

**THE BULLDOG FOUNDATION
(A COMPONENT UNIT OF
CALIFORNIA STATE UNIVERSITY, FRESNO)**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

THE BULLDOG FOUNDATION
(a Component Unit of California State University, Fresno)

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Bulldog Foundation
Fresno, California

We have audited the accompanying financial statements of The Bulldog Foundation (a component unit of California State University, Fresno), which comprise the statements of net position as of June 30, 2021 and 2020 and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of The Bulldog Foundation, as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise The Bulldog Foundation's financial statements. The supplementary information on pages 30 to 33 is presented as required by the Chancellor of the California State University. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 14, 2021, on our consideration of The Bulldog Foundation's internal control over financial reporting and on our test of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matter. 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 Bulldog Foundation'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 Bulldog Foundation's internal control over financial reporting and compliance.

Moore Krieger & Company LLP

September 14, 2021
Fresno, California

THE BULLDOG FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED JUNE 30, 2021 AND 2020

This section of The Bulldog Foundation's ("BDF") annual financial report presents management's discussion and analysis of the financial position and performance of the BDF during the years ended June 30, 2021 and 2020. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes, which follow this section.

Reporting Entity

The BDF is a non-profit corporation and a component of California State University, Fresno. The BDF's corporate purposes include, among other things, raising funds to provide scholarships for student-athletes, upgrade and construct new athletic facilities, and to support the various sports programs for the California State University, Fresno Athletic Corporation ("Athletic Corporation").

Overview of the Financial Statements

The financial statements of the BDF for the fiscal years ended June 30, 2021 and 2020 have been prepared in accordance with Government Accounting Standards Board (GASB). The BDF is a component unit of California State University, Fresno. The BDF is not legally required to have an adopted budget, and therefore is not required to present budgetary comparison information.

The *Statements of Net Position* include all assets and liabilities of the BDF, with the difference between these reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of the financial position of the BDF.

The *Statements of Revenues, Expenses and Changes in Net Position* present information showing how net position changed during the most recent two fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are classified as either operating or nonoperating. This distinction results in operating deficits, as the GASB reporting model requires classification of contributions as nonoperating revenue.

The *Statements of Cash Flows* present the inflows and outflows of cash during the most recent two fiscal years and is summarized by operating, investing, and noncapital financing activities. This statement is prepared using the direct method of cash flows and therefore presents gross rather than net amounts for the years' activities. When used with related disclosures and information in the other financial statements, the information provided in these statements should help financial report users assess the BDF's ability to generate future net cash flows, its ability to meet obligations as they come due, and its need for occasional external financing.

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the BDF's financial statements. The notes are included immediately following the financial statements within this report.

THE BULLDOG FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED JUNE 30, 2021 AND 2020

Financial Overview

The following discussion highlights management's understanding of the key financial aspects of the BDF's financial activities as of and for the years ended June 30, 2021 and 2020. Included is a discussion of restrictions of the BDF's net position.

Financial Highlights – Years Ended June 30, 2021 and 2020

Beginning in March 2020 the arrival of COVID-19 had (and continues to have) a major impact on the operations and fund raising activities of the BDF and Fresno State Athletics. The pandemic's effect on the year ending June 30, 2020 impacted the last four months of that fiscal year and occurred after the annual fund drive had been completed. For the year ending June 30, 2021 all fund raising for scholarships, capital facility needs, and sport club activities were greatly impacted. Scholarship contributions are heavily linked to sporting events (football and men's basketball) which were either cancelled or held without fans for the year ended June 30, 2021.

The BDF's scholarship liability to the Athletic Department was reduced in FY20-21 from \$2.15 million to \$1.15 million which increased our net position and preserved the value of the endowment fund.

While donors continued to contribute to scholarships with no in-person events in 2021, there was still a significant decrease in giving from 2020. During the 2019 calendar year we had 3,143 scholarship donors contribute approximately \$4.45 million. During the 2020 calendar year there were 1,828 donors contributing approximately \$2.97 million (decrease of \$1.48 million). These numbers are reflected in the financial statement but are recognized by fiscal year rather than calendar year. Donors totaling \$250,000 chose not to renew their support in 2020-21 or deferred their support to 2021-22.

For 2021, the BDF had a net position increase of \$3,005,615. This reflects an increase in non-expendable endowments of \$84,770, an increase of \$905,205 in restricted expendable funds, and an increase in unrestricted funds of \$2,060,640.

For 2020, the BDF had a net position decrease of \$1,056,079. This reflects an increase in non-expendable endowments of \$179,528, and a decrease of \$801,563 in restricted expendable funds, and a decrease in unrestricted funds of \$434,044.

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See next page for continuation of management's discussion and analysis.

THE BULLDOG FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEARS ENDED JUNE 30, 2021 AND 2020

CONDENSED SUMMARY OF NET POSITION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets			
Current assets	\$ 6,346,449	\$ 5,399,257	\$ 6,444,092
Noncurrent assets	<u>6,729,128</u>	<u>6,623,783</u>	<u>7,187,339</u>
Total assets	<u>13,075,577</u>	<u>12,023,040</u>	<u>13,631,431</u>
Liabilities			
Current liabilities	<u>1,839,610</u>	<u>3,837,688</u>	<u>4,390,000</u>
Net position			
Restricted - nonexpendable	1,357,502	1,272,732	1,093,204
Restricted - expendable	5,645,355	4,740,150	5,541,713
Unrestricted	<u>4,233,110</u>	<u>2,172,470</u>	<u>2,606,514</u>
Total net position	<u>\$ 11,235,967</u>	<u>\$ 8,185,352</u>	<u>\$ 9,241,431</u>

Assets

Current assets, consisting of cash and cash equivalents, accounts receivable, pledges receivable, prepaid expenses and other assets, increased \$947,192 from FY 2020 to FY 2021. The increase is primarily due to an increase in cash and cash equivalents of approximately \$1,293,000, an increase in pledge receivables of \$40,500 (this includes a decrease of approximately \$99,000 in promises to give and an increase of approximately \$139,500 in annual scholarship receivables), a decrease in accounts receivable of approximately \$398,700 consisting mainly of an overpayment of \$381,400 to the athletic corporation that was applied to 2020-21 scholarships, and an increase in inventory and prepaid expenses of \$12,100.

Noncurrent assets, consisting of restricted cash and cash equivalents, long-term pledges receivable and endowment investments, increased \$105,344 from FY 2020 to FY 2021. The increase is primarily due to a net increase in endowment investments of \$368,500, a decrease in related cash accounts of approximately \$70,900, and a decrease in long-term pledges receivable of approximately \$192,200. The increase of endowment investments is primarily a result of net earnings and unrealized gains of approximately \$1,867,000, offset by total distributions of \$1,569,700.

Liabilities

Current liabilities, consisting of accounts payable, accrued compensated absences, and amount due to Athletic Corporation for Bulldog Stadium Skybox, decreased \$1,998,078 FY 2020 to FY 2021. The decrease is due to a decrease in accounts payable to the Athletic Corporation of \$2,262,000; offset by an increase in other accounts payable of \$135,000 and an increase in the amount due to the Athletic Corporation of \$127,000.

Net Position

Total net position increased by \$3,050,615 from FY 2020 to FY 2021 due to an operating loss of approximately \$3,035,000 offset by contributions and endowment and investment net earnings of \$6,041,000 and additional memorial contributions of \$43,000.

THE BULLDOG FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEARS ENDED JUNE 30, 2021 AND 2020

Restricted Resources

Net position of the BDF includes funds that are restricted by donor or law. The following tables summarize which funds are restricted, the type of restriction and the amount as of June 30, 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Nonexpendable			
Bulldog Women's Foundation Fifth-Year Scholarship Fund	\$ 149,300	\$ 145,559	\$ 138,056
Dr. Thomas Thaxter Memorial Scholarship Fund	51,655	46,840	48,425
Pete Beiden Scholarship Fund	39,733	38,737	36,740
Pete and Martha Beiden Memorial Endowment Fund	107,973	105,267	99,841
Norman Weston Fund	26,148	25,493	24,179
Dr. William Kennedy and Friends	61,347	55,628	56,760
Sirman Men's Golf	0	0	12,073
Darrel Copeland Scholars	43,981	42,879	40,550
Ogle Family Scholarship	18,445	18,445	0
Bob Bennett Scholarship	30,530	5,260	0
Hoover Family Trust	407,634	397,420	364,190
Ben Madriano Memorial - Football Scholarship	107,872	105,170	99,748
Virginia Dix Memorial	74,736	72,864	69,108
Atomic Torosian Memorial	29,253	28,520	27,050
Margie Wright Scholarship Fund	32,437	26,800	19,595
Ted Dick Memorial	0	0	13,250
Dean Eller Family Memorial	0	0	10,040
Kyle Wilson Scholarship Fund	60,958	53,635	33,599
Eddie Hughes Scholarship	15,013	10,093	0
Restricted (Other)	100,487	94,122	0
Total restricted nonexpendable net position	<u>\$ 1,357,502</u>	<u>\$ 1,272,732</u>	<u>\$ 1,093,204</u>

Nonexpendable net position increased \$84,770 from FY 2020 to FY 2021 due to the receipt of gifts to endowments totaling approximately \$43,200 and overall investment returns of approximately \$41,600.

THE BULLDOG FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEARS ENDED JUNE 30, 2021 AND 2020

Restricted Resources (continued)

	2021	2020	2019
Expendable			
Pete and Martha Beiden Memorial Endowment Fund	\$ 0	\$ 0	\$ 72,736
Athletic Director's Fund	141,052	140,889	199,827
Fund for Excellence - Football	245,824	298,372	406,497
Fund for Excellence - Men's Basketball	192,313	156,025	88,920
Fund for Excellence - Men's Golf	132,184	77,624	54,376
Fund for Excellence - Various sports	451,146	459,203	431,401
Basketball Promotions	5,353	5,353	2,353
Sweeney	0	0	10,000
National Girls & Women's Sports Week	717	717	2,688
Athletic Trainer	30,574	16,574	30,574
Nutrition Program	117,302	102,290	181,083
Meyers Sports Medicine Center	144,419	160,415	0
Sweeney Learning Center	750	750	750
Weight Room Enhancement	90,784	3,974	3,973
North Gym Renovations	0	0	(276,512)
Save Mart Center Locker Room Renovation	27,299	27,299	27,299
Baseball Stadium (Bennett)	24,059	23,941	23,530
Football Stadium Renovation	2,700	2,700	2,700
Football Boise Bus Trip	2,142	2,142	4,000
Ricchiuti Academic Center	3,086	3,086	3,086
Student Athlete Services	25,504	25,504	25,504
Tennis Facility	(2,381)	(2,053)	(8,518)
Track Facility	(264)	18,492	41,973
Equestrian Locker Room Project	0	0	2,500
Bulldog Brave Bulldog Strong	250	250	250
Annual Fund Drive (calendar year 2019)	0	0	3,822,768
Annual Fund Drive (calendar year 2020)	119,731	2,850,939	0
Annual Fund Drive (calendar year 2021)	3,630,866	0	0
Annual Scholarship Fund - Future Years	259,945	365,664	387,955
Total restricted expendable net position	<u>\$ 5,645,355</u>	<u>\$ 4,740,150</u>	<u>\$ 5,541,713</u>

The Annual Fund Drive (scholarships) is on a calendar year basis. The above amounts for the Annual Fund Drives reflect contributions for the applicable fund drive year as of June 30 and do not include amounts received subsequent to that date.

Restricted Resources

Expendable net position increased by \$905,205 from FY 2020 to FY 2021 due to increases and decreases in various fund contributions and expenses. A significant decrease was in the Football Fund for Excellence of \$52,548. Significant increases include the Annual Fund Drive (\$777,306), Men's Basketball Fund for Excellence (\$36,188), Men's Golf Fund for Excellence (\$54,560), and Weight Room Enhancement (\$86,810).

THE BULLDOG FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEARS ENDED JUNE 30, 2021, 2020 AND 2019

CONDENSED SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues:			
Other operating revenues	\$ 254,830	\$ 221,950	\$ 225,489
Operating expenses:			
Auxiliary enterprise expenses	3,289,676	5,618,631	8,721,199
Operating loss	(3,034,846)	(5,396,681)	(8,495,710)
Nonoperating revenues (expenses):			
Gifts, noncapital	4,173,679	4,179,777	5,921,206
Investment income	1,309	13,709	18,170
Endowment income	1,867,257	94,153	500,078
Net nonoperating revenues	6,042,245	4,287,639	6,439,454
Income/(Loss) before other additions	3,007,399	(1,109,042)	(2,056,256)
Additions to permanent endowments	43,216	52,963	123,150
Increase/(Decrease) in net position	3,050,615	(1,056,079)	(1,933,106)
Net position at beginning of year	8,185,352	9,241,431	11,174,537
Net position at end of year	<u>\$ 11,235,967</u>	<u>\$ 8,185,352</u>	<u>\$ 9,241,431</u>
Total revenues	\$ 6,340,292	\$ 4,562,552	\$ 6,788,093
Total expenses	3,289,676	5,618,631	8,721,199
Change in net position	<u>\$ 3,050,615</u>	<u>\$ (1,056,079)</u>	<u>\$ (1,933,106)</u>

Operating Revenues

Other operating revenues consist of sports club income and other revenue and increased \$32,880 from FY2020 to FY2021.

THE BULLDOG FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED JUNE 30, 2021 AND 2020

Operating Expenses

Operating expenses decreased approximately \$2,329,200 from FY 2020 to FY 2021. BDF's contribution to the Athletic Corporation for scholarships was limited to \$1,700,000 in FY 2021 a reduction of \$1,300,000 from FY 2020. Other significant decreases include Fund for Excellence disbursements of \$291,440 and Training Table of \$180,100, administrative salaries and benefits declined by \$153,500 (due to reduction in staff size and delayed hiring) along with overall administrative expenses decreasing by \$48,500, and with other program disbursements declining by \$259,800.

Nonoperating Revenues (Expenses)

Nonoperating revenues consist of contributions, investment net earnings and endowment income. Nonoperating revenues increased approximately \$1,754,000 from FY 2020 to FY 2021 primarily due to an increase in endowment income of \$1,773,100 due to a favorable market generating unrealized gains of \$1,764,000.

Additions to permanent endowments

Additions to permanent endowments decreased by \$8,800 from FY 2020 to FY 2021.

Factors Affecting Future Periods

The BDF assets are comprised of primarily invested assets, as well as funds on deposit for short-term expenditure. Invested assets are subject to future volatility of the equity and fixed income markets.

The fundraising activity (new contributions) is largely tied to the general health of the economy and could be altered if we experience a significant downturn in economic activity. The ongoing impact of COVID-19 could continue to impact fundraising activities of the Foundation.

Request for Information

The financial report is designed to provide a general overview of the BDF's finances. For questions concerning any information in this report or for additional financial information, contact Terry Johnson, Executive Director, 1620 E. Bulldog Lane, Fresno, California 93740 or call (559) 278-6132.

THE BULLDOG FOUNDATION

STATEMENTS OF NET POSITION

JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 3)	\$ 5,681,310	\$ 4,388,085
Accounts receivables, net	214	398,933
Pledges receivable, net (Note 4)	627,943	587,442
Prepaid expenses and other assets	<u>36,982</u>	<u>24,797</u>
TOTAL CURRENT ASSETS	<u>6,346,449</u>	<u>5,399,257</u>
NONCURRENT ASSETS		
Restricted cash and cash equivalents	8,092	79,077
Pledges receivable, net (Note 4)	267,302	459,531
Endowment investments (Note 3)	<u>6,453,734</u>	<u>6,085,175</u>
TOTAL NONCURRENT ASSETS	<u>6,729,128</u>	<u>6,623,783</u>
TOTAL ASSETS	<u>13,075,577</u>	<u>12,023,040</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	1,693,188	3,820,871
Due to Athletic Corporation - Bulldog Stadium Skybox	127,400	0
Accrued compensated absences (Note 6)	<u>19,022</u>	<u>16,817</u>
TOTAL CURRENT LIABILITIES	<u>1,839,610</u>	<u>3,837,688</u>
NET POSITION		
NET POSITION		
Restricted for:		
Nonexpendable - endowments	1,357,502	1,272,732
Expendable:		
Other	5,645,355	4,740,150
Unrestricted	<u>4,233,110</u>	<u>2,172,470</u>
TOTAL NET POSITION	<u>\$ 11,235,967</u>	<u>\$ 8,185,352</u>

See Accompanying Notes to Financial Statements

THE BULLDOG FOUNDATION

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
REVENUES		
OPERATING REVENUES		
Other operating revenues (Note 8)	\$ 254,830	\$ 221,950
EXPENSES		
OPERATING EXPENSES (Note 9)		
Auxiliary enterprise expenses	3,289,676	5,618,631
OPERATING LOSS	(3,034,846)	(5,396,681)
NONOPERATING REVENUES (EXPENSES)		
Gifts, noncapital (Note 10)	4,173,679	4,179,777
Investment income, net	1,309	13,709
Endowment income, net (Note 5)	1,867,257	94,153
NET NONOPERATING REVENUES (EXPENSES)	6,042,245	4,287,639
INCOME/(LOSS) BEFORE OTHER ADDITIONS	3,007,399	(1,109,042)
ADDITIONS TO PERMANENT ENDOWMENTS	43,216	52,963
INCREASE/(DECREASE) IN NET POSITION	3,050,615	(1,056,079)
NET POSITION		
Net position at beginning of year	8,185,352	9,241,431
Net position at end of year	<u>\$ 11,235,967</u>	<u>\$ 8,185,352</u>

See Accompanying Notes to Financial Statements

THE BULLDOG FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 254,830	\$ 221,950
Cash paid to CSU Fresno Athletic Corporation and other vendors	(4,348,179)	(5,453,007)
Payments to employees	<u>(530,484)</u>	<u>(696,478)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(4,623,834)</u>	<u>(5,927,535)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of endowment investments	(75,179)	0
Sale of endowment investments	1,502,419	275,960
Decrease in restricted cash and cash equivalents	70,985	47,844
Investment income, net	1,309	13,709
Endowment income, net	<u>72,157</u>	<u>94,153</u>
NET CASH PROVIDED FROM INVESTING ACTIVITIES	<u>1,571,691</u>	<u>431,666</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contributions received for other than capital purposes	4,302,152	4,500,217
Payments on line of credit	0	(357,384)
Contributions to nonexpendable endowments	<u>43,216</u>	<u>52,963</u>
NET CASH PROVIDED FROM NONCAPITAL FINANCING ACTIVITIES	<u>4,345,368</u>	<u>4,195,796</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,293,226	(1,300,072)
CASH AND CASH EQUIVALENTS, beginning of year	<u>4,388,085</u>	<u>5,688,157</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 5,681,310</u>	<u>\$ 4,388,085</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (3,034,846)	\$ (5,396,681)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Trade-out expenses	23,256	61,530
Changes in:		
Accounts receivable	398,719	(398,933)
Prepaid expenses and other assets	(12,185)	1,477
Accounts payable	(2,128,382)	40,626
Accrued compensated absences	2,205	(10,287)
Due to Athletic Corporation - Bulldog Stadium Skybox	<u>127,400</u>	<u>(225,267)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (4,623,833)</u>	<u>\$ (5,927,534)</u>
SUPPLEMENTAL SCHEDULE OF NONCASH TRANSACTIONS		
Trade-outs	<u>\$ 23,256</u>	<u>\$ 61,530</u>

See Accompanying Notes to Financial Statements

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1: ORGANIZATION

History and business activity – The Bulldog Foundation (“BDF”) was incorporated March 17, 1950, as a non-profit corporation. The BDF is organized to fundraise in order to provide scholarships for student-athletes, upgrade and construct new athletic facilities, and to support the various sports programs for the California State University, Fresno Athletic Corporation (“Athletic Corporation”). The BDF is supported primarily by contributions. The BDF is a component unit of California State University, Fresno.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents – For purposes of the statements of cash flows, the BDF considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Restricted cash – Restricted cash at June 30, 2021 and 2020, consists of an endowment account.

Pledges receivable - annual scholarship fund – These are expected to be collected within one year and are recorded based upon estimated future cash flows. At June 30, 2021 and 2020, management has established an allowance of \$9,800 and \$26,136 respectively, for uncollectable pledges based upon historical write-offs of pledges.

Pledges receivable – Promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. At June 30, 2021 and 2020, management has determined an allowance of \$28,161 and \$59,453, respectively, for promises to give, based upon anticipated collections. Conditional promises to give are not included as support until the conditions are substantially met.

Investments – Investments are reflected at fair value using market prices. Securities traded on the national exchange are valued at the last reported sales price.

Donations and contributions – Unrestricted contributions are recorded as revenue when received. Noncash donations are recorded at estimated fair market value on the date of donation. Contributions received with donor restrictions are recorded as revenue when all applicable eligibility requirements, generally timing and use restrictions, have been met. Unexpended contributions with donor purpose restrictions are classified as restricted net position.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Net Position

The BDF's net position is classified into the following net position categories:

Restricted – nonexpendable – Net position subject to externally imposed conditions that they be maintained permanently by the BDF. Net position in this category consists of endowments.

Restricted – expendable – Net position whose use by the BDF is subject to externally imposed stipulations that can be fulfilled by actions of the BDF pursuant to those stipulations or that expire by the passage of time.

Unrestricted – Unrestricted net position is one that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for any Athletic Corporation use.

Restricted resources are used in accordance with the BDF policies. When both restricted and unrestricted resources are available for use, the determination to use restricted or unrestricted resources is made on a case-by-case basis.

Classification of revenues and expenses – The BDF considers operating revenues and expenses in the statements of revenues, expenses and changes in net position to be those revenues and expenses that result from exchange transactions. Exchange transactions include charges for services rendered and the acquisition of goods and services. Other transactions are reported as non-operating revenues and expenses. These non-operating activities include the BDF's endowment investment and fundraising activities. Even though fundraising is the primary activity of the BDF, it is considered to be non-operating as it does not meet the definition of an exchange transaction.

Income taxes – The BDF is incorporated as a non-profit California corporation and is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Tax returns are filed in U.S. federal and state of California jurisdictions. Tax returns remain subject to examination by the U.S. federal jurisdiction for three years after the return is filed and for four years by the California jurisdiction. There are currently no tax years under examination.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Cash and cash equivalents	\$ 5,681,310	\$ 4,388,085
Endowment investments	<u>6,453,734</u>	<u>6,085,175</u>
	<u>\$ 12,135,044</u>	<u>\$ 10,473,260</u>

The amounts above consist of the following as of June 30, 2021 and 2020:

	2021	2020
Cash	\$ 4,722,038	\$ 3,422,027
Certificates of deposit	686,008	900,008
Money market funds	<u>273,264</u>	<u>66,050</u>
Cash and cash equivalents	<u>5,681,310</u>	<u>4,388,085</u>
Endowment investments		
Money market funds - endowment	76,348	13,856
Corporate bonds	448,000	1,463,202
Mutual funds	1,226,090	1,014,003
Equity securities	<u>4,703,296</u>	<u>3,594,114</u>
Endowment investments	<u>6,453,734</u>	<u>6,085,175</u>
	<u>\$ 12,135,044</u>	<u>\$ 10,473,260</u>

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investment Policy

The primary objective of BDF's investment policy is to protect the underlying assets so that earnings are available to support operations and scholarship commitments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its value to changes in market interest rates. In order to reduce interest rate risk exposure, the BDF's investment policy is to invest in various maturities, depending on market conditions and expectations. Typically, these investments are held in fixed income mutual funds.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the debt security investment. Credit ratings by nationally recognized institutions are used to assess the creditworthiness of specific investments. The table below summarizes the ratings of relevant fixed income investments of the BDF:

Bond mutual funds

BBB to AAA

Concentration of Credit Risk

Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the BDF to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments.

The BDF's investment policy contains no limitations as to how much can be invested with any one issuer. There is no investment equal to the concentrated risk factor of 5%.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the BDF's deposits may not be returned. In the ordinary course of the BDF's operations, deposit balances in money market mutual funds may exceed the Securities Investor Protection Corporation (SIPC) insured limit of \$500,000, and deposit balances in checking accounts may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits of \$250,000 for interest bearing and non-interest bearing accounts and are exposed to custodial credit risk.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Custodial Credit Risk (continued)

None of the cash and money market accounts are collateralized. At June 30, 2021, the BDF had various deposit accounts with one financial institution with balances that exceeded the FDIC limit by \$4,406,588 and are exposed to custodial credit risk. The BDF has not experienced any losses and the risk of loss is not significant.

Custodial credit risk for investments is the risk that in the event of the failure of the custodian, the investments may not be returned to the BDF. Substantially all of the BDF's investments are registered in the BDF's name by the custodian. As a result, custodial credit risk for such investments is remote.

The BDF may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net position.

NOTE 4: PLEDGES RECEIVABLE

Pledges receivable at June 30, 2021 consist of the following:

	Annual Scholarship Fund	Promises to Give	Total
Current portion			
Due in one year or less	\$ 495,348	\$ 170,556	\$ 665,904
Less: Allowance for doubtful pledges	<u>(9,800)</u>	<u>(28,161)</u>	<u>(37,961)</u>
	<u>485,548</u>	<u>142,395</u>	<u>627,943</u>
Non-current portion			
Due between one and five years	0	273,195	273,195
Less: Discount to reflect pledges receivable at present value	<u>0</u>	<u>(5,893)</u>	<u>(5,893)</u>
	<u>0</u>	<u>267,302</u>	<u>267,302</u>
	<u>\$ 485,548</u>	<u>\$ 409,697</u>	<u>\$ 895,245</u>

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 4: **PLEDGES RECEIVABLE** (Continued)

Pledges receivable at June 30, 2020 consist of the following:

	Annual Scholarship Fund	Promises to Give	Total
Current portion			
Due in one year or less	\$ 372,338	\$ 300,872	\$ 673,211
Less: Allowance for doubtful pledges	<u>(26,316)</u>	<u>(59,453)</u>	<u>(85,769)</u>
	<u>346,022</u>	<u>241,419</u>	<u>587,442</u>
Non-current portion			
Due between one and five years	0	531,880	531,880
Less: Discount to reflect pledges receivable at present value	<u>0</u>	<u>(72,349)</u>	<u>(72,349)</u>
	<u>0</u>	<u>459,532</u>	<u>459,531</u>
	<u>\$ 346,022</u>	<u>\$ 700,951</u>	<u>\$ 1,046,973</u>

The discount rate used to calculate the present value at June 30, 2021 and 2020 is 5.0% and 3.5%, respectfully.

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See next page for continuation of notes.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 5: ENDOWMENT

The endowment is invested in a well-diversified asset mix which includes equity and debt securities. It is the goal of the BDF that the total return from endowment investments should be adequate to meet the following objectives:

- Preserve investment capital and its purchasing power.
- Attain reasonable capital appreciation through prudent acceptance of risk to enhance the future purchasing power of the investment capital.

Endowment net position consists of the following at June 30, 2021 and 2020:

	2021			
	Unrestricted	Restricted Expendable	Restricted Nonexpendable	Total
Donor-restricted endowment funds	\$ 0	\$ 0	\$ 1,357,502	\$ 1,357,502
Board-designated endowment funds	<u>5,087,386</u>	<u>0</u>	<u>0</u>	<u>5,087,386</u>
	<u>\$ 5,087,386</u>	<u>\$ 0</u>	<u>\$ 1,357,502</u>	<u>\$ 6,444,888</u>
	2020			
	Unrestricted	Restricted Expendable	Restricted Nonexpendable	Total
Donor-restricted endowment funds	\$ 0	\$ 0	\$ 1,272,731	\$ 1,272,731
Board-designated endowment funds	<u>4,483,267</u>	<u>0</u>	<u>0</u>	<u>4,483,267</u>
	<u>\$ 4,483,267</u>	<u>\$ 0</u>	<u>\$ 1,272,731</u>	<u>\$ 5,755,998</u>

The BDF follows the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) adopted by the Board of Directors in July 2008. UPMIFA pertains only to the nonexpendable portion of the endowment. A charity can spend the amount the charity deems prudent after considering the donor’s intent that the endowment continue permanently, the purpose of the fund, and relevant economic factors. The BDF’s endowment fund policy provides the guideline for the distribution of the net appreciation of restricted endowments. The percentage of restricted funds to be withdrawn is determined on December 31st each year and is based on the rate of return for the year.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 5: ENDOWMENT (Continued)

The Memorandum of Understanding (MOU) between the BDF and the Athletic Corporation dated August 4, 2015 requires a minimum annual distribution of 2.5% of the unrestricted endowment funds (or a greater amount as approved by the board) as determined on December 31st. The distribution usually occurs in the fourth quarter of each fiscal year.

The following schedule shows changes in endowment net positions for the years ended June 30, 2021 and 2020:

	2021			
	Unrestricted	Restricted Expendable	Restricted Nonexpendable	Total
Endowment net position, July 1, 2020	\$ 4,483,267	\$ 0	\$ 1,272,731	\$ 5,755,998
Investment return				
Realized gain	229,623	0	0	229,623
Unrealized gain	1,565,180	0	0	1,565,180
Earnings, net of expenses	(54,048)	84,947	41,555	72,454
Net investment return	1,740,755	84,947	41,555	1,867,257
Contributions	0	0	43,216	43,216
Minimum 2.5% distribution	0	(110,312)	0	(110,312)
Funding for prior year scholarship commitment	(994,743)	0	0	(994,743)
Interfund recharacterization	(110,312)	110,312	0	0
Other distributions	(31,581)	0	0	(31,581)
Release of endowment earnings	0	(84,947)	0	(84,947)
Endowment net position, June 30, 2021	<u>\$ 5,087,386</u>	<u>\$ 0</u>	<u>\$ 1,357,502</u>	<u>\$ 6,444,888</u>

For the year ended June 30, 2021, there was an agreement between the University and the BDF that BDF's contribution to the Athletic Corporation for scholarship aid would be limited to \$1,700,000. The Annual Fund Drive is to provide the funding for the commitment. However, \$1,121,438 was withdrawn from the endowment to fund a portion of the prior year commitment. The contribution cap of \$1,700,000 does not include the endowment earnings distribution (\$84,947); nor does it include the minimum 2.5% distribution (\$110,312) required in the MOU between the Athletic Corporation and the BDF.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 5: ENDOWMENT (Continued)

	2020			
	Unrestricted	Restricted Expendable	Restricted Nonexpendable	Total
Endowment net position, July 1, 2019	<u>\$ 2,161,837</u>	<u>\$ 72,736</u>	<u>\$ 1,093,204</u>	<u>\$ 3,327,777</u>
Investment return				
Realized gain	169,200	0	0	169,200
Unrealized loss	(199,016)	0	0	(199,016)
Earnings, net of expenses	<u>(135,231)</u>	<u>194,400</u>	<u>64,800</u>	<u>123,969</u>
Net investment return	(165,047)	194,400	64,800	94,153
Contributions	0	0	54,073	54,073
Minimum 2.5% distribution	0	(131,337)	0	(131,337)
Endowment earnings distribution	0	(162,275)	0	(162,275)
Reversal of prior year additional distribution	3,036,480	0	0	3,036,480
Interfund recharacterization	(198,491)	131,337	67,154	0
Intrafund recharacterization	0	0	1,500	1,500
Release of endowment earnings	<u>(351,512)</u>	<u>(104,861)</u>	<u>(8,000)</u>	<u>(464,373)</u>
Endowment net position, June 30, 2020	<u>\$ 4,483,267</u>	<u>\$ 0</u>	<u>\$ 1,272,731</u>	<u>\$ 5,755,998</u>

For the year ended June 30, 2020, there was an agreement between the University and the BDF that BDF's contribution to the Athletic Corporation for scholarship aid would be limited to \$3,000,000. The Annual Fund Drive is to provide the funding for the commitment. Given this, there is no additional distribution from the BDF endowment and the prior year additional endowment distribution was reversed during the current year. The contribution cap of \$3,000,000 does not include the endowment earnings distribution (\$162,275); nor does it include the minimum 2.5% distribution (\$131,337) required in the MOU between the Athletic Corporation and the BDF.

As of June 30, 2021, and 2020, the BDF had cumulative unrealized gains (appreciation) of approximately \$2,510,000 and \$956,000, respectively.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 6: LONG-TERM LIABILITIES ACTIVITY

Long-term liabilities activity for the years ended June 30, 2021 and 2020 are as follows:

	2021				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Accrued compensated absences	<u>\$ 16,817</u>	<u>\$ 13,459</u>	<u>\$ (11,255)</u>	<u>\$ 19,022</u>	<u>\$ 19,022</u>
	2020				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Accrued compensated absences	<u>\$ 27,104</u>	<u>\$ 11,301</u>	<u>\$ (21,588)</u>	<u>\$ 16,817</u>	<u>\$ 16,817</u>

NOTE 7: LINE OF CREDIT

A \$1,000,000 revolving line of credit agreement was established with Citibank, N.A. in June 2017. The line of credit expired of March 5, 2021 and was not renewed. Borrowings under this agreement were secured by one Citibank, N.A. investment account. Interest was calculated at a rate of 1.0% over the index determined by the financial institution.

NOTE 8: OTHER OPERATING REVENUES

Other operating revenues for the years ended June 30, 2021 and 2020 are as follow:

	2021	2020
Sport clubs income	\$ 183,679	\$ 176,050
Other operating revenue	<u>71,151</u>	<u>45,900</u>
	<u>\$ 254,830</u>	<u>\$ 221,950</u>

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 9: OPERATING EXPENSES BY FUNCTION

Operating expenses by function for the years ended June 30, 2021 and 2020, are as follow:

	AUXILIARY ENTERPRISE EXPENSES	
	2021	2020
Expenses to support various sport programs for the Athletic Corporation		
Grants-in-aid	\$ 1,700,000	\$ 3,000,000
Training table	292	180,388
All sport pass transfer	0	10,800
Athletic Director discretionary fund	26,025	61,407
Athletic training	14,000	14,000
Fund for excellence disbursements	468,646	760,091
Endowment distribution	195,259	293,612
Expendable scholarship distributions	0	23,846
Facility improvements	0	78,933
Sport clubs disbursements, expenses	121,090	133,547
Total	<u>2,525,312</u>	<u>4,556,624</u>
Fund drive expenses		
Fund drive events	19,356	84,463
Member benefits	254	12,497
Advertising	11,068	17,878
Promotion	16,159	27,318
Total	<u>46,837</u>	<u>142,156</u>
Salaries and benefits	<u>532,689</u>	<u>686,191</u>
Administrative expenses		
Computer system and software	32,177	31,536
Professional services	44,002	51,738
Bank card fees	61,070	76,517
Equipment maintenance	1,985	1,979
Insurance	7,141	13,030
Interest expense	105	7,788
Postage	5,629	14,868
Printing	10,525	10,817
Office supplies	5,259	8,126
Total	<u>167,893</u>	<u>216,400</u>
Other expenses	<u>16,945</u>	<u>17,261</u>
	<u>\$ 3,289,676</u>	<u>\$ 5,618,631</u>

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 10: GIFTS, NONCAPITAL

Gifts, noncapital for the years ended June 30, 2021 and 2020 are as follow:

	2021	2020
Contributions	\$ 3,816,146	\$ 3,724,914
Contributions - Fund for Excellence	334,277	393,333
Non-cash donations	<u>23,256</u>	<u>61,530</u>
	<u>\$ 4,173,679</u>	<u>\$ 4,179,777</u>

NOTE 11: RETIREMENT PLAN

The BDF has a defined contribution employee benefit plan that covers eligible employees. The contribution amount is 5% of an employee's salary. Contributions for the years ended June 30, 2021 and 2020 totaled \$16,204 and \$23,122, respectively.

NOTE 12: FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of fair value hierarchy under GASB No. 72 are described below:

- Level 1 Inputs are quoted market prices (unadjusted) for identical assets or liabilities traded in active exchange markets.
- Level 2 Inputs are other than quoted prices included in Level 1 that are observable, either directly or indirectly.
- Level 3 Inputs are unobservable.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 12: FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Corporate bonds, money market fund, mutual funds and equity securities: Valued at the closing price reported in the active market in which the individual securities are traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the BDF believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below presents the level within the hierarchy at which assets are measured at June 30, 2021 and 2020:

2021				
	Total	Level 1	Level 2	Level 3
Investments:				
Corporate bonds	\$ 448,000	\$ 448,000	\$ 0	\$ 0
Money market funds	76,348	76,348	0	0
Mutual funds	1,226,090	1,226,090	0	0
Equity securities	4,703,296	4,703,296	0	0
	<u>\$ 6,453,734</u>	<u>\$ 6,453,734</u>	<u>\$ 0</u>	<u>\$ 0</u>
2020				
	Total	Level 1	Level 2	Level 3
Investments:				
Corporate bonds	\$ 1,463,202	\$ 1,463,202	\$ 0	\$ 0
Money market funds	13,856	13,856	0	0
Mutual funds	1,014,003	1,014,003	0	0
Equity securities	3,594,114	3,594,114	0	0
	<u>\$ 6,085,175</u>	<u>\$ 6,085,175</u>	<u>\$ 0</u>	<u>\$ 0</u>

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 13: RELATED PARTIES

The BDF provides financial support to the Athletic Corporation to help fund student-athlete scholarships and to enhance sport team operations. The BDF distributes a majority of its funds (net of fundraising expense and operating reserves) to the Athletic Corporation. As of June 30, 2021 and 2020, amounts due to the Athletic Corporation were \$1,550,079 and \$3,812,506 respectively. Additionally, as of June 30, 2020, the amount due from the Athletic Corporation was \$398,933. During the fiscal years ended June 30, 2021 and 2020, the BDF provided the following to the Athletic Corporation:

	2021	2020
Grants-in-aid	\$ 1,700,000	\$ 3,000,000
Training table	292	180,388
Athletic Director discretionary fund	26,025	61,407
Fund for excellence disbursements	468,646	760,091
Endowment distribution	195,259	293,612
Endowment scholarship distributions	0	23,846
Facility improvements	0	78,933
Sports clubs expenses	121,090	133,547
Athletic training	<u>14,000</u>	<u>14,000</u>
	<u>\$ 2,525,313</u>	<u>\$ 4,545,824</u>

NOTE 14: RISKS AND UNCERTAINTIES

The operations of the Bulldog Foundation could be impacted by the continuation of the COVID-19 pandemic if state and local public health requirements in any way impact the ability to allow fans to attend sporting events in-person. At this time, there are no capacity or attendance restrictions which would negatively impact fundraising activities for the BDF. However, this continues to be a fluid situation and the future financial impact cannot be estimated at this time.



Moore Grider & Company LLP
Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

Board of Directors
The Bulldog Foundation
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of The Bulldog Foundation, which comprise the statements of net position as of June 30, 2021, and the related statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 14, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Bulldog Foundation'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 Bulldog Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of The Bulldog Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Bulldog Foundation'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mone Kridler & Company LLP

September 14, 2021
Fresno, California

SUPPLEMENTARY INFORMATION

For inclusion in California State University, Fresno

THE BULLDOG FOUNDATION

SCHEDULE OF NET POSITION

JUNE 30, 2021

(for inclusion in the California State University)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 5,681,310
Accounts receivable, net	214
Pledges receivable, net	627,943
Prepaid expenses and other current assets	<u>36,982</u>

TOTAL CURRENT ASSETS 6,346,449

NONCURRENT ASSETS

Restricted cash and cash equivalents	8,092
Pledges receivable, net	267,302
Endowment investments	<u>6,453,734</u>

TOTAL NONCURRENT ASSETS 6,729,128

TOTAL ASSETS 13,075,577

DEFERRED OUTFLOWS OF RESOURCES 0

LIABILITIES

CURRENT LIABILITIES

Accounts payable	1,693,188
Accrued compensated absences, current portion	19,022
Unearned revenues	<u>127,400</u>

TOTAL CURRENT LIABILITIES 1,839,610

NONCURRENT LIABILITIES 0

TOTAL LIABILITIES 1,839,610

DEFERRED INFLOWS OF RESOURCES 0

NET POSITION

Net investment in capital assets	0
Restricted for:	
Nonexpendable - endowments	1,357,502
Expendable:	
Scholarships and fellowships	0
Other	5,645,355
Unrestricted	<u>4,233,110</u>

TOTAL NET POSITION \$ 11,235,967

THE BULLDOG FOUNDATION

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2021

(for inclusion in the California State University)

REVENUES

OPERATING REVENUES

Other operating revenues \$ 254,830

TOTAL OPERATING REVENUES 254,830

EXPENSES

OPERATING EXPENSES

Auxiliary enterprise expenses 3,289,676

TOTAL OPERATING EXPENSES 3,289,676

OPERATING INCOME (LOSS) (3,034,846)

NONOPERATING REVENUES (EXPENSES)

Gifts, noncapital 4,173,679

Investment income (loss), net 1,309

Endowment income (loss), net 1,867,257

**NET NONOPERATING REVENUES
(EXPENSES)** 6,042,245

**INCOME (LOSS) BEFORE OTHER REVENUES
(EXPENSES)** 3,007,399

Additions (reductions) to permanent endowments 43,216

INCREASE (DECREASE) IN NET POSITION 3,050,615

NET POSITION

Net position at beginning of year 8,185,352

Net position at end of year **\$ 11,235,967**

THE BULLDOG FOUNDATION
Other Information
June 30, 2021
(for inclusion in the California State University)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$ 8,092
All other restricted cash and cash equivalents	—
Noncurrent restricted cash and cash equivalents	<u>8,092</u>
Current cash and cash equivalents	<u>5,681,310</u>
Total	<u><u>\$ 5,689,402</u></u>

2.1 Composition of investments:

	Current	Noncurrent	Fair Value
Corporate bonds	\$ —	\$ 448,000	\$ 448,000
Money market funds	—	76,348	76,348
Mutual funds	—	1,226,090	1,226,090
Equity securities	—	4,703,296	4,703,296
Total investments	<u>—</u>	<u>6,453,734</u>	<u>6,453,734</u>
Less endowment investments	—	(6,453,734)	(6,453,734)
Total investments	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

2.2 Fair value hierarchy in investments:

	Fair Value Measurements Using			
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Total				
Corporate bonds	\$ 448,000	\$ 448,000	\$ —	\$ —
Money market funds	76,348	76,348	—	—
Mutual funds	1,226,090	1,226,090	—	—
Equity securities	4,703,296	4,703,296	—	—
Preferred securities	—	—	—	—
Total investments	<u><u>\$ 6,453,734</u></u>	<u><u>\$ 6,453,734</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

2.3 Investments held by the University under contractual agreements: Not applicable

3.1 Composition of capital assets: Not applicable

3.2 Detail of depreciation and amortization expense: Not applicable

4 Long-term liabilities:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Current Portion	Long-term Portion
1. Accrued compensated absences	\$ <u>16,817</u>	\$ <u>13,459</u>	\$ <u>(11,255)</u>	\$ <u>19,022</u>	\$ <u>19,022</u>	\$ <u>0</u>

5 Capital lease obligations schedule: Not applicable

6 Long-term debt obligations schedule: Not applicable

7 Transactions with Related Entities: Not applicable

8 Restatements: Not applicable

9 Natural Classifications of Operating Expenses:

	Salaries	Benefits - other	Supplies and other services	Total operating expenses
Auxiliary enterprise expenses	\$ <u>407,858</u>	\$ <u>124,831</u>	\$ <u>2,756,987</u>	\$ <u>3,289,676</u>
Institutional support	—	—	—	—
Total	<u><u>\$ 407,858</u></u>	<u><u>\$ 124,831</u></u>	<u><u>\$ 2,756,987</u></u>	<u><u>\$ 3,289,676</u></u>

10 Deferred outflows/inflows of resources: Not applicable

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	\$ 6,042,245
Other nonoperating (expenses)	—
Total other nonoperating revenues (expenses)	<u><u>\$ 6,042,245</u></u>