled \$100,000 and \$75,000 respectively, and are included in operating expenses in the accompanying statements of revenues, expenses and changes in net position.

At June 30, 2025 and 2024, the Organization had \$1,000 and \$2,000, respectively, recorded as receivable from Aztec Shops and \$105,000 and \$7,000, respectively, recorded as a payable balance to Aztec Shops.

***The Campanile Foundation***

The Organization was established to support the operation, management, maintenance and financial administration of SDSU Mission Valley. The Campanile Foundation funded the working capital for the organization in the amount of \$1,000,000 and \$2,800,000 for the years ended June 30, 2025 and 2024, respectively.

***San Diego State University***

San Diego State University provides police services to the Organization. The fee paid to SDSU for this service for the years ended June 30, 2025 and 2024 was \$161,000 and \$93,000, respectively.

The Organization reimburses SDSU for staffing costs to administer the Organization. Staffing costs include salary, benefits, risk pool and applicable admin charges. Expenses totaling \$128,000 have been recorded both for the years ended June 30, 2025 and 2024 for these services.

At June 30, 2025 and 2024, the Organization had \$8,000 and \$44,000, respectively, reimbursed as receivable from San Diego State University and \$220,000 and \$379,000, respectively, recorded as a payable balance to SDSU.

The organization received \$14,000 from SDSU for field rentals for the year ended June 30, 2025. Field rentals commenced in fiscal year 2025.

**San Diego State University Mission Valley Enterprises**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 5 - OTHER ACCRUED LIABILITIES**

Accrued liabilities for the years ended June 30, 2025 and 2024 consisted of the following:

	2025	2024
SDSU administrative fee	\$ 54,000	\$ 128,000
Utility expense	456,000	403,000
Landscaping services	119,000	119,000
Other obligations	116,000	11,000
	<u>\$ 745,000</u>	<u>\$ 661,000</u>

**NOTE 6 - CONTINGENCIES**

The Organization is not involved in any legal proceedings arising in the normal course of business as of June 30, 2025 and 2024.

**NOTE 7 - SITE OPERATIONS AND MAINTENANCE**

The Organization entered an agreement with a service provider on December 4, 2023 to provide services including but not limited to project management, park ambassador, landscaping and janitorial services. Expenses totaling \$1,478,000 and \$683,000 have been recorded for the years ended June 30, 2025 and 2024, respectively, for these services.

**NOTE 8 - OTHER OPERATING EXPENSES**

Other operating expenses recorded for the years ended June 30, 2025 and 2024 consist of the following:

Classification	2025	2024
Water and sewer	\$ 453,000	\$ 327,000
Repairs and maintenance	80,000	-
Utility expense	55,000	49,000
Audit and legal expense	44,000	11,000
Promotional materials	-	9,000
Insurance expense	16,000	8,000
Other administrative expenses	22,000	2,000
	<u>\$ 670,000</u>	<u>\$ 406,000</u>

**San Diego State University Mission Valley Enterprises**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 9 - EXPENSE ALLOCATION**

Expenses have been classified between program activities which relate to the operation of the River Park and the Administration and General activities. As mentioned in note 7, the Organization entered an agreement with a service provider to provide services including but not limited to project management, park ambassador, landscaping and janitorial services.

<u>FY 2025</u>	<u>Program Activities</u>	<u>Administration and General Activities</u>	<u>Total Expenses</u>
Services and professional fees	\$ 1,672,050	\$ 271,392	\$ 1,943,442
Utilities and water	507,455	-	507,455
Insurance	15,925	-	15,925
Other expenses	14,453	7,761	22,214
	<u>\$ 2,209,883</u>	<u>\$ 279,153</u>	<u>\$ 2,489,036</u>
Total expense			
	<u>\$ 2,209,883</u>	<u>\$ 279,153</u>	<u>\$ 2,489,036</u>
<u>FY 2024</u>	<u>Program Activities</u>	<u>Administration and General Activities</u>	<u>Total Expenses</u>
Services and professional fees	\$ 874,765	\$ 217,334	\$ 1,092,099
Utilities and water	376,242	-	376,242
Insurance	7,832	-	7,832
Other expenses	-	10,253	10,253
	<u>\$ 1,258,839</u>	<u>\$ 227,587</u>	<u>\$ 1,486,426</u>
Total expense			
	<u>\$ 1,258,839</u>	<u>\$ 227,587</u>	<u>\$ 1,486,426</u>

## SUPPLEMENTARY INFORMATION

**San Diego State University Mission Valley Enterprises**

**SCHEDULES OF NET POSITION**

**June 30,**  
**(for inclusion in the California State University)**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 70,603	\$ 2,156,452
Short-term investments	784,609	-
Accounts receivable, net	379,609	50,700
Capital lease receivable, current portion	-	-
Notes receivable, current portion	-	-
Pledges receivable, net	-	-
Prepaid expenses and other current assets	642	27,000
	<hr/>	<hr/>
Total current assets	1,235,463	2,234,152
	<hr/>	<hr/>
<b>Noncurrent assets</b>		
Restricted cash and cash equivalents	-	-
Accounts receivable, net	-	-
Capital lease receivable, net of current portion	-	-
Notes receivable, net of current portion	-	-
Student loans receivable, net	-	-
Pledges receivable, net	-	-
Endowment investments	-	-
Other long-term investments	-	-
Capital assets, net	-	-
Other assets	-	-
	<hr/>	<hr/>
Total noncurrent assets	-	-
	<hr/>	<hr/>
Total assets	\$ 1,235,463	\$ 2,234,152
	<hr/>	<hr/>

**San Diego State University Mission Valley Enterprises**

**SCHEDULES OF NET POSITION - CONTINUED**

**June 30,**  
**(for inclusion in the California State University)**

	<u>2025</u>	<u>2024</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 175,806	\$ 204,170
Accrued salaries and benefits	-	-
Accrued compensated absences, current portion	-	-
Unearned revenues	-	-
Capital lease obligations, current portion	-	-
Long-term debt obligations, current portion	-	-
Claims liability for losses and loss adjustment expenses, current portion	-	-
Depository accounts	-	-
Other liabilities	<u>744,733</u>	<u>661,010</u>
Total current liabilities	<u>920,539</u>	<u>865,180</u>
<b>Noncurrent liabilities</b>		
Accrued compensated absences, net of current portion	-	-
Unearned revenues	-	-
Grants refundable	-	-
Capital lease obligations, net of current portion	-	-
Long-term debt obligations, net of current portion	-	-
Claims liability for losses and loss adjustment expenses, net of current portion	-	-
Depository accounts	-	-
Net other postemployment benefits liability	-	-
Net pension liability	-	-
Other liabilities	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u><u>\$ 920,539</u></u>	<u><u>\$ 865,180</u></u>
<b>Net position</b>		
Net investment in capital assets	\$ -	\$ -
Unrestricted	<u>314,924</u>	<u>1,368,972</u>
Total net position	<u><u>\$ 314,924</u></u>	<u><u>\$ 1,368,972</u></u>

**San Diego State University Mission Valley Enterprises**

**SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**Years ended June 30,  
(for inclusion in the California State University)**

	<u>2025</u>	<u>2024</u>
<b>Revenues</b>		
Operating revenues:		
Student tuition and fees, gross	\$ -	\$ -
Scholarship allowances (enter as negative)	-	-
Grants and contracts, noncapital:		
Federal	-	-
State	-	-
Local	-	-
Nongovernmental	-	-
Sales and services of educational activities	-	-
Sales and services of auxiliary enterprises, gross	146,213	-
Scholarship allowances (enter as negative)	-	-
Other operating revenues	<u>99,437</u>	<u>15,061</u>
Total operating revenues	<u><u>\$ 245,650</u></u>	<u><u>\$ 15,061</u></u>
<b>Expenses</b>		
Operating expenses:		
Instruction	\$ -	\$ -
Research	-	-
Public service	-	-
Academic support	-	-
Student services	-	-
Institutional support	-	-
Operation and maintenance of plant	-	-
Student grants and scholarships	-	-
Auxiliary enterprise expenses	2,489,036	1,486,426
Depreciation and amortization	<u>-</u>	<u>-</u>
Total operating expenses	<u><u>2,489,036</u></u>	<u><u>1,486,426</u></u>
Operating income (loss)	<u><u>\$ (2,243,386)</u></u>	<u><u>\$ (1,471,365)</u></u>



**San Diego State University Mission Valley Enterprises**

**SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - CONTINUED**

**Years ended June 30,  
(for inclusion in the California State University)**

	<b>2025</b>	<b>2024</b>
<b>Nonoperating revenues (expenses)</b>		
State appropriations, noncapital	\$ -	\$ -
Federal financial aid grants, noncapital	-	-
State financial aid grants, noncapital	-	-
Local financial aid grants, noncapital	-	-
Nongovernmental and other financial aid grants, noncapital	-	-
Other federal nonoperating grants, noncapital	-	-
Gifts, noncapital	1,000,000	2,825,000
Investment income (loss), net	-	-
Endowment income (loss), net	-	-
Interest revenues (expenses)	36,031	15,337
Other nonoperating revenues (expenses) - excl. interagency transfers	-	-
Other nonoperating revenues (expenses) - interagency transfers	-	-
	<hr/>	<hr/>
Net nonoperating revenues (expenses)	1,036,031	2,840,337
	<hr/>	<hr/>
Income (loss) before other revenues (expenses)	(1,207,355)	1,368,972
	<hr/>	<hr/>
State appropriations, capital	-	-
Grants and gifts, capital	-	-
Additions (reductions) to permanent endowments	-	-
	<hr/>	<hr/>
Increase (decrease) in net position	(1,207,355)	1,368,972
<b>Net position</b>		
Net position at beginning of year, as previously reported	1,368,972	-
Prior period adjustment	153,307	-
	<hr/>	<hr/>
<b>Net position at beginning of year, as adjusted</b>	1,522,279	1,368,972
	<hr/>	<hr/>
<b>Net position at end of year</b>	\$ 314,924	\$ 1,368,972
	<hr/>	<hr/>

**San Diego State University Mission Valley Enterprises**

**OTHER SUPPLEMENTARY INFORMATION**

**Years ended June 30,  
(for inclusion in the California State University)**

	<b>2025</b>	<b>2024</b>
<b>1. Cash and cash equivalents at June 30, 2025</b>		
Portion of restricted cash and cash equivalents related to endowments	\$ -	\$ -
All other restricted cash and cash equivalents	-	-
	<hr/>	<hr/>
Total restricted cash and cash equivalents	-	-
	<hr/>	<hr/>
Noncurrent restricted cash and cash equivalents	-	-
	<hr/>	<hr/>
Current cash and cash equivalents	70,603	2,156,452
	<hr/>	<hr/>
Total	\$ 70,603	\$ 2,156,452
	<hr/>	<hr/>

**San Diego State University Mission Valley Enterprises**

**OTHER SUPPLEMENTARY INFORMATION**

**Year ended June 30, 2025**  
**(for inclusion in the California State University)**

Composition of investments:

<b>Investment Type</b>	<b>Current</b>	<b>Noncurrent</b>	<b>Total</b>
Money market funds	\$ -	\$ -	\$ -
Repurchase agreements	-	-	-
Certificates of deposit	-	-	-
U.S. agency securities	-	-	-
U.S. treasury securities	-	-	-
Municipal bonds	-	-	-
Corporate bonds	-	-	-
Asset backed securities	-	-	-
Mortgage backed securities	-	-	-
Commercial paper	-	-	-
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:			
SWIFT)	-	-	-
State of California Local Agency Investment Fund (LAIF)	784,609	-	784,609
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:	-	-	-
Total other investments:	-	-	-
<b>Total investments</b>	<b>\$ 784,609</b>	<b>\$ -</b>	<b>\$ 784,609</b>

San Diego State University Mission Valley Enterprises

OTHER SUPPLEMENTARY INFORMATION

Year ended June 30, 2025  
(for inclusion in the California State University)

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:	-	-	-	-	-
SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	784,609	-	-	-	784,609
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:	-	-	-	-	-
Total other investments:	-	-	-	-	-
<b>Total investments</b>	<b>\$ 784,609</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 784,609</b>

**San Diego State University Mission Valley Enterprises**

**OTHER SUPPLEMENTARY INFORMATION**

**Year ended June 30, 2025**  
**(for inclusion in the California State University)**

Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$	289,092
Payments to University for other than salaries of University personnel		-
Payments received from University for services, space, and programs		14,000
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)		(220,037)
Other amounts (payable to) University (enter as negative number)		-
Accounts receivable from University (enter as positive number)		8,337
Other amounts receivable from University (enter as positive number)		-
		<hr/>
	\$	<u><u>91,392</u></u>

San Diego State University Mission Valley Enterprises

OTHER SUPPLEMENTARY INFORMATION

Year ended June 30, 2025  
(for inclusion in the California State University)

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	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	2,489,036	-	2,489,036
Depreciation and amortization	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,489,036</u>	<u>\$ -</u>	<u>\$ 2,489,036</u>