

Financial Statements and Report of
Independent Certified Public
Accountants

Aztec Shops, Ltd.

June 30, 2026 and 2025

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Aztec Shops, Ltd.

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

We have audited the financial statements of Aztec Shops, Ltd. (a California State University Auxiliary Organization and Component Unit of San Diego State University) (the "Organization"), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits 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 opinion.

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 one year after the date the financial statements are issued.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as required by the California State University on pages 36 through 52 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in

accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 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 22, 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
Aztec Shops, Ltd.

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 Aztec Shops, Ltd. (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 activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 22, 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.

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.



San Diego, California
September 22, 2026

Aztec Shops, Ltd.

STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2026</u>	<u>2025</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,435,837	\$ 2,899,131
Investments (Note 2)	18,000,000	18,187,429
Accounts receivable, net of allowance for credit losses of \$95,342 and \$119,490 for 2026 and 2025, respectively (Note 7)	4,611,237	6,323,316
Inventories (Note 3)	3,872,135	4,169,468
Prepaid expenses and other assets (Note 4)	<u>333,140,133</u>	<u>942,568</u>
Total current assets	361,059,342	32,521,912
Deferred rent receivable, noncurrent (Note 11)	296,098	367,537
Other assets	2,685,468	1,688,849
Operating lease ROU assets	6,463,777	6,928,742
Finance lease ROU assets	1,484,205	1,640,713
Property and equipment, net (Note 5)	<u>171,649,317</u>	<u>167,947,691</u>
Total noncurrent assets	<u>182,578,865</u>	<u>178,573,532</u>
Total assets	<u><u>\$ 543,638,207</u></u>	<u><u>\$ 211,095,444</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Current maturities of related-party notes payable (Note 8)	\$ 26,295,740	\$ 5,700,734
Accounts payable (Note 7)	1,604,536	3,672,069
Accrued liabilities (Note 6 and 7)	18,413,992	19,200,380
Finance lease liabilities, current (Note 10)	303,253	283,286
Operating lease liabilities, current (Note 10)	458,504	473,120
Deferred revenue	<u>2,427,383</u>	<u>2,273,786</u>
Total current liabilities	49,503,408	31,603,375
Related-party notes payable, noncurrent (Note 8)	425,483,437	119,441,120
Deferred rent payable, noncurrent	5,790	9,099
Finance lease liabilities, noncurrent (Note 10)	883,537	1,149,081
Operating lease liabilities, noncurrent (Note 10)	5,868,271	6,326,774
Accrued employee benefit costs (Note 9)	<u>11,551,584</u>	<u>10,515,502</u>
	<u>443,792,619</u>	<u>137,441,576</u>
Total liabilities	493,296,027	169,044,951
Net assets, without donor restrictions	<u>50,342,180</u>	<u>42,050,493</u>
Total liabilities and net assets	<u><u>\$ 543,638,207</u></u>	<u><u>\$ 211,095,444</u></u>

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

Aztec Shops, Ltd.

STATEMENTS OF ACTIVITIES

Years ended June 30,

	<u>2026</u>	<u>2025</u>
Changes in net assets without donor restrictions		
Revenue (Note 7)		
Bookstore, net	\$ 33,784,115	\$ 32,703,257
Dining services, net	66,328,810	59,650,921
Residential rental properties	26,685,706	27,107,242
Commercial rental properties	3,240,795	3,011,397
Conference services	2,189,311	2,606,587
Investment income, net (Note 2)	675,682	721,929
Other income (Note 13)	<u>7,064,325</u>	<u>6,565,442</u>
Total revenue and other support	<u>139,968,744</u>	<u>132,366,775</u>
Expenses		
Bookstore		
Purchases and other direct costs (Note 15)	21,753,548	21,162,052
Overhead and other operating costs (Note 15)	7,943,550	6,950,653
Dining services		
Purchases and other costs (Note 15)	16,528,864	14,227,054
Overhead and other operating costs (Note 15)	41,789,344	36,262,133
Residential rental properties (Note 15)	24,420,059	23,968,056
Commercial rental properties (Note 15)	2,417,262	2,242,752
Conference services (Note 15)	2,071,667	2,334,607
Operating lease expense (Note 10 and 15)	832,240	825,358
Finance lease expense (Note 10 and 15)	193,886	208,420
General and administrative (Notes 9 and 15)	10,693,157	11,438,675
Allocations to various organizations (Note 12 and 15)	<u>870,000</u>	<u>870,000</u>
Total expenses	<u>129,513,577</u>	<u>120,489,760</u>
Change in net assets from operations	10,455,167	11,877,015
Nonoperating other expense	(1,596,803)	(2,314,359)
Nonoperating actuarial retirement benefit adjustment	<u>(566,677)</u>	<u>(965,330)</u>
Total nonoperating adjustments	<u>(2,163,480)</u>	<u>(3,279,689)</u>
CHANGE IN NET ASSETS	8,291,687	8,597,326
Net assets, beginning of year	<u>42,050,493</u>	<u>33,453,167</u>
Net assets, end of year	<u><u>\$ 50,342,180</u></u>	<u><u>\$ 42,050,493</u></u>

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

Aztec Shops, Ltd.

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2026	2025
Cash flows from operating activities:		
Change in net assets	\$ 8,291,687	\$ 8,597,326
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net accrued employee benefit costs	1,036,082	1,598,153
Depreciation and amortization	8,587,000	7,668,000
Depreciation on rental books	5,826	7,255
Amortization of right of use assets	621,473	658,732
Amortization of debt premium	(758,539)	(730,735)
Loss on disposal of equipment	1,591,885	2,467,468
Operating cash flows from finance leases	(66,012)	(66,012)
Operating cash flows from capitalized operating leases	(1,491,221)	(847,980)
Changes in operating assets and liabilities:		
Accounts receivable	1,373,197	3,296,855
Inventories	297,333	(360,270)
Rental textbooks	(5,826)	(7,255)
Deferred rent receivable	71,439	33,621
Prepaid expenses and other assets	(856,123)	(496,100)
Accounts payable	(2,067,533)	1,279,824
Accrued liabilities	323,862	2,983,502
Deferred revenue	153,597	135,210
Deferred rent payable	(3,309)	6,067
Net cash provided by operating activities	<u>17,104,818</u>	<u>26,223,661</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(13,880,510)	(15,091,637)
Purchase of investments	(76,060,776)	(71,657,739)
Sale of investments	<u>76,248,205</u>	<u>62,331,705</u>
Net cash (used in) investing activities	<u>(13,693,081)</u>	<u>(24,417,671)</u>
Cash flows from financing activities:		
Net proceeds from long-term debt and related-party notes payable	-	41,849,769
Principal payments of long-term debt and related-party notes payable	(4,942,200)	(44,953,183)
Financing cash flows from finance leases	(271,713)	(520,071)
Proceeds from federal subsidy	<u>338,882</u>	<u>359,263</u>
Net cash (used in) financing activities	<u>(4,875,031)</u>	<u>(3,264,222)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(1,463,294)</u>	<u>(1,458,232)</u>
Cash and cash equivalents:		
Beginning of year	<u>2,899,131</u>	<u>4,357,363</u>
End of year	<u><u>\$ 1,435,837</u></u>	<u><u>\$ 2,899,131</u></u>
Supplemental disclosures of cash flow information:		
Non-cash financing and investing activities, including long-term debt, related party notes payable, and other asset movements	<u>\$ 332,338,000</u>	<u>\$ -</u>
Cash payment for interest	<u><u>\$ 3,746,912</u></u>	<u><u>\$ 6,010,758</u></u>

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

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Aztec Shops, Ltd. (the "Organization") is a not-for-profit auxiliary organized under the California State University System ("CSU"), operated in accordance with the Education Code of the State of California and the California Code of Regulations, and is operated for the benefit of San Diego State University (the "University"). The primary function of the Organization is to provide supportive commercial services, principally the sale of food, books, supplies and other merchandise, on the campuses of the University as well as at Snapdragon Stadium. The Organization also owns and operates residence halls and apartment buildings near the University campus, owns commercial property near campus and operates conference services. The Organization extends credit primarily to CSU and its auxiliary organizations in the form of unsecured accounts receivable.

Affiliated Organizations

The Organization is related to other auxiliaries of the University, including Associated Students of San Diego State University, San Diego State University Research Foundation (the "Research Foundation"), San Diego State University Mission Valley Enterprises and The Campanile Foundation. The auxiliaries and the University periodically provide various services for one another and collaborate on projects.

Basis of Accounting and Reporting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic 958, *Not-for-Profit Entities*, and in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). In order to ensure observance of limitations and restrictions placed on the use of available resources, the net assets of the Organization are classified for accounting and reporting purposes into two net asset categories according to the existence or absence of donor-imposed restrictions. Net assets without donor restrictions represent funds that are fully available at the discretion of the Organization to utilize in any of its programs or supporting services. Temporarily restricted net assets (within net assets with donor restrictions) are net assets that are subject to donor-imposed stipulations that will be met either by actions of the Organization or the passage of time. Permanently restricted net assets (within net assets with donor restrictions) are subject to donor-imposed stipulations that they be permanently encumbered as to their use by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. At June 30, 2026 and 2025, the Organization did not have any net assets with donor restrictions.

Contributions, including unconditional promises to give, are recognized in the year the promise is made as opposed to when assets are received. Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted contributions (within net assets with donor restrictions). Temporarily restricted net assets are reclassified as unrestricted net assets at such time as the Organization has fulfilled the donor-imposed restriction. Contributions where donor-imposed restrictions both arose and expired in the same fiscal year are reported as contributions without donor restrictions. As of and for the years ended June 30, 2026 and 2025, all contributions received by the Organization were classified as without donor restrictions.

Contributions made, including allocations to auxiliary organizations of the University, are recognized when the criteria for the allocation, set by the Board of Directors, have been met and the allocation becomes an unconditional promise to give. For the years ended June 30, 2026 and 2025, contributions are recorded as allocations or contributions in the expense section of the statements of activities.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

Noncash contributions are recorded at their fair value at the date of donation as established by either appraisal or the value anticipated in the subsequent resale of an item.

The Organization collects rent from the University, acting as an agent or intermediary for the lessor. Rents collected are reported as increases in assets and liabilities; distributions to the lessor are reported as decreases in assets and liabilities (see Note 11).

Cash and Cash Equivalents

For the purposes of reporting the statements of cash flows, the Organization considers all cash accounts that are not subject to withdrawal restrictions or penalties and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Organization maintains accounts with various financial institutions. The total balances in these checking accounts, at times, may exceed Federal Deposit Insurance Corporation limits. The excess uninsured amount equals approximately \$1,150,000 and \$2,609,000 as of June 30, 2026 and 2025, respectively. Management believes that the risk of loss is not significant, and the Organization has not experienced any losses in such accounts.

Short-Term Investments

Investments, including Money Markets, are recorded at their fair value in the statements of financial position. Investment income or losses (including realized gains and losses on investments, interest and dividends) are included in the statements of activities as an increase or decrease in investment income, net.

Accounts Receivable

Accounts receivable consist of customer and related-party receivables and vendor deposits, and are carried at the unpaid balance of the original amount. Accounts receivable are net of the allowance for credit losses. Management determines the allowance for credit losses by calculating a specific percent reserve on the aging of the accounts based on historical experiences and future data, such as economic trends, by identifying specific past due accounts and the payment ability of the other party. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The Organization charges interest on leased operations past due accounts receivable in accordance with the contract terms and federal and state law.

Inventories

Inventories consist of finished goods such as bookstore goods, food and supplies. Bookstore inventory is stated at the lower of cost or market, where cost is determined using the retail-inventory method. Food and supplies inventories are stated at the lower of cost (first-in, first-out method) or market. All inventory is stated net of reserves for excess and obsolescence. There were no reserves for excess or obsolete inventory as of June 30, 2026 and 2025.

Prepaid Expenses and Other Assets

Prepayments and other assets are recorded at cost and expensed or amortized over the periods in which the related goods or services are received or consumed. These assets are classified as current or noncurrent based on their expected realization and are evaluated for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. No impairment was required to other assets as of June 30, 2026 and 2025.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

Property and Equipment

Property and equipment assets consist of land, buildings, equipment and furniture, leasehold improvements and construction in process, and are recorded at cost. Equipment and furniture are depreciated using the straight-line method over the estimated useful lives of the underlying assets, generally five to 15 years, and seven to 30 years for leasehold improvements and buildings. Improvements on leased facilities and facilities under operating agreements are amortized over the lesser of the related lease or the term of the operating agreement, or the estimated asset lives.

Long-Lived Assets

In accordance with ASC Topic 360, *Property, Plant and Equipment*, long-lived assets are reviewed annually for impairment or whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. The estimated future cash flows are based upon, among other things, assumptions about expected future operating performance and may differ from actual cash flows. Long-lived assets evaluated for impairment are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected undiscounted cash flows (excluding interest) is less than the carrying value of the assets, the assets will be written down to the estimated fair value in the period in which the determination is made. Management has determined that no impairment of long-lived assets occurred during the years ended June 30, 2026 and 2025.

Leases

The Organization determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether the Organization controls the use of the identified asset throughout the period of use. The Organization classifies leases as either an operating lease or a finance lease at lease commencement. Right-of-use ("ROU") assets are recognized at the lease commencement date and represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on the Incremental Borrowing Rates provided by the Chancellor's office. Expenses related to leases determined to be operating leases are recognized on a straight-line basis, while those determined to be finance leases are recognized following a front-loaded expense pattern in which interest and amortization are presented separately in the statement of activities.

The Organization's ROU assets are initially measured based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with the long-lived asset guidance.

The Organization does not allocate consideration between lease and non-lease components, such as operating costs, as the Organization has elected to not separate lease and non-lease components for any leases within its existing classes of assets. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for usage-based fees are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred.

Finance leases are classified as finance lease ROU assets and finance lease liabilities in the statement of financial position. Operating leases are presented separately as operating lease ROU assets and operating lease liabilities in the accompanying statement of financial position.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

Fair Value of Financial Instruments

The carrying amounts reported in the statements of financial position for cash, accounts receivable and accounts payable approximate fair value due to the immediate short-term nature of these financial instruments. The carrying amount reported for long-term debt approximates fair value because the interest rate associated with long-term debt approximates current rates offered to the Organization for debt of the same or similar maturities with similar collateral requirements.

Vacation Policy

The Organization accrued earned vacation is based on whether the employee is salaried or hourly and the employee's length of service. Salaried employees can accrue a maximum of 440 hours. Hourly employees can accrue a maximum of 272 to 440 hours based on length of service. Accrued vacation is calculated at the employee's current wage rate. Vacation liabilities of approximately \$1,223,000 and \$1,015,000 were included in accrued liabilities at June 30, 2026 and 2025, respectively (see Note 6).

Sick Leave Benefits

The Organization accrues unused sick time for eligible retiring employees which can be converted to service time or paid out. Employees who are covered under the California Public Employees' Retirement System ("CalPERS") pension plan, and hired prior to 2006, are eligible to retire at age 50 and hourly employees, with a minimum of five years of service, are eligible at age 55. The CalPERS retiring employees are allowed, if eligible, to convert unused sick-time to service time based on a formula. The program to pay-out the sick time in lieu of service-time conversion for eligible CalPERS employees was discontinued on June 30, 2019. The program to pay-out the sick-time for eligible hourly employees is still in place. The Organization accrued expense for future sick leave benefit obligations related to employees expected to retire with sick leave benefits. Sick time liabilities of approximately \$201,000 and \$141,000 are included in accrued liabilities at June 30, 2026 and 2025, respectively (see Note 6).

Retirement and Postretirement Benefits

The Organization has two defined benefit pension plans. The first plan (the "Hourly Plan") is sponsored by the Organization and covers all full-time hourly employees who meet the eligibility requirements. To be eligible, an employee must be at least 21 years of age, have completed at least one year of continuous service and not have attained the age of 60 at the date of employment. The Hourly Plan provides benefits earned before July 1, 2004, based on the employee's highest three consecutive years of compensation prior to normal retirement date, which is subject to certain reductions if the employee retires before reaching age 65. Defined benefits earned subsequent to July 1, 2004 are based on a fixed amount. The Organization's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the Organization may determine to be appropriate from time to time. Plan assets are generally invested in money market, bond and equity funds.

For the second plan, the Organization is a member of CalPERS, a multiemployer pension system that provides a contributory defined benefit pension and postretirement benefit program for its salaried employees. CalPERS functions as an investment and administrative agent for participating entities within the State of California.

The CalPERS plan provides retirement, survivor, and death and disability benefits based upon employees' years of service, age and final compensation, and also provides contributions toward medical insurance. Vesting occurs after five years of credited service. Employees who retire at or after age 50 with five or more years of service are entitled to a retirement benefit, payable monthly for the remainder of their lives, and may elect to continue payment of participant premiums for medical benefit coverage. Several survivor benefit options are available that reduce a retiree's unmodified benefit.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

CalPERS issued a publicly available comprehensive annual financial report that included financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS website at www.calpers.ca.gov.

While actuarial information is not available for the CalPERS defined benefit pension plan, the Organization's pension plan information is included in the University's financial report on an aggregate basis. The University's financial report can be obtained from CSU.

The Organization also provides certain postretirement health care benefits for all retired employees that meet eligibility requirements through contracts with CalPERS. The Organization's share of the estimated health care costs that will be paid after retirement is generally being accrued by charges to expense over the employees' active service periods to the dates they are fully eligible for benefits.

The Organization obtains actuarial valuation of the accumulated postretirement benefit obligations for its postretirement health care benefit plan and the Hourly Plan on a periodic basis (see Note 9).

The Organization retains an actuarial firm (Principal) to calculate its retirement and postretirement benefit liabilities. The calculations are based on actuarial methods and assumptions, which are based on the latest information available at the time the calculation is performed. Future actuarial measurements may differ significantly from the current measurement presented in these financial statements due to, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

Revenue Recognition

The Organization follows ASC Topic 606, *Revenue from Contracts with Customers*, and recognizes revenue from the rental of books or sale of food, books, supplies and other merchandise at the time the merchandise is rented or sold.

The Organization recognizes revenue related to meal plans during the semester as the meals are provided or as meal cards issued under the plan expire in accordance with their associated meal plan. Accordingly, the fees for meal cards received in advance of the meals provided may be included in deferred revenue based upon the associated plan.

The Organization recognizes revenue related to conference services as the conferences are delivered. Accordingly, the fees for conferences collected in advance of the conferences being delivered are included in deferred revenue.

Rental income from the Organization's residential and commercial rental properties is recognized on a monthly straight-line basis over the terms of the tenant lease agreements (see Note 11). Accordingly, the rents collected in advance of the terms of the lease are included in deferred revenue.

Sales Tax

The Organization records sales tax on a net basis (excluded from revenues) in the statements of financial position.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

Income Taxes

The Organization and primarily all of its affiliates are recognized by the Internal Revenue Service (IRS) 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. GAAP, 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.

The Organization completed an analysis of its uncertain tax positions in accordance with applicable accounting guidance and determined there are no amounts to be recognized on the financial statements at June 30, 2026 and 2025.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP 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 and the reported amounts of revenues and expenses during the reporting period. These estimates include assessing the ability to collect accounts receivable, recoverability of inventories, the lives and methods for recording depreciation and amortization on property and equipment, and assumptions used to calculate accrued employee benefits, accrued pension costs, ROU assets, and lease liabilities. Estimates also affect the reported amounts of revenues, gains and other income and expenses during the reporting period. As a result of such factors, actual results could differ from the estimates used by management.

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

NOTE 2 - SHORT-TERM INVESTMENTS AND FAIR VALUE MEASUREMENTS

ASC Topic 820, *Fair Value Measurement*, 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.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

As of June 30, 2026 and 2025, the Organization's investments in money market accounts of approximately \$18,000,000 and \$18,187,000, respectively, are categorized as Level 2 investments. Those money market accounts are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions.

	2026	2025
Beginning balance	\$ 18,187,000	\$ 8,861,000
Total realized and unrealized gains, net, included in change in net assets	(676,000)	722,000
Net additions and purchases (under) sales and maturities	489,000	8,604,000
Ending balance	<u>\$ 18,000,000</u>	<u>\$ 18,187,000</u>

NOTE 3 - INVENTORIES

Inventories were approximated as follows at June 30:

	2026	2025
Bookstore	\$ 2,409,000	\$ 2,606,000
Dining services	1,429,000	1,526,000
Supplies and other	34,000	37,000
	<u>\$ 3,872,000</u>	<u>\$ 4,169,000</u>

NOTE 4 – PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets were approximated as follows at June 30:

	2026	2025
Receivable from San Diego State University	\$ 197,213,000	\$ -
Receivable from California State University	135,126,000	-
Prepayments and other assets	801,000	943,000
	<u>\$ 333,140,000</u>	<u>\$ 943,000</u>

The receivable from San Diego State University relates to the Evolve student housing asset under construction due to be completed post year end (Note 16). The receivable from California State University relates to loan amounts (Note 8) yet to be drawn down on the Evolve student housing project.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment were approximated as follows at June 30:

	2026	2025
Land	\$ 39,678,000	\$ 39,135,000
Buildings	161,925,000	154,285,000
Equipment and furniture	26,938,000	25,796,000
Leasehold improvements	12,478,000	10,303,000
Construction in progress	8,579,000	9,907,000
	249,598,000	239,426,000
Less: accumulated depreciation	(77,949,000)	(71,478,000)
	<u>\$ 171,649,000</u>	<u>\$ 167,948,000</u>

For the years ended June 30, 2026 and 2025, the Organization recorded depreciation expense of approximately \$8,587,000 and \$7,668,000, respectively.

NOTE 6 - ACCRUED LIABILITIES

Accrued liabilities were approximated as follows at June 30:

	2026	2025
Accrued compensated absences	\$ 1,424,000	\$ 1,156,000
Accrued interest	936,000	1,702,000
Salaries and benefits payable	1,246,000	1,686,000
University trademark payable	1,301,000	1,427,000
University South Campus Plaza payable	1,083,000	1,172,000
Customer/student deposits	840,000	773,000
Accrued employee benefit costs (Note 9)	590,000	570,000
Security deposits	210,000	332,000
Stadium commission payable	257,000	696,000
Conference services accrued expense	1,193,000	1,104,000
Five year Strategic Fund	500,000	1,000,000
Wage and hour liability	3,754,000	-
University contribution	-	67,000
Accrued utilities	658,000	771,000
Sales tax payable	215,000	307,000
Accrued telecommunication payable	202,000	448,000
Other	4,005,000	5,989,000
	<u>\$ 18,414,000</u>	<u>\$ 19,200,000</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

NOTE 7 - RELATED-PARTY TRANSACTIONS AND ASSETS HELD ON BEHALF OF AFFILIATES

The Organization receives funds from auxiliaries of the University, or from the University, primarily for sales of bookstore merchandise, provision of dining services and reimbursement for monies collected by the University for residence hall fees and meal plans. In addition, the Organization disburses funds for rents and monies collected for parking fees on behalf of the University, and may make other allocations or reimbursements to auxiliaries of the University or to the University.

For the years ended June 30, 2026 and 2025, the Organization recorded cash receipts for services rendered and reimbursements from the University and its auxiliaries in the amount of approximately \$93,003,000 and \$90,129,000, respectively, which are included in revenue and include approximately \$62,812,000 and \$59,391,000, respectively, of funds collected by the University on behalf of the Organization for dining and residence hall services.

For the years ended June 30, 2026 and 2025, the Organization received advertising services from the University in exchange for providing meal cards and books to student athletes in the amount of approximately \$337,000 and \$340,000, respectively, which are included under Bookstore overhead and other operating costs in the statement of activities.

For the years ended June 30, 2026 and 2025, the Organization recorded cash disbursements for services, including facility rents and reimbursements, to auxiliaries in the amount of approximately \$25,425,000 and \$23,887,000, respectively, which are included in expenses.

Related-party receivables and payables represent noninterest-bearing amounts owed to or payable by the Organization to or from the University and other affiliates. Related-party receivables and payables are included in accounts receivable and accounts payable (or accrued liabilities), respectively. As of June 30, 2026 and 2025, receivables due from the University and/or its auxiliaries were approximately \$3,018,000 and \$4,160,000, respectively. As of 2026 and 2025, accounts payable and accrued liabilities were approximately \$7,000 and \$ 143,000, respectively, and \$7,873,000 and \$8,517,000, respectively, for amounts owed to the University and/or its auxiliaries.

The Organization entered into a management and space guarantee agreement with the University in which the University continued to collect the funds for rents owed by the residents of various University residence buildings; however, both parties agreed upon a fixed fee of \$25,245,000 and \$23,843,000 for the years ended June 30, 2026 and 2025, respectively, that took into consideration the services performed by the University instead of withholding an amount from the total funds collected. Also see Note 10.

The Organization entered into a management and lease agreement with the University to oversee the commercial and parking space at South Campus Plaza. Also see Note 11.

No additional amounts were held on behalf of affiliates as of June 30, 2026 and 2025.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

NOTE 8 - RELATED-PARTY NOTES

Related-Party, Long-term Debt

Approximate related-party, long-term debt consisted of the following at June 30:

	2026	2025
Evolve student housing loan, inclusive of issuance cost and bond premium (a)	\$ 332,338,000	\$ -
Sunset Plaza apartment loan, inclusive of issuance cost and bond premium (b)	40,885,000	41,674,000
VIVA apartment loan, inclusive of issuance cost and bond premium (c)	37,094,000	37,863,000
55th Street apartment loan, inclusive of issuance cost and bond premium (d)	15,755,000	16,575,000
University Towers loan, inclusive of issuance cost and bond premium (e)	6,884,000	7,964,000
University Towers Renovation loan, inclusive of issuance cost and bond premium (f)	7,958,000	8,326,000
Fraternity Row apartment loan, inclusive of bond premium (g)	2,831,000	3,384,000
Piedra Del Sol apartment loan, inclusive of bond premium (h)	1,502,000	1,861,000
College West apartment acquisition loan, inclusive of issuance cost and bond premium (i)	2,726,000	2,852,000
Sanctuary Suites acquisition loan (j)	2,123,000	2,595,000
Hardy Avenue apartment loan (k)	874,000	1,092,000
College Square acquisition loan (l)	479,000	566,000
College Strip acquisition loan (m)	330,000	390,000
	451,779,000	125,142,000
Less: current maturities	(26,296,000)	(5,701,000)
	<u>\$ 425,483,000</u>	<u>\$ 119,441,000</u>

- (a) In August 2025, the Trustees of CSU issued SRB Tax Exempt Series 2025A Phase 1A and Phase 1B. The proceeds were used to pay off outstanding commercial paper notes. The CSU SRB Series 2025A Phase 1A and 1B bear a net interest cost of 4.6% and are due in semiannual principal and interest payments beginning in May 2027 through May 2057. The bonds were purchased at a premium of \$9,323,000 and \$5,415,000, respectively, with an underwriter's discount of \$474,000 and \$276,000, respectively and a cost of issuance of \$577,000 and \$339,000, respectively. The premium and underwriter's discount will be amortized over the life of the loan using the effective interest method. In May 2026, the Trustees of CSU issued Commercial Paper Evolve Student Housing Phase 1B. The Commercial Paper issuance was in the amount of \$20,135,000 and the interest cost is based on a variable short-term Commercial Paper rate.
- (b) In August 2024, the Trustees of CSU issued SRB Tax Exempt Series 2024A and the proceeds were used to pay off the outstanding commercial paper notes. The CSU SRB Series 2024A bear a net interest cost of 5% and are due in semiannual principal and interest payments beginning in November 2025 through May 2055. The bonds were purchased at a premium of \$4,787,000 with an underwriter's discount of \$93,000 and a cost of issuance of \$51,000. The premium and underwriter's discount will be amortized over the life of the loan using the effective interest method.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

- (c) In August 2023, the Trustees of CSU issued SRB Tax Exempt Series 2023A and the proceeds were used to pay off the outstanding commercial paper notes. The CSU SRB Series 2023A bear a net interest cost of 4.4% and are due in semiannual principal and interest payments beginning in November 2024 through May 2054. The bonds were purchased at a premium of \$4,975,331 with an underwriter's discount of \$86,737 and a cost of issuance of \$46,767. The premium and underwriter's discount will be amortized over the life of the loan using the effective interest method.
- (d) During the year ended June 30, 2010, the Organization acquired an unaffiliated apartment complex (55th Street apartments) adjacent to the University campus. The Organization and the Trustees of CSU entered into a loan agreement dated September 22, 2009 relating to the issuance of \$25,155,000, which is a portion of the Trustees of the CSU SRB Series 2010A for the 55th Street Apartments Acquisition Project. The loan and the CSU SRB Series 2010AB bear interest at rates graduating from 2.0% to 6.4% and are due in semiannual principal and interest payments beginning in November 2010 through November 2039. The bonds were purchased at a premium of \$675,132 with an underwriter's discount of \$158,056 and issuance costs of \$68,465. On February 4, 2020, \$1,350,000 of the SRB 2010A Bonds were refunded for Series 2020A bonds; the Net Interest Cost of the refunded bonds is 1.4%. The bonds were purchased at a premium of \$61,822 and issuance costs of \$3,597. The premium, underwriter's discount and cost of issuance are being amortized over the life of the loan using the effective interest method. The Series 2010B bonds are Build America Bonds and are eligible for a federal subsidy payment equal to 35% of the interest due on the Series 2010B. For the year ended June 30, 2026, the Organization recorded a receivable of \$56,000. For the year ended June 30, 2025, the Organization recorded a receivable of \$58,000.
- (e) During the year ended June 30, 2001, the Organization acquired an unaffiliated residence hall (University Towers) on the University campus. The acquisition was funded through the issuance of student housing revenue bonds in November 2000. The Organization and the Trustees of CSU entered into a loan agreement dated March 1, 2010, relating to the issuance of \$19,220,000 of debt, which is a portion of the Trustees of the CSU SRB Series 2010A for the refunding of Aztec Shops, Ltd. Auxiliary Organization Student Housing Revenue Bonds Series 2000. The payments for the loan agreement match the payment schedule for the bonds that were purchased. The loan and CSU SRB Series 2010AB bear interest at rates graduating from 2.0% to 5.0%, and are due in semiannual principal and interest payments beginning in November 2010 through November 2031. The bonds were purchased at a premium of \$1,352,023, with an underwriter's discount of \$98,273 and a cost of issuance expense of \$51,290. On February 4, 2020, \$13,227,700 of the SRB 2010A Bonds were refunded for Series 2020A bonds; the Net Interest Cost of the refunded bonds is 2.0%. The bonds were purchased at a premium of \$2,258,135 with an underwriter's discount of \$24,541 and issuance costs of \$20,894. The premium, underwriter's discount and cost of issuance are being amortized over the life of the loan using the effective interest method.
- (f) On December 5, 2012, the Trustees of CSU issued \$10,316,000 in tax-exempt commercial paper to finance the construction costs for the University Towers Renovation project. The CSU SRB Series 2014A bear interest at rates graduating from 3.0% to 5.0%, and are due in semiannual principal and interest payments beginning in November 2014 through May 2044. The bonds were purchased at a premium of \$1,307,336, with an underwriter's discount of \$32,141 and a cost of issuance expense of \$16,196. The premium, underwriter's discount and cost of issuance are being amortized over the life of the loan using the effective interest method. On July 29, 2021, \$7,130,000 of the SRB 2014A bonds were refunded for SRB 2021B bonds; the Net Interest Cost of the refunded bonds is 2.5%. The bonds were purchased with an underwriter's discount of \$21,591 and issuance costs of \$5,902. The underwriter's discount and cost of issuance are being amortized over the life of the loan using the effective interest rate.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

- (g) In June 2013, the Organization acquired Fraternity Row apartments from the Research Foundation and assumed the outstanding CSU SRB Series 2012A in the amount of \$7,380,000. The CSU SRB 2012A bears interest at rates graduating from 2.0% to 5.0%, and are due in semiannual principal and interest payments beginning in November 2013 through November 2030. The Organization assumed an unamortized bond premium in the amount of \$1,039,681, which will be amortized over the life of the loan using the effective interest method. On September 17, 2020, \$4,460,000 of the SRB 2012A Bonds were refunded for Series 2020D bonds; the Net Interest Cost of the refunded bonds is 1.4%. The bonds were purchased with an underwriter's discount of \$9,000 and issuance costs of \$3,000. The underwriter's discount and cost of issuance are being amortized over the life of the loan using the effective interest method.
- (h) In June 2013, the Organization acquired Piedra Del Sol apartments from the Research Foundation and assumed the outstanding CSU SRB Series 2010A in the amount of \$5,185,000. The CSU SRB Series 2010A bear interest at rates graduating from 2.0% to 5.0%, and are due in semiannual principal and interest payments beginning in November 2013 through November 2029. The Organization assumed an unamortized bond premium in the amount of \$363,000. On February 4, 2020, \$3,633,000 of the SRB 2010A Bonds were refunded for Series 2020A bonds; the Net Interest Cost of the refunded bonds is 1.7%. The bonds were purchased at a premium of \$572,105, with an underwriter's discount of \$6,000, and a cost of issuance expense of \$3,000. The premium, underwriter's discount and cost of issuance are being amortized over the life of the loan using the effective interest method.
- (i) On November 14, 2013, the Trustees of CSU issued \$3,574,000 in tax-exempt commercial paper to finance the 2013 acquisition of College West apartments. The commercial paper notes were used as interim financing until bond financing was available. In July 2014, the Trustees of CSU issued SRB Series 2014A and the proceeds were used to pay off the outstanding commercial paper notes. The CSU SRB Series 2014A bear interest at rates graduating 3.0% to 5.0%, and are due in semiannual principal and interest payments beginning in November 2014 through May 2044. The bonds were purchased at a premium of \$447,000, with an underwriter's discount of \$11,000, and a cost of issuance expense of \$7,000. The premium, underwriter's discount and cost of issuance are being amortized over the life of the loan using the effective interest method. On July 29, 2021, \$2,440,000 of the SRB 2014A bonds were refunded for Series 2021B bonds; the Net Interest Cost of the refunded bonds is 2.5%. The bonds were purchased with an underwriter's discount of \$7,000 and issuance costs of \$2,000. The underwriter's discount and cost of issuance are being amortized over the life of the loan using the effective interest method.
- (j) In January 2014, the Organization acquired Sanctuary Suite apartments from the Research Foundation and entered into an unsecured note in the amount of \$4,718,000. The note bears interest at 4.0% per annum and is due in semiannual principal payments beginning in April 2019 through October 2028 and semiannual interest payments beginning in April 2014 through October 2028.
- (k) In June 2013, the Organization acquired Hardy Avenue apartments from the Research Foundation and entered into an unsecured note in the amount of \$2,184,000. The note bears interest at 4.0% per annum and is due in semiannual principal payments beginning in October 2018 through April 2028 and semiannual interest payments beginning in October 2013 through April 2028.
- (l) In June 2015, the Organization acquired College Square commercial and classroom building from the Research Foundation and entered into an unsecured note in the amount of \$870,000. The note bears interest at 4.0% per annum and is due in semiannual principal payments beginning in April 2022 through April 2030 and semiannual interest payments beginning in October 2015 through April 2030.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

(m) In June 2015, the Organization acquired College Strip commercial building from the Research Foundation and entered into an unsecured note in the amount of \$600,000. The note bears interest at 4.0% per annum and is due in semiannual principal payments beginning in April 2022 through April 2030 and semiannual interest payments beginning in October 2015 through April 2030.

The SRB master debt agreement with Trustees of CSU pledges all unrestricted revenues of the Organization as collateral.

In connection with the Bonds, the Organization incurred issuance costs of approximately \$1,495,000 and \$579,000 as of June 30, 2026 and 2025, respectively, which are being amortized over the term using the effective interest method. As of June 30, 2026 and 2025, related unamortized debt issuance cost was approximately \$1,220,000 and \$332,000, respectively.

Approximate future maturities of related-party, long-term debt and amortization of debt issuance costs and the bond premium are as follows:

Years Ending June 30,

2027	\$ 26,296,000
2028	9,366,000
2029	11,442,000
2030	11,795,000
2031	11,330,000
Thereafter	<u>382,467,000</u>
	<u>\$ 452,696,000</u>

NOTE 9 - ACCRUED EMPLOYEE BENEFIT COSTS

CalPERS Salaried Plan

The Organization contracts with CalPERS to provide its salaried employees retirement and disability benefits, which are paid by the State of California. In addition, employee group health insurance coverage (other) is obtained through CalPERS, and the contract requires the Organization to pay a minimum portion of the health insurance premiums of retirees after certain required periods of employment. Through June 30, 2003, the CalPERS retirement and disability plan was an agent multiple-employer retirement plan; therefore, the provisions of ASC 715, Employers' Accounting for Pensions, were applicable.

Effective July 1, 2003, the Organization began participating in a CalPERS cost-sharing multiemployer pension plan whereby other entities with benefits similar to the Organization participate in the same cost-sharing plan.

The unfunded pension liabilities at June 30, 2026 and 2025 were derived from the most recent Accounting Valuation Reports provided by CalPERS. The measurement dates for the reports were June 30, 2026 and 2025, respectively.

The plan's proportionate share of the fiduciary's unfunded accumulated net pension liability as of June 30, 2026 and 2025 (the measurement dates) were \$13,322,000 and \$14,770,000, respectively.

The plan's proportionate share of fiduciary net asset position, which is the total assets less certain reserve and expense requirements, at June 30, 2026 and 2025 (the measurement dates) were \$41,509,000 and \$37,933,000, respectively.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

The actuary assumed investment return as of June 30, 2025 was 6.8% per annum. The salary scale used assumes salary increases that vary by entry age and service. The total increase in any future year includes an assumed 2.5% inflation rate.

Service cost was calculated using 13.1% and 12.6% of the actual for years ended June 30, 2026 and 2025. Contribution rates to CalPERS were 34.5% and 33.2% of actual payroll for the years ended June 30, 2026 and 2025, respectively. Actual payroll was approximately \$7,097,000 and \$6,742,000 for the years ended June 30, 2026 and 2025, respectively. Total CalPERS expense for June 30, 2026 and 2025 was approximately \$2,448,000 and \$2,240,000, respectively.

Pension Plan	Plan Number	Pension Plan Funding Status		FIP/RP Status	Employer Contributions			Surcharge Imposed
		2026	2025		2027-28	2028-29	2029-30	
PEPRA Miscellaneous and Miscellaneous Plan of the Aztec Shops, Ltd.	7287807346	65-85%	65-85%	N/A	\$ 1,480,000	\$ 1,574,000	\$ 1,538,000	No

CalPERS Medical Benefit Plan

In addition, the Organization contracts with CalPERS to provide its salaried employees group health insurance through CalPERS under a postretirement health care benefit plan. The contract requires the Organization to pay a minimum portion of the health insurance premiums of retirees after certain required periods of employment. The postretirement health care benefit plan requires retirees and active employees to pay a portion of the monthly health insurance premium cost. For the years ended June 30, 2026 and 2025, the Organization paid employees' health insurance premiums as they came due.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

The following tables set forth the approximate medical plan's funded status and the approximate amount recognized in the accompanying statements of financial position as of and for the years ended June 30:

	2026	2025
Changes in benefit obligations		
Accumulated postretirement benefit obligation at beginning of year	\$ (11,086,000)	\$ (9,377,000)
Service cost	(447,000)	(425,000)
Interest cost	(616,000)	(503,000)
Benefit payments, net	481,000	443,000
Actuarial gains (loss)	(474,000)	(1,224,000)
Obligations at end of year	(12,142,000)	(11,086,000)
Fair value of plan assets at end of year	-	-
Funded status	\$ (12,142,000)	\$ (11,086,000)
Components of net periodic pension cost		
Service cost	\$ 447,000	\$ 425,000
Interest cost	616,000	503,000
Amortization of net loss	(426,000)	(646,000)
Net periodic pension cost	\$ 637,000	\$ 282,000
Employer contribution	\$ 481,000	\$ 443,000
Amounts recognized in the statements of financial position		
Current liabilities	\$ 590,000	\$ 570,000
Noncurrent liabilities	11,552,000	10,516,000
Net amount recognized	\$ 12,142,000	\$ 11,086,000

Weighted-average assumptions used in the computation of the health care premiums include a discount rate of 5.8% and 6.8% for the years ended June 30, 2026 and 2025, respectively.

For measurement purposes on the postretirement medical benefit plan, a 9.5% and 8.5% health care cost trend rate for the years ended June 30, 2026 and 2025, was used to calculate the expected cost increases. The ultimate rate is 4.5%, which will be attained in the years 2035 and beyond for the years ended June 30, 2026 and 2025, respectively.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

Estimated Future Benefit Payments and Contributions

Approximate future benefit payments expected to be paid are as follows:

<u>Years Ending June 30,</u>	
2027	\$ 590,000
2028	610,000
2029	620,000
2030	640,000
2031	690,000
Years 2032 - 2036	<u>3,920,000</u>
	<u>\$ 7,070,000</u>

The Organization uses a June 30 measurement date for the plans. For fiscal years ending June 30, 2026 and 2025, net assets decreased \$1,537,000 and decreased \$2,152,000, respectively, due to the change in retiree medical plan liability at year end.

Hourly Plan

Approximate information relative to the Organization's Hourly Plan as of and for the years ended June 30, is presented below:

	<u>2026</u>	<u>2025</u>
Changes in benefit obligations		
Accumulated employee benefit obligation costs at beginning of year	\$ (8,316,000)	\$ (8,195,000)
Service cost	(222,000)	(189,000)
Interest cost	(447,000)	(425,000)
Benefit payments, net	443,000	461,000
Actuarial gains	28,000	195,000
Post year end adjustment - Actuarial gains	<u>-</u>	<u>(163,000)</u>
Obligations at end of year	(8,514,000)	(8,316,000)
Fair value of plan assets at end of year	<u>10,591,000</u>	<u>9,770,000</u>
Funded status	<u>\$ 2,077,000</u>	<u>\$ 1,454,000</u>
Components of net periodic pension cost		
Service cost	\$ 222,000	\$ 189,000
Interest cost	447,000	425,000
Return on plan assets	<u>(492,000)</u>	<u>(467,000)</u>
Net periodic pension cost	<u>\$ 177,000</u>	<u>\$ 147,000</u>

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

Weighted-average assumptions used in computation for benefit obligation and net periodic pension cost are as follows:

	Years Ended June 30,	
	2026	2025
Discount rate	5.70%	5.50%
Expected return on plan assets	6.00%	6.00%

Fair Value Measurement of the Plan Assets

The approximate fair values of the Organization's Hourly Plan's plan assets, by asset category, consisted of the following at June 30:

	2026	2025
Cash - Level 2	\$ 4,879,000	\$ 5,085,000
Mutual funds - Level 1	5,712,000	4,685,000
Total plan assets	<u>\$ 10,591,000</u>	<u>\$ 9,770,000</u>

The Organization expects that there will be no plan assets that will be returned to the Organization during the upcoming fiscal year.

Asset Allocation and Investment Strategy

The dual goals of the pension plan are growth of principal and investment income. Dividend and interest income will represent a significant portion of the total return, although portfolio growth is equally important.

Assets may be shifted between the various equity and fixed-income portions of the portfolio as deemed necessary to appropriately balance risk and reward and to meet the plan's requirements. The Organization's pension plan weighted-average asset allocations, by asset category, were as follows at June 30:

	2026	2025	Desired Strategic Allocation at June 30, 2026 and 2025
Cash	1%	2%	0-5%
Fixed income	46%	50%	20-50%
Equity	54%	48%	25-70%
	<u>100%</u>	<u>100%</u>	

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

Basis for Determining the Expected Return on Assets

The pension plan has adopted a strategic asset allocation model based upon a quantitative-allocation method that measures long-term expected returns consistent with the plan's objectives. Using this method, a model portfolio was developed that closely matched the specific investments held by the plan. Annual total returns were calculated using actual calendar year returns of the major investment funds over the last 10 years. The expected return on assets of 6.0% and 6.0% for the current year and prior year, respectively, is both consistent with these historical returns and reasonable given the current asset allocation and expected market conditions.

Plan Expenses and Estimated Contributions

For fiscal years ended June 30, 2026 and 2025, the funded status increased by \$623,000 and \$746,000, respectively, due to the change in hourly plan liability at year end. The Organization does not expect to make additional contributions to the Hourly Plan for the year ending June 30, 2026 due to the current overfunded status.

Approximate future benefit payments expected to be paid are as follows:

<u>Years Ending June 30,</u>	
2027	\$ 1,000,000
2028	670,000
2029	560,000
2030	520,000
2031	550,000
2032-2036	2,940,000
	\$ 6,240,000

NOTE 10 - LEASES

The components of lease cost follows for the year ended:

	<u>2026</u>	<u>2025</u>
Operating lease cost	\$ 778,000	\$ 784,893
Finance lease costs		
Amortization of ROU assets	194,000	208,420
Interest on lease liabilities	55,000	40,464
Short-term lease cost	-	-
Variable lease costs	-	-
	\$ 1,027,000	\$ 1,033,778

The operating lease costs are reflected on the statement of activities in the lease expense line. Finance lease costs are presented on the finance lease expense line.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

Supplemental cash flow information related to leases was as follows:

	<u>2026</u>	<u>2025</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 1,491,221	\$ 847,980
Operating cash flows from finance leases	66,012	66,012
Financing cash flows from finance leases	(271,713)	(520,071)
Supplemental disclosure of noncash leasing activities		
ROU obtained in exchange for new operating lease liabilities	-	-
ROU obtained in exchange for new finance lease liabilities	-	-

The following table represents the weighted-average remaining lease term and discount rate as of June 30, 2026:

	<u>Operating Leases</u>	<u>Finance Leases</u>
Weighted-average remaining lease term (years)	20	8
Weighted-average discount rate	4.66%	4.18%

Future undiscounted lease payments for the Organization's operating and finance lease liabilities are as follows as of June 30, 2026:

	<u>Operating Leases</u>	<u>Finance Leases</u>
2027	\$ 752,000	\$ 347,000
2028	740,000	347,000
2029	740,000	347,000
2030	740,000	187,000
2031	740,000	22,000
Thereafter	<u>7,445,000</u>	<u>37,000</u>
Total future lease payments	11,157,000	1,287,000
Less: imputed interest	<u>(4,830,000)</u>	<u>(100,000)</u>
Present value of lease liabilities	<u>\$ 6,327,000</u>	<u>\$ 1,187,000</u>

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Rental Expenses

Operating Agreements and Leases

The Organization has ten operating and lease agreements with the Trustees of the University as noted below:

<u>Agreement</u>	<u>Expiration Date</u>
Education Bldg Office Space	Continuous
Bookstore Ground Lease	06/30/2028
Imperial Valley Campus Bookstore	06/30/2029
Aztec Terrace	01/14/2030
Vending Space	06/30/2030
South Campus Plaza	08/31/2045
Digital Billboard Sign Ground Lease	04/30/2053
Facilities	06/30/2053
Operating Agreement	06/30/2053
Canyon Crest Evolve Housing Ground Lease	05/01/2055

The use of the facilities is for the benefit of the student body on behalf of the University and is governed by the terms of the agreements, which require the Organization to promote, staff, insure, repair, maintain and improve the facility when needed, and may require the Organization to cover the cost of utilities.

During the year ended June 30, 2016, the Organization entered into a lease agreement with the Trustees of the University, which expires August 31, 2045, for specific portions of the South Campus Plaza project. The portions include interior and exterior general and commercial retail space. During fiscal year ending June 30, 2026 there was no change to business at the commercial space. The Organization's management agreement with the University expires August 31, 2045. Net revenues from the commercial leases are remitted back to the University and amounted to \$650,000 for retail and \$499,000 for parking for the year ended June 30, 2026.

The Organization has an Operating Agreement and a related Facilities Lease Agreement with the Trustees of the University, which expire on June 30, 2053. The main Operating Agreement calls for the Organization to perform functions on behalf of the University such as operating bookstores, food services and campus services; housing; and acquisition, development, sale and transfer of real and personal property, including financing transactions related to these activities. The Organization's main bookstore is located on leased land and subject to a Ground Lease expiring June 30, 2028. The net book value of the building was approximately \$1,952,000 and \$230,000 for the years ended June 30, 2026 and 2025, respectively.

During a prior year, the Organization entered into an agreement with Associated Students of San Diego State University ("A.S.") to lease retail food space at Aztec Student Union. The lease term was an initial 10 years, which expired on June 30, 2024, with A.S. having the option to extend for two additional five-year periods. The option to extend the lease was exercised. Rent is \$600,000 annually and subject to negotiation at the end of each lease year.

During the year ended June 30, 2026, the Organization also leased equipment and facilities under operating leases expiring at various dates.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

Total rent expense under the above operating agreements, including percentage rentals and commissions, was approximately \$15,416,000 and \$13,700,000 for the years ended June 30, 2026 and 2025, respectively.

Rental Income

Leased Property

The Organization leases part of its residential properties to third parties and part of its commercial property to an auxiliary. The Organization recognized approximately \$1,247,000 and \$1,168,000 in residential and commercial rental income related to these agreements for the years ended June 30, 2026 and 2025, respectively.

Approximate future minimum rentals under noncancelable agreements are as follows:

Years Ending June 30,

2027	\$ 628,000
2028	420,000
2029	386,000
2030	387,000
2031	298,000
Thereafter	<u>3,882,000</u>
	<u>\$ 6,001,000</u>

Subleases

For the years ended June 30, 2026 and 2025, the Organization recognized approximately \$4,956,000 and \$4,128,000, respectively, in other income from subleases with third parties for facilities that are leased from related parties. The sublease income is composed of percentage rentals and commissions.

During the year ended June 30, 2014, the Organization entered into a sublease with a third party to lease food space at Aztec Student Union. The term is an initial 10 years, which expires on March 31, 2024, with an option to extend for two additional five-year periods. Monthly payments began in March 2014 at approximately \$8,000, escalating annually. Additionally, the Organization funded \$680,000 in tenant improvements. The rent expense and tenant improvements are being amortized straight-line over the 10 year lease life. The rent receivable balance at June 30, 2026 and 2025 is \$69,000 and \$123,000, respectively.

Revenues

As of June 30, 2026, the Organization had entered into a noncancelable revenue commitment in the aggregate of approximately \$6,416,000 for services to be provided to the University and its auxiliaries. These revenues are mostly Housing and Commercial properties that serve the University's students, faculty, staff and adjacent community. In addition to the large housing properties leased to the University and managed by the Organization, the Organization also manages a portfolio of commercial properties including South Campus Plaza which includes 10 large commercial spaces most with long-term leases.

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

On July 1, 2012, the Organization entered into a lease agreement with the University, wherein the University will lease University Towers through June 30, 2032 for \$2,100,000 per year. In connection with the lease agreement, the Organization entered into a management agreement with the University, wherein the Organization will manage University Towers through June 30, 2030 for \$2,532,000 per year as of July 2025, increasing 4% each subsequent year.

In September 2025, the Organization entered into an agreement with the University, wherein the University will lease Piedra del Sol through June 30, 2030 for \$495,000 per year. In connection with the lease agreement, the Organization entered into a management agreement with the University, wherein the Organization will manage Piedra del Sol through June 30, 2030 for \$1,031,000 per year as of July 2025, increasing 4% in each subsequent year.

Purchases

As of June 30, 2026, the Organization had entered into non-cancelable commitments in the aggregate of approximately \$1,670,000 for payment of license fees, concession fees and purchases of goods and services with third parties and the University and its auxiliaries.

Management Fee

During the year ended June 30, 2010, the Organization entered into a management fee arrangement with a third party in regard to the management services of various apartment buildings. The management fee is calculated as 3.5% of the gross revenue collected per month. For the years ended June 30, 2026 and 2025, the management fee was approximately \$240,000 and \$258,000, respectively.

During the year ended June 30, 2024, the Organization entered into an additional management fee arrangement with a third party in regards to the management services for an additional apartment building. The management fee is calculated as a flat rate of \$125,000 per year with a 3% annual increase. An additional new management services agreement was entered into for the remaining apartments, the management fee is calculated as \$260 per bed, per year with a 3% annual increase. For the years ended June 30, 2026 and 2025, the management fee was approximately \$321,000 and \$ 288,000, respectively.

License Fee

The Organization is licensed by several fast-food chains to produce and service products at the dining service facilities it operates. The licenses granted are primarily for three to 10 years and require monthly license fees based on various percentages of gross sales.

NOTE 12 - ALLOCATIONS

At the discretion of the Board of Directors, the Organization provides for annual allocations to the University and affiliated organizations. During the years ended June 30, the allocations made were as follows:

	2026	2025
Associated Students of San Diego State University	\$ 60,000	\$ 60,000
San Diego State University and Campanile Foundation	810,000	810,000
	<u>\$ 870,000</u>	<u>\$ 870,000</u>

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

NOTE 13 - OTHER INCOME

Other income consisted of approximately the following at June 30:

	2026	2025
Rent (Note 11)	\$ 3,748,000	\$ 3,481,000
Commissions	915,000	890,000
Federal subsidy revenue (Note 8)	341,000	353,000
Other	2,060,000	1,841,000
	<u>\$ 7,064,000</u>	<u>\$ 6,565,000</u>

NOTE 14 - AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Various sources of liquidity are available, including cash and cash equivalents, investments in money markets and accounts receivable.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of the bookstore, food service and residential and commercial rental properties as well as the conduct of services undertaken to support those activities to be general expenditures.

As of June 30, 2026 and 2025, the following table shows the approximate total financial assets held by the Organization and the amounts of those financial assets that could be readily available within one year of the balance sheet date to meet general expenditures. There were no net assets with restrictions, or any funds designated by the Board at June 30, 2026 and 2025:

	2026	2025
Cash and cash equivalents	\$ 1,436,000	\$ 2,899,000
Investments	18,000,000	18,187,000
Accounts receivable	4,611,000	6,323,000
	<u>\$ 24,047,000</u>	<u>\$ 27,409,000</u>
Total financial assets		

Aztec Shops, Ltd.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2026 and 2025

NOTE 15 - EXPENSE ALLOCATION

FY 2026	Program Activities				Supporting Activities		Total Expenses
	Dining	Bookstore	Business Development	Programs Total	Management and General	Operating/ Finance Lease Expense	
Cost of sales	\$ 16,528,864	\$ 21,747,206	\$ -	\$ 38,276,070	\$ -	\$ -	\$ 38,276,070
Salaries and benefits	19,698,147	4,105,615	382,144	24,185,906	8,871,558	-	33,057,464
Supplies and travel	821,626	422,761	181,889	1,426,276	139,933	-	1,566,209
Services and professional fees	2,162,342	1,085,462	4,569,982	7,817,786	1,693,124	-	9,510,910
Office and occupancy	18,140,699	2,041,955	12,008,208	32,190,862	798,453	-	32,989,315
Depreciation	907,135	294,099	7,339,525	8,540,759	60,089	193,886	8,794,734
Interest	59,395	-	4,427,240	4,486,635	-	832,240	5,318,875
Total expenses	<u>\$ 58,318,208</u>	<u>\$ 29,697,098</u>	<u>\$ 28,908,988</u>	<u>\$ 116,924,294</u>	<u>\$ 11,563,157</u>	<u>\$ 1,026,126</u>	<u>\$ 129,513,577</u>

FY 2025	Program Activities				Supporting Activities		Total Expenses
	Dining	Bookstore	Business Development	Programs Total	Management and General	Operating/ Finance Lease Expense	
Cost of sales	\$ 14,227,054	\$ 21,154,796	\$ -	\$ 35,381,850	\$ -	\$ -	\$ 35,381,850
Salaries and benefits	19,139,490	3,869,921	172,532	23,181,943	8,888,178	-	32,070,121
Supplies and travel	710,383	456,895	256,223	1,423,501	135,622	-	1,559,123
Services and professional fees	1,354,358	863,594	4,075,509	6,293,461	2,298,840	-	8,592,300
Office and occupancy	14,175,873	1,664,363	12,376,295	28,216,531	924,822	-	29,141,353
Depreciation	826,853	103,136	6,692,227	7,622,216	61,213	208,420	7,891,849
Interest	55,176	-	4,972,629	5,027,805	-	825,358	5,853,164
Total expenses	<u>\$ 50,489,187</u>	<u>\$ 28,112,705</u>	<u>\$ 28,545,415</u>	<u>\$ 107,147,307</u>	<u>\$ 12,308,675</u>	<u>\$ 1,033,778</u>	<u>\$ 120,489,760</u>

The tables above present expenses by function and natural classification. Expenses directly attributed to a specific functional area, including general and administrative costs, are reporting as expenses of those functional areas. The Facilities Services Support and San Diego State University Public Safety expense is allocated based on the square footage of the facilities that they support while salaries and benefits are allocated on the basis of estimates of time and effort. For expenses related to multiple functional areas, the expenses are allocated based on management's review of the nature of the expense, the programs benefited and a reasonable allocation methodology.

NOTE 16 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 22, 2026, the date the financial statements were available to be issued.

During July 2026, the Evolve student housing development became operational and the construction assets, Texcoco and Plaza del Sol, were transferred to Aztec Shops Ltd. by San Diego State University. The transfer of assets partially settled the year-end other asset receivable (Note 4) held at June 30, 2026. The Plaza del Sol amenity building is located on land leased to the Organization by San Diego State University and is subject to a Ground Lease expiring May 1, 2055.

SUPPLEMENTARY INFORMATION

Aztec Shops, Ltd.

SCHEDULE OF NET POSITION

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

ASSETS

Current assets

Cash and cash equivalents	\$ 1,435,837
Short-term investments	18,000,000
Accounts receivable, net	4,611,237
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net, current portion	-
Prepaid expenses and other current assets	<u>337,012,268</u>

Total current assets 361,059,342

Noncurrent assets

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	179,597,299
Other assets	<u>2,981,566</u>

Total noncurrent assets 182,578,865

Total assets \$ 543,638,207

Deferred outflows of resources

Unamortized loss on debt refunding	\$ -
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	<u>-</u>

Total deferred outflows of resources \$ -

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

Aztec Shops, Ltd.

SCHEDULE OF NET POSITION - CONTINUED

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

LIABILITIES

Current liabilities

Accounts payable	\$ 1,604,536
Accrued salaries and benefits payable	1,245,974
Accrued compensated absences, current portion	1,424,302
Unearned revenues	2,427,383
Lease liabilities, current portion	458,504
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	25,545,453
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts - current portion	-
Other liabilities, current	<u>15,743,716</u>
Total current liabilities	48,449,868

Noncurrent liabilities

Accrued compensated absences, net of current portion	-
Unearned revenues	5,790
Grants refundable	-
Lease liabilities, net of current portion	5,868,271
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	427,420,514
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	11,551,584
Net pension liability	-
Other liabilities	<u>-</u>
Total noncurrent liabilities	<u>444,846,159</u>
Total liabilities	<u><u>\$ 493,296,027</u></u>

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

Aztec Shops, Ltd.

SCHEDULE OF NET POSITION - CONTINUED

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

Deferred inflows of resources

Service concession arrangements	\$	-
Net pension liability		-
Net OPEB liability		-
Unamortized gain on debt refunding(s)		-
Nonexchange transactions		-
Leases		-
P3		-
Others		-
Total deferred inflows of resources	\$	-

Net position

Net investment in capital assets	\$	50,342,180
Restricted for:		
Endowments		-
Expendable:		
Scholarships and fellowships		-
Research		-
Loans		-
Capital projects		-
Debt service		-
Others		-
Unrestricted		-
Total net position	\$	50,342,180

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

Aztec Shops, Ltd.

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

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

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	132,228,737
Scholarship allowances for sales of auxiliary enterprises	-
Other operating revenues	<u>6,722,920</u>
Total operating revenues	<u>138,951,657</u>

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	116,758,272
Depreciation and amortization	<u>8,780,908</u>
Total operating expenses	<u>125,539,180</u>

Noncapital Subsidies:

State appropriations	-
Gifts	-
Other Noncapital Subsidies received/(provided)	-
Federal Noncapital Subsidies received/(provided)	-

Total Noncapital Subsidies provided:

Operating income (Loss) and Noncapital Subsidies:	13,412,477
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Nonoperating revenues (expenses):

Federal Subsidies, capital received/(provided)	-
State appropriations, capital	-
Capital Subsidy received/(provided)	-
Grants and gifts, capital	341,405
Investment income (loss), net	675,682
Endowment income (loss), net	-
Interest revenue	-
Interest expense	(4,541,074)
Gains or losses on capital assets	(1,596,803)
Additions/reductions to permanent endowments	<u>-</u>

Total nonoperating revenues (expenses)	(5,120,790)
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INCREASE (DECREASE) IN NET POSITION	8,291,687
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Net position:

Net position at beginning of year, as previously reported	42,050,493
Restatements	<u>-</u>

Net position at beginning of year, as restated	42,050,493
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Net position at end of year	<u>\$ 50,342,180</u>
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The accompanying notes are an integral part of these financial statements.

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION

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

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		<u>1,435,837</u>
Total	\$	<u>1,435,837</u>

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

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

	Current	Noncurrent	Total
2.1 Composition of investments:			
Money market funds	\$ 18,000,000	\$ -	\$ 18,000,000
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)	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-
Other investments	-	-	-
Total other investments	-	-	-
Total investments	18,000,000	-	18,000,000
Less endowment investments (enter as negative number)	-	-	-
Total investments, net of endowments	<u>\$ 18,000,000</u>	<u>\$ -</u>	<u>\$ 18,000,000</u>

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

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

	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)
2.2 Fair value hierarchy in investments:					
Money market funds	\$ 18,000,000	\$ -	\$ 18,000,000	\$ -	\$ -
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)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments	-	-	-	-	-
Total other investments	-	-	-	-	-
Total investments	<u>\$ 18,000,000</u>	<u>\$ -</u>	<u>\$ 18,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

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

	Balance, June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance, June 30, 2025 (Restated)	Additions	Retirements	Transfer of Completed CWIP/PWIP	Balance, June 30, 2026
3.1 Capital assets, excluding ROU assets:									
Composition of capital assets, excluding ROU assets:									
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	\$ 39,135,426	\$ -	\$ -	\$ -	\$ 39,135,426	\$ 542,225	\$ -	\$ -	\$ 39,677,651
Works of art and historical treasures	-	-	-	-	-	-	-	-	-
Construction work in progress (CWIP)	9,905,817	-	-	-	9,905,817	13,338,289	-	(14,665,129)	8,578,977
Intangible assets:									
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Intangible assets in progress (PWIP)	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	49,041,243	-	-	-	49,041,243	13,880,514	-	(14,665,129)	48,256,628
Depreciable/Amortizable capital assets:									
Buildings and building improvements	156,346,786	-	-	-	156,346,786	-	(3,081,455)	10,721,557	163,986,888
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	10,303,203	-	-	-	10,303,203	-	-	2,174,540	12,477,743
Personal property:									
Equipment	23,887,183	-	-	-	23,887,183	42,315	(626,791)	1,769,032	25,071,739
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	2,070,025	-	-	-	2,070,025	-	-	-	2,070,025
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	2,070,025	-	-	-	2,070,025	-	-	-	2,070,025
Total depreciable/amortizable capital assets	192,607,197	-	-	-	192,607,197	42,315	(3,708,246)	14,665,129	203,606,395
Total capital assets	241,648,440	-	-	-	241,648,440	13,922,829	(3,708,246)	-	251,863,023
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number):									
Buildings and building improvements	(46,177,013)	-	-	-	(46,177,013)	(6,277,336)	1,699,798	-	(50,754,551)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Leasehold improvements	(7,972,577)	-	-	-	(7,972,577)	(504,453)	-	-	(8,477,030)
Personal property:									
Equipment	(15,901,040)	-	-	-	(15,901,040)	(1,971,816)	411,645	-	(17,461,211)
Library books and materials	-	-	-	-	-	-	-	-	-
Intangible assets:									
Software and websites	(2,009,406)	-	-	-	(2,009,406)	(27,303)	-	-	(2,036,709)
Rights and easements	-	-	-	-	-	-	-	-	-
Patents, copyrights and trademarks	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-	-	-	-
Total other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	(2,009,406)	-	-	-	(2,009,406)	(27,303)	-	-	(2,036,709)
Total accumulated depreciation/amortization	(72,060,036)	-	-	-	(72,060,036)	(8,780,908)	2,111,443	-	(78,729,501)
Total capital assets, net excluding ROU assets	\$ 169,588,404	\$ -	\$ -	\$ -	\$ 169,588,404	\$ 5,141,921	\$ (1,596,803)	\$ -	\$ 173,133,522

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

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

	Balance, June 30, 2025	Prior Period Reclassifications	Prior Period Additions	Prior Period Retirements	Balance, June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance, June 30, 2026
Capital assets, ROU									
Composition of capital assets - Lease ROU, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-depreciable/Non-amortizable lease assets									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets									
Land and land improvements	2,425,905	-	-	-	2,425,905	-	-	-	2,425,905
Buildings and building improvements	5,661,592	-	-	-	5,661,592	-	-	-	5,661,592
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property	-	-	-	-	-	-	-	-	-
Equipment	157,629	-	-	-	157,629	-	-	-	157,629
Total depreciable/amortizable lease assets	8,245,126	-	-	-	8,245,126	-	-	-	8,245,126
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Land and land improvements	(28,032)	-	-	-	(28,032)	-	-	(12,979)	(41,011)
Buildings and building improvements	(1,175,156)	-	-	-	(1,175,156)	-	-	(418,708)	(1,593,864)
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property	-	-	-	-	-	-	-	-	-
Equipment	(113,196)	-	-	-	(113,196)	-	-	(33,278)	(146,474)
Total accumulated depreciation/amortization	(1,316,384)	-	-	-	(1,316,384)	-	-	(464,965)	(1,781,349)
Total capital assets - lease ROU, net	\$ 6,928,742	\$ -	\$ -	\$ -	\$ 6,928,742	\$ -	\$ -	\$ (464,965)	\$ 6,463,777

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

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

	Balance, June 30, 2025	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance, June 30, 2025 (Restated)	Additions	Remeasurements	Reductions	Balance, June 30, 2026
Composition of capital assets - P3 ROU, net									
Non-depreciable/Non-amortizable P3 assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total capital assets, net including ROU assets	\$ -								\$ 179,597,299

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

Year ended June 30, 2026

(for inclusion in the California State University Financial Statements)

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 8,780,908
Amortization expense - Leases ROU	-
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
Total depreciation and amortization	<u><u>\$ 8,780,908</u></u>

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

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

	Balance, June 30, 2025	Prior Period Adjustments/ Reclassifications	Balance, June 30, 2025 (Restated)	Additions	Reductions	Balance, June 30, 2026	Current Portion	Noncurrent Portion
4. Long-term liabilities:								
1. Accrued compensated absences	\$ 1,156,397	\$ -	\$ 1,156,397	\$ 267,905	\$ -	\$ 1,424,302	\$ 1,424,302	\$ -
2. Claims liability for losses and loss adjustment expenses	-	-	-	-	-	-	-	-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-	-	-	-	-	-	-	-
Unamortized net premium/(discount)	-	-	-	-	-	-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-	-	-	-	-	-	-	-
4.2 Commercial paper	-	-	-	20,135,000	-	20,135,000	20,135,000	-
4.3 Notes payable (SRB related)	110,515,000	-	110,515,000	298,380,000	(4,105,000)	404,790,000	4,270,000	400,520,000
4.4 Finance purchase of capital assets	1,432,367	-	1,432,367	42,315	(287,892)	1,186,790	303,254	883,536
4.5 Others:	-	-	-	-	-	-	-	-
Payroll Protection Program Loan	-	-	-	-	-	-	-	-
SDSURF Note Payable	4,642,395	-	4,642,395	-	(837,199)	3,805,196	837,199	2,967,997
Total others	4,642,395	-	4,642,395	-	(837,199)	3,805,196	837,199	2,967,997
Sub-total long-term debt	116,589,762	-	116,589,762	318,557,315	(5,230,091)	429,916,986	25,545,453	404,371,533
4.6 Unamortized net bond premium/(discount)	9,984,457	-	9,984,457	13,823,064	(758,540)	23,048,981	-	23,048,981
Total long-term debt obligations	<u>\$ 126,574,219</u>	<u>\$ -</u>	<u>\$ 126,574,219</u>	<u>\$ 332,380,379</u>	<u>\$ (5,988,631)</u>	<u>\$ 452,965,967</u>	<u>\$ 25,545,453</u>	<u>\$ 427,420,514</u>

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

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

	Balance, June 30, 2025	Prior Period Adjustments/ Reclassifications	Additions	Remeasurements	Reductions	Balance, June 30, 2026	Current Portion	Noncurrent Portion
5. Lease, SBITA, P3 liabilities:								
Lease liabilities	\$ 6,799,894	\$ -	\$ -	\$ -	\$ (473,119)	\$ 6,326,775	\$ 458,504	\$ 5,868,271
SBITA liabilities	-	-	-	-	-	-	-	-
P3 liabilities - SCA	-	-	-	-	-	-	-	-
P3 liabilities - non-SCA	-	-	-	-	-	-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	<u>\$ 6,799,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (473,119)</u>	<u>\$ 6,326,775</u>	<u>\$ 458,504</u>	<u>\$ 5,868,271</u>
Total long-term liabilities	<u>\$ 134,530,510</u>					<u>\$ 460,717,044</u>	<u>\$ 27,428,259</u>	<u>\$ 433,288,785</u>

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

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

	Lease Liabilities			SBITA Liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 Liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
5. Future minimum payments schedule - leases, SBITA, P3:												
Year ending June 30:												
2027	\$ 458,504	\$ 293,304	\$ 751,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458,504	\$ 293,304	\$ 751,808
2028	466,769	273,727	740,496	-	-	-	-	-	-	466,769	273,727	740,496
2029	487,037	253,459	740,496	-	-	-	-	-	-	487,037	253,459	740,496
2030	508,188	232,308	740,496	-	-	-	-	-	-	508,188	232,308	740,496
2031	530,261	210,235	740,496	-	-	-	-	-	-	530,261	210,235	740,496
2032 - 2036	1,767,778	734,702	2,502,480	-	-	-	-	-	-	1,767,778	734,702	2,502,480
2037 - 2041	106,573	595,907	702,480	-	-	-	-	-	-	106,573	595,907	702,480
2042 - 2046	142,257	560,223	702,480	-	-	-	-	-	-	142,257	560,223	702,480
2047 - 2051	189,889	512,591	702,480	-	-	-	-	-	-	189,889	512,591	702,480
2052 - 2056	253,469	449,011	702,480	-	-	-	-	-	-	253,469	449,011	702,480
Thereafter	1,416,050	714,805	2,130,855	-	-	-	-	-	-	1,416,050	714,805	2,130,855
Total minimum lease payments	<u>\$ 6,326,775</u>	<u>\$ 4,830,272</u>	<u>\$ 11,157,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,326,775</u>	<u>\$ 4,830,272</u>	<u>11,157,047</u>
Less: amounts representing interest												<u>(4,830,272)</u>
Present value of future minimum lease payments												<u>6,326,775</u>
Total Leases, SBITA, P3 liabilities												<u>6,326,775</u>
Less: current portion												<u>(458,504)</u>
Leases, SBITA, P3 liabilities, net of current portion												<u>\$ 5,868,271</u>

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

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

	Auxiliary Revenue Bonds (Non-SRB related)			All Other Long-term Debt Obligations			Total Long-term Obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
6. Future minimum payments schedule - Long-term debt obligations:									
Year ending June 30:									
2027	\$ -	\$ -	\$ -	\$ 25,545,453	\$ 12,342,052	\$ 37,887,505	\$ 25,545,453	\$ 12,342,052	\$ 37,887,505
2028	-	-	-	8,353,390	18,809,955	27,163,345	8,353,390	18,809,955	27,163,345
2029	-	-	-	10,416,880	20,190,753	30,607,633	10,416,880	20,190,753	30,607,633
2030	-	-	-	10,689,775	19,690,160	30,379,935	10,689,775	19,690,160	30,379,935
2031	-	-	-	10,123,150	19,197,362	29,320,512	10,123,150	19,197,362	29,320,512
2032 - 2036	-	-	-	47,503,338	88,944,141	136,447,479	47,503,338	88,944,141	136,447,479
2037 - 2041	-	-	-	57,120,000	75,755,674	132,875,674	57,120,000	75,755,674	132,875,674
2042 - 2046	-	-	-	64,390,000	60,705,105	125,095,105	64,390,000	60,705,105	125,095,105
2047 - 2051	-	-	-	80,485,000	42,247,298	122,732,298	80,485,000	42,247,298	122,732,298
2052 - 2056	-	-	-	96,445,000	19,338,262	115,783,262	96,445,000	19,338,262	115,783,262
Thereafter	-	-	-	18,845,000	1,078,242	19,923,242	18,845,000	1,078,242	19,923,242
Total minimum lease payments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429,916,986</u>	<u>\$ 378,299,004</u>	<u>\$ 808,215,990</u>	<u>\$ 429,916,986</u>	<u>\$ 378,299,004</u>	<u>808,215,990</u>
Less: amounts representing interest									<u>(378,299,004)</u>
Present value of future minimum lease payments									<u>429,916,986</u>
Unamortized net premium/(discount)									23,048,981
Total long-term debt obligations									452,965,967
Less: current portion									<u>(25,545,453)</u>
Long-term debt obligations, net of current portion									<u>\$ 427,420,514</u>

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

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

7. Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	\$	-
Payments to University for other than salaries of University personnel		17,838,400
Payments received from University for services, space, and programs		51,049,825
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)		(8,380,434)
Other amounts (payable to) University (enter as negative number)		(396,527)
Accounts receivable from University (enter as positive number)		2,814,641
Other amounts receivable from University (enter as positive number)		197,242,351

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

Aztec Shops, Ltd.

OTHER SUPPLEMENTARY INFORMATION - CONTINUED

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

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and Fellowships	Supplies and Other Services	Depreciation and Amortization	Total Operating Expenses
9. Natural classifications of operating expenses:								
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Research	-	-	-	-	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Academic support	-	-	-	-	-	-	-	-
Student services	-	-	-	-	-	-	-	-
Institutional support	-	-	-	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-	-	-	-
Student grants and scholarships	-	-	-	-	-	-	-	-
Auxiliary enterprise expenses	21,600,814	5,658,275	(192,132)	566,677	-	89,124,638	-	116,758,272
Depreciation and amortization	-	-	-	-	-	-	8,780,908	8,780,908
Total operating expenses	<u>\$ 21,600,814</u>	<u>\$ 5,658,275</u>	<u>\$ (192,132)</u>	<u>\$ 566,677</u>	<u>\$ -</u>	<u>\$ 89,124,638</u>	<u>\$ 8,780,908</u>	<u>\$ 125,539,180</u>

Type of benefit plan:

Defined Benefit Plan

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