Financial Statements and Report of Independent Certified Public Accountants

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

June 30, 2026 and 2025

Contents

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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, 2026 and 2025, 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, 2026 and 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 audits. 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 audits were 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 presented for purposes of additional analysis and 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 9, 2026 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.

Grant Thornton LLP

San Diego, California
September 9, 2026

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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, 2026, 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 9, 2026.

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.

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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 9, 2026

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, 2026 and 2025. This discussion should be read in conjunction with the financial statements and notes.

Overview of 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 Summary

Condensed Financial Information ($000s)	2026	2025	2024
Total assets	$ 1,603	$ 1,235	$ 2,234
Current liabilities	645	921	865
Noncurrent liabilities	1,449	-	-
Total liabilities	2,095	921	865
Unrestricted net position	(492)	315	1369
Operating revenues	173	246	15
Operating expenses	2,495	2,489	1,486
Operating income/(loss)	(2,322)	(2,243)	(1,471)
Noncapital subsidies	1,501	1,000	2,825
Operating income/(loss) and noncapital subsidies	(821)	(1,243)	1,354
Nonoperating revenues	14	36	15

Detailed Analyses

The following discussion highlights management's understanding of the key financial aspects of the Organization's financial activities as of June 30, 2026 and 2025.

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.

Assets

Current assets totaled $1,603,000 as of June 30, 2026 and were cash of $657,000, investments of $839,000, accounts receivable of $103,000 and prepaid expenses of $3,000. Current assets totaled $1,235,000 as of June 30, 2025 and were cash of $71,000, investments of $785,0000, accounts receivable of $380,000 and prepaid expenses of $1,000.

Cash and investments increased by approximately $641,000 from June 30, 2025 to June 30, 2026, primarily due to the receipt of a developer's prepayment of 18 years of common area maintenance fees. The prepayment contributed to the increase in cash and investments and resulted in the recognition of approximately $1,449,000 of unearned revenue. Cash and investments also increased as accounts receivable declined by approximately $276,000, primarily due to the collection of amounts due from a third party for water usage. Cash and investments decreased by $1,301,000 from June 30, 2024 to June 30, 2025 due primarily to operating expenses being higher than operating and non operating revenues by approximately $1,207,000.

There were no noncurrent assets recorded as of June 30, 2026 and 2025.

Deferred Outflows of Resources

There were no deferred outflows of resources as of June 30, 2026 and 2025.

Liabilities

Current liabilities totaled $645,000 as of June 30, 2026 and were accounts payable of $125,000 and accrued liabilities of $520,000. Current liabilities totaled $921,000 as of June 30, 2025 and were accounts payable of $176,000 and accrued liabilities of $745,000.

Accounts payable decreased from June 30, 2025 to June 30, 2026, primarily due to the timing of payments made to San Diego State University. Accrued liabilities also decreased, largely as a result of the settlement of outstanding water-related obligations. Amounts collected from the third party for water usage, as discussed above, were subsequently remitted toward payment of the related water charges. The decrease in accounts payable from June 30, 2024 to June 30, 2025 was $28,000. Accrued liabilities increased by $237,000 compared with the prior period, primarily due to a higher water expense accrual and an increase in the amount payable for Aztec Shops management services resulting from the timing of payments.

Long-term obligations consisting of unearned revenue were $1,449,000 as of June 30, 2026, there were no long-term obligations as of June 30, 2025. The balance was established as a result of the developer's prepayment of common area maintenance fees discussed above. There were no long-term obligations as of June 30, 2024.

Deferred Inflows of Resources

There were no deferred inflows of resources as of June 30, 2026 and 2025.

Net Position

Total unrestricted net position was ($492,000) as of June 30, 2026. The reduction of the net position is the result of the fiscal year 2026 operating expenses which were partially offset by the funding received by San Diego State University as well as The Campanile Foundation and other operating revenues. Total unrestricted net position was $315,000 as of June 30, 2025. The reduction of the net position from June 30, 2024 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.

Operating Revenue and Expenses

Operating revenues totaling $173,000 and $246,000 for the years ended June 30, 2026 and 2025, respectively, are derived from parking and rental revenue in 2026 and sponsorship, parking and rental revenue in 2025. Operating revenue decreased primarily due to not receiving sponsorship revenue in the year ended June 30, 2026. Operating revenues increased by $231,000 for the year ended June 30, 2025, compared with the prior year, primarily due to new sponsorship revenue and the commencement of field rental activities.

Operating expenses totaling $2,495,000 are comprised of $1,354,000 site operations and maintenance, $253,000 administrative support and management services, $186,000 safety and security and $702,000 other operating expenses for the year ended June 30, 2026. 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. Site operations and maintenance expenses decreased in the current year primarily due to changes in the level of services provided during the year. Other operating expenses increased primarily due to higher stormwater maintenance costs. Operating expenses increased by $1.0 million for the year ended June 30, 2025, compared with the prior year, primarily because the organization operated for the full fiscal year. In contrast, operations commenced partway through the year ended June 30, 2024.

Noncapital Subsidies

Noncapital subsidies consist of financial support received from Aztec Shops, Ltd. and The Campanile Foundation to support the Organization's operations. Included in this classification is the transfers from Aztec Shops, Ltd. of $1,000,000, The Campanile Foundation of $501,000 in 2026 and $1,000,000 from The Campanile Foundation in 2025.

Currently Known Facts, Decisions, or Conditions

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 annually.

San Diego State University Mission Valley Enterprises

STATEMENTS OF NET POSITION

June 30,

	2026	2025
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	$ 656,991	$ 70,603
Investments	838,917	784,609
Accounts receivable, net (Note 3)	103,487	379,609
Prepaid expenses	3,267	642
Total current assets	1,602,662	1,235,463
Total assets	$ 1,602,662	$ 1,235,463
LIABILITIES		
Current liabilities		
Accounts payable	$ 124,628	$ 175,806
Accrued liabilities (Note 5)	520,656	744,733
Total current liabilities	645,284	920,539
Noncurrent liabilities		
Unearned revenue common area maintenance	1,449,266	-
Total noncurrent liabilities	1,449,266	-
Total liabilities	$ 2,094,550	$ 920,539
NET POSITION		
Unrestricted	$ (491,888)	$ 314,924
Total net position	$ (491,888)	$ 314,924

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,

	2026	2025
Operating revenues		
Sponsorships	$ -	$ 146,213
Other operating revenues	173,174	99,437
Total operating revenues	173,174	245,650
Operating expenses (Notes 4, 7, 8)		
Site operations and maintenance (Note 7)	1,353,600	1,430,522
Administration support and management services (Note 4)	253,106	227,730
Safety and security (Note 4)	186,090	161,362
Other operating expenses (Note 8)	702,331	669,422
Total operating expenses	2,495,127	2,489,036
Operating income (loss)	(2,321,953)	(2,243,386)
Noncapital subsidies		
San Diego State University operating support (Note 4)	-	1,000,000
Aztec Shops, Ltd. operating support (Note 4)	1,000,000	-
The Campanile Foundation operating support (Note 4)	500,834	-
Total noncapital subsidies	1,500,834	1,000,000
Operating income(loss) and noncapital subsidies	(821,119)	(1,243,386)
Nonoperating revenues		
Interest revenues (Note 2)	14,307	36,031
Total nonoperating revenues	14,307	36,031
Total change in net position	(806,812)	(1,207,355)
Net position		
Net position at beginning of year	314,924	1,368,972
Prior period adjustment	-	153,307
Net position at end of year	$ (491,888)	$ 314,924

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,

	2026	2025
Cash flows from operating activities:		
Sponsorship	$ -	$ 146,213
Payments for services and to suppliers	(2,773,007)	(2,975,861)
Other receipts	1,898,561	528,408
Net cash provided by (used in) operating activities	(874,446)	(2,301,240)
Cash flows from investing activities:		
Purchase of Investments	(1,500,000)	(784,609)
Sale of Investments	1,460,000	-
Net cash provided by (used in) investing activities	(40,000)	(784,609)
Cash flows from noncapital financing activities:		
Noncapital subsidies	1,500,834	1,000,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	586,388	(2,085,849)
Cash and cash equivalents, beginning of year	70,603	2,156,452
Cash and cash equivalents, end of year	$ 656,991	$ 70,603

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,

	2026	2025
Reconciliation of change in net position to net cash provided by (used in) operating activities:		
Change in net position	$ (806,812)	$ (1,207,355)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:		
Noncapital subsidies	(1,500,834)	(1,000,000)
Investment Income	(14,307)	-
Change in assets, liabilities, deferred outflows and inflows of resources:		
Accounts receivable	276,122	(328,909)
Prepaid expenses and other assets	(2,625)	26,358
Accounts payable	(51,178)	(28,364)
Accrued expenses	(224,078)	237,030
Unearned revenue	1,449,266	-
Net cash provided by (used in) operating activities	$ (874,446)	$ (2,301,240)

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

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, several of which are already under construction. Additionally, the Organization operates and maintains 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.

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 $14,000 and $36,000 for the years ended June 30, 2026 and 2025 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, 2026 and 2025, the weighted-average maturity of the securities in the pooled investment program administered by the State’s Office was approximately 269 days and 248 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.

As of June 30, 2026 and 2025, the Organization's investments in LAIF in the amount of approximately $839,000 and $785,000, respectively, are categorized as NAV investments. There were no transfers between the different levels for the years ended June 30, 2026 and 2025.

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, 2026 and 2025.

Revenue Recognition

Operating revenues are recognized when earned in accordance with the terms of the applicable agreements and when the Organization has provided the related services.

Common area maintenance ("CAM") fees are assessed to developers pursuant to applicable ground lease agreements and the Master Declaration for the SDSU Mission Valley site. CAM revenue is recognized as the related common area maintenance and operating services are provided. Amounts billed or received in advance of the period in which the related services are provided are reported as unearned revenue. Unearned revenue is recognized as operating revenue in subsequent periods as the applicable services are provided.

Unearned revenue expected to be recognized within one year of the statement of net position date is classified as a current liability. Amounts expected to be recognized more than one year after the statement of net position date are classified as noncurrent liabilities.

Noncapital subsidies are recognized as revenue when applicable eligibility requirements have been satisfied. Noncapital subsidies consist of financial support received from San Diego State University and The Campanile Foundation to support the Organization's operations and reduce the amount that otherwise would need to be recovered through current or future fees and charges.

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

Operating revenues and expenses are revenues and expenses other than those classified as nonoperating pursuant to GASB guidance. Nonoperating revenues and expenses include subsidies received or provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory, and investment income and expenses. Noncapital subsidies are presented separately following operating income (loss).

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.

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

Change in Accounting Principle - Adoption of GASB Statement No. 103

Effective July 1, 2025, the Organization adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The Statement establishes revised financial reporting requirements related to management’s discussion and analysis, the classification and presentation of operating and nonoperating revenues and expenses, including the separate presentation of noncapital subsidies, and unusual or infrequent items.

The adoption of GASB Statement No. 103 resulted in changes to the presentation and classification of certain amounts in the Organization’s financial statements. Prior-year amounts have been reclassified, as applicable, to conform to the current-year presentation. The adoption did not result in a change to previously reported beginning net position.

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	153,307
	$ 1,522,279

NOTE 3 - ACCOUNTS RECEIVABLE

The accounts receivables balance of approximately $104,000 and $380,000 as of June 30, 2026 and 2025, 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 each of the years ended June 30, 2026 and 2025 the administrative fee paid to Aztec Shops totaled $100,000, and is included in operating expenses in the accompanying statements of revenues, expenses and changes in net position.

At June 30, 2026 and 2025, the Organization had approximately $26,000 and $1,000, respectively, recorded as receivable from Aztec Shops and $102,000 and $105,000, respectively, recorded as a payable balance to Aztec Shops.

Aztec Shops, Ltd. provided approximately $1,000,000 and nil working capital funding to the Organization for the years ended June 30, 2026 and 2025, respectively.

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 approximately $501,000 and $1,000,000 for the years ended June 30, 2026 and 2025, 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, 2026 and 2025 was approximately $186,000 and $161,000, 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 approximately $146,000 have been recorded for the year ended June 30, 2026 and $128,000 for the year ended June 30, 2025 for these services.

At June 30, 2026 and 2025, the Organization had approximately $3,000 and $8,000, respectively, reimbursed as receivable from San Diego State University and $37,000 and $220,000, respectively, recorded as a payable balance to SDSU.

The Organization received approximately $16,000 from SDSU for field rentals for the year ended June 30, 2026. Field rentals commenced in fiscal year 2026.

NOTE 5 - LIABILITIES

Current Liabilities

Accrued liabilities for the years ended June 30, 2026 and 2025 consisted of the following:

	2026	2025
SDSU administrative fee	$ 37,000	$ 54,000
Utility expense	34,000	456,000
Landscaping services	-	119,000
Unearned revenue	334,000	-
Other obligations	116,000	116,000
	$ 521,000	$ 745,000

Noncurrent Liabilities

At June 30, 2026, the Organization reported approximately $1,449,000 as unearned revenue, noncurrent liability. There was no unearned revenue reported at June 30, 2025.

NOTE 6 - CONTINGENCIES

The Organization is not involved in any legal proceedings arising in the normal course of business as of June 30, 2026 and 2025.

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 approximately in $1,354,000 and $1,478,000 have been recorded for the years ended June 30, 2026 and 2025, respectively, for these services.

NOTE 8 - OTHER OPERATING EXPENSES

Other operating expenses recorded for the years ended June 30, 2026 and 2025 consist of the following:

	2026	2025
Classification		
Water and sewer	$ 433,000	$ 453,000
Repairs and maintenance	84,000	80,000
Utility expense	37,000	55,000
Audit and legal expense	53,000	44,000
Insurance expense	18,000	16,000
Other administrative expenses	77,000	22,000
	$ 702,000	$ 670,000

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.

FY 2026	Program Activities	Administration and General Activities	Total Expenses
Services and professional fees	$ 1,676,341	$ 306,534	$ 1,982,875
Utilities and water	470,400	-	470,400
Insurance	18,495	-	18,495
Other expenses	12,036	11,321	23,357
Total expense	$ 2,177,272	$ 317,855	$ 2,495,127

FY 2025	Program Activities	Administration and General Activities	Total Expenses
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
Total expense	$ 2,209,883	$ 279,153	$ 2,489,036

SUPPLEMENTARY INFORMATION

San Diego State University Mission Valley Enterprises

SCHEDULE OF NET POSITION

June 30, 2026
(for inclusion in the California State University)

ASSETS		
Current assets		
Cash and cash equivalents	$	656,991
Short-term investments		838,917
Accounts receivable, net		103,487
Notes receivable, current portion		-
Pledges receivable, net, current portion		-
Prepaid expenses and other current assets		3,267
Total current assets		1,602,662
Noncurrent assets		
Restricted cash and cash equivalents		-
Accounts receivable, net		-
Notes receivable, net of current portion		-
Student loans receivable, net		-
Pledges receivable, net		-
Endowment investments		-
Other long-term investments		-
Capital assets, net		-
Other assets		-
Total noncurrent assets		-
Total assets	$	1,602,662

San Diego State University Mission Valley Enterprises

SCHEDULE OF NET POSITION - CONTINUED

June 30, 2026
(for inclusion in the California State University)

LIABILITIES	
Current liabilities	
Accounts payable	$ 124,628
Accrued salaries and benefits payable	-
Accrued compensated absences, current portion	-
Unearned revenues	-
Lease Liabilities, current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts, current portion	-
Other liabilities, current	520,656
Total current liabilities	645,284
Noncurrent liabilities	
Accrued compensated absences, net of current portion	-
Unearned revenues	1,449,266
Grants refundable	-
Lease 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	1,449,266
Total liabilities	2,094,550
Net position	
Net investment in capital assets	-
Unrestricted	(491,888)
Total net position	$ (491,888)

San Diego State University Mission Valley Enterprises

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year ended June 30, 2026
(for inclusion in the California State University)

Revenues	
Operating revenues:	
Student Tuition & Fees, gross	$ -
Scholarship allowances, enter as negative	-
Student Financial Aid Grants:	
Federal Financial Aid Grants	-
State Financial Aid Grants	-
Local Financial Aid Grants	-
Nongovernmental and Other Financial Aid Grants	-
Grants and contracts, noncapital:	
Federal	-
State	-
Local	-
Nongovernmental	-
Sales and services of Educational Activities	-
Sales and services Auxiliary Enterprises, gross	-
Scholarship allowances for sales of auxiliary enterprises	-
Other operating revenues	173,174
Total operating revenues	173,174
Expenses	
Operating expenses:	
Instruction	-
Research	-
Public service	-
Academic support	-
Student services	-
Institutional support	-
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	2,495,127
Depreciation and amortization	-
Total operating expenses	$ 2,495,127

San Diego State University Mission Valley Enterprises

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

Years ended June 30, 2026
(for inclusion in the California State University)

Noncapital Subsidies	
State appropriations	$ -
Gifts	1,500,834
Other Noncapital Subsidies received/(provided)	-
Federal Noncapital Subsidies received/(provided)	-
Aztec Shops, Ltd. operating support	-
The Campanile Foundation operating support	-
Total noncapital subsidies	1,500,834
Operating income(loss) and noncapital subsidies	(821,119)
Nonoperating revenues (expenses)	
Federal Subsidies, capital received/(provided)	-
State appropriations, capital	-
Capital Subsidies received/(provided)	-
Grants and gifts, capital	-
Investment income (loss), net	14,307
Endowment income (loss), net	-
Interest Revenue	-
Interest Expense	-
Gains or losses on capital assets	-
Additions/reductions to permanent endowments	-
Net nonoperating revenues (expenses)	14,307
Increase (decrease) in net position	(806,812)
Net position	
Net position at beginning of year, as previously reported	-
Restatements	-
Net position at beginning of year, as restated	314,924
Net position at end of year	$ (491,888)

San Diego State University Mission Valley Enterprises

OTHER SUPPLEMENTARY 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		656,991
Total	$	656,991

San Diego State University Mission Valley Enterprises

OTHER SUPPLEMENTARY INFORMATION

Year ended June 30, 2026
(for inclusion in the California State University)

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)	838,917	-	838,917
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments:	-	-	-
Total other investments:	-	-	-
Total investments	$ 838,917	$ -	$ 838,917

San Diego State University Mission Valley Enterprises

OTHER SUPPLEMENTARY 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)	838,917	-	-	-	838,917
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:	-	-	-	-	-
Total other investments:	-	-	-	-	-
Total investments	$ 838,917	$ -	$ -	$ -	$ 838,917

San Diego State University Mission Valley Enterprises

OTHER SUPPLEMENTARY INFORMATION

Year ended June 30, 2026
(for inclusion in the California State University)

7. Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	$	331,946
Payments to University for other than salaries of University personnel		-
Payments received from University for services, space, and programs		16,000
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)		(37,327)
Other amounts (payable to) University (enter as negative number)		-
Accounts receivable from University (enter as positive number)		2,863
Other amounts receivable from University (enter as positive number)		-

San Diego State University Mission Valley Enterprises

OTHER SUPPLEMENTARY 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	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	-	-	-	-	-	2,495,127	-	2,495,127
Depreciation and amortization	-	-	-	-	-	-	-	-
Total operating expenses	$ -	$ -	$ -	$ -	$ -	$ 2,495,127	$ -	$ 2,495,127