

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

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4 - 10
FINANCIAL STATEMENTS	
Statement of Net Position	11
Statement of Revenues, Expenses and Changes in Net Position	12
Statement of Cash Flows	13 -14
NOTES TO FINANCIAL STATEMENTS	15 - 25
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	26 - 27
SUPPLEMENTARY INFORMATION – Information Prepared in Accordance with Instructions from the California State University Office of the Chancellor	28
Schedule of Net Position	29
Schedule of Revenues, Expenses and Changes in Net Position	30
Other Information	31-34



Moore Grider & Company LLP
Certified Public Accountants

A Partnership Including
Accountancy Corporations

Denise S. Hurst, C.P.A.

Kenneth J. Labendeira, C.P.A., C.F.E.
Accountancy Corporation

Pamela J. Gallemore, C.P.A.
Accountancy Corporation

Karl L. Noyes, C.P.A.
Accountancy Corporation

Cory J. Bell, C.P.A.

Aaron C. Studt, C.P.A.

Kendall K. Wheeler, C.P.A.

Carrie M. Wiebe, C.P.A., C.F.E.
Accountancy Corporation

Lisa Brown, C.P.A., C.F.E.
Accountancy Corporation

Richard L. Holland, C.P.A.

Thomas L. Bell, C.P.A.
Accountancy Corporation

Tom Collins, C.P.A.
Accountancy Corporation

Ginger A. Lozano, C.P.A.

Robert G. Rose, C.P.A.

Abel M. Cabello, E.A.

Kelli D. Steele, C.P.A.

Stalin Hernandez, C.P.A.

Michiko Rosenthal, C.P.A.

Shaina M. Miracle, C.P.A.

Kirsten Years, C.P.A.

Franklin Daniel, C.P.A.

Steve Thapar, C.P.A.

Christina R. Thompson, C.P.A.

L. Jerome Moore, C.P.A.
1923-2016

Robert E. Grider, C.P.A.
Retired

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Bulldog Foundation
Fresno, California

Opinion

We have audited the accompanying financial statements of The Bulldog Foundation (a component unit of California State University, Fresno), which comprise the statement of net position as of June 30, 2022 and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Bulldog Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Bulldog Foundation's ability to continue as a going concern for twelve months

beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 Bulldog Foundation'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 Bulldog Foundation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures

to the required supplementary information in accordance with 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.

Supplementary 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 28 to 34 is presented as required by California State University Office of the Chancellor. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, 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, 2022, on our consideration of The Bulldog Foundation'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 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, 2022
Fresno, California

THE BULLDOG FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The following discussion and analysis provides an overview of the financial position and performance of The Bulldog Foundation's ("BDF") during the fiscal year ended June 30, 2022. The 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 year ended June 30, 2022 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 *Statement of Net Position* includes all assets and liabilities of the BDF, with the difference between these amounts 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 *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how net position changed during the year ended June 30, 2022. 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 *Statement of Cash Flows* presents the inflows and outflows of cash during the year ended June 30, 2022 and is summarized by operating, investing, noncapital financing activities, and capital and related financing activities. This statement is prepared using the direct method of cash flows and therefore presents gross rather than net amounts for the year's activities. When used with related disclosures and information in the other financial statements, the information provided in this statement 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)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 fiscal year ended June 30, 2022. Included is a discussion of restrictions of the BDF's net position.

Financial Highlights – Years Ended June 30, 2022 and 2021

The fiscal year ended June 30, 2022 was a recovery year in many ways for the Bulldog Foundation. The restrictions on game attendance for fans in 2020-21 greatly reduced the overall income of the Bulldog Foundation in contributions and event revenue. However, 2021-22 was a more typical year with pandemic restrictions eliminated.

While the Bulldog Foundation's scholarship contributions in the calendar year 2020 decreased to \$2.9 million this amount returned to a more healthy \$4.4 million during the 2021 calendar year. These are reflected in the financial statement but are categorized by fiscal year rather than calendar year. This allowed the BDF to provide \$3.2 million in scholarship support to the Athletics Department for the current year, \$1.5 million more than the previous year.

The Bulldog Foundation generated an additional \$500,000 in pledges for the endowment fund in 2021-22 through a new "Fifty For 50" campaign that coincided with a celebration of the 50th year of Title IX. This was an initiative to gain 50 new restricted endowments of \$25,000+ over the next five years. Eighteen new pledges were received during the first year of this campaign.

Operating revenues increased by \$500,000 during this fiscal year, mostly attributed to fund raising events, such as dinners and golf tournaments that were not held in the previous year due to the pandemic.

For 2022, the BDF had an overall decrease in net position of \$499,337. This reflects an increase in non-expendable endowments of \$573,053, a decrease of \$87,483 in restricted expendable funds, and a decrease in unrestricted funds of \$984,976.

For 2021, the BDF had a net position increase of \$3,050,615. 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.

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

THE BULLDOG FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CONDENSED STATEMENTS OF NET POSITION

	<u>2022</u>	<u>2021</u>
Assets		
Current assets	\$ 6,677,741	\$ 6,346,449
Noncurrent assets	<u>5,274,669</u>	<u>6,729,128</u>
Total assets	<u>11,952,410</u>	<u>13,075,577</u>
Liabilities		
Current liabilities	1,209,919	1,839,610
Noncurrent liabilities	<u>5,861</u>	<u>-</u>
Total liabilities	<u>1,215,780</u>	<u>1,839,610</u>
Net position		
Net investment in capital assets	69	
Restricted - nonexpendable	1,930,555	1,357,502
Restricted - expendable	5,557,872	5,645,355
Unrestricted	<u>3,248,134</u>	<u>4,233,110</u>
Total net position	<u>\$ 10,736,630</u>	<u>\$ 11,235,967</u>

Assets

Current assets, consisting of cash and cash equivalents, accounts receivable, pledges receivable, prepaid expenses and other assets, increased \$331,292 from FY 2021 to FY 2022. The increase is primarily due to an increase in cash and cash equivalents of approximately \$400,000.

Noncurrent assets, consisting of restricted cash and cash equivalents, long-term pledges receivable, endowment investments and capital assets, net, decreased \$1,454,459 from FY 2021 to FY 2022. The decrease is primarily due to a net decrease in endowment investments of \$1,847,148 and an increase in related cash accounts of \$334,797. The decrease of endowment investments is primarily a result of net loss on investments of approximately \$659,000, in addition to total distributions of \$1,500,000. These decreases were offset by contributions of \$485,000.

Liabilities

Current liabilities, consists of accounts payable, accrued compensated absences, the current portion of lease liabilities, and amount due to the Athletic Corporation for football suites. Current liabilities decreased \$629,691 from FY 2021 to FY 2022 primarily due to a decrease in accounts payable to the Athletic Corporation of \$560,000.

Noncurrent liabilities consist of the long-term portion of lease liability related to a 5-year postage meter lease.

Net Position

Total net position decreased by \$499,337 from FY 2021 to FY 2022 due to an operating loss of approximately \$5,350,000 and endowment net loss of \$658,965 offset by contributions of \$5,017,947 and additional endowment contributions of \$484,859.

THE BULLDOG FOUNDATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022, and 2021:

	<u>2022</u>	<u>2021</u>
Nonexpendable		
Bulldog Women's Foundation Fifth-Year Scholarship Fund	\$ 156,904	\$ 149,300
Dr. Thomas Thaxter Memorial Scholarship Fund	62,897	51,655
Pete Beiden Scholarship Fund	41,756	39,733
Pete and Martha Beiden Memorial Endowment Fund	113,471	107,973
Norman Weston Fund	27,479	26,148
Dr. William Kennedy and Friends	67,672	61,347
Darrel Copeland Scholars	48,322	43,981
Ogle Family Scholarship	18,445	18,445
Bob Bennett Scholarship	32,400	30,530
Hoover Family Trust	428,392	407,634
Ben Madriano Memorial - Football Scholarship	113,366	107,872
Virginia Dix Memorial	78,542	74,736
Atomic Torosian Memorial	30,743	29,253
Margie Wright Scholarship Fund	37,141	32,437
Kyle Wilson Scholarship Fund	66,062	60,958
Eddie Hughes Scholarship	16,533	15,013
Irwin Family Scholarship	52,546	-
Jeannette Martin Fund	28,453	-
Tom and Divita Miller Scholarship	26,273	-
Julie Kerkochian Scholarship	26,273	-
Sue Hagberg Hedman Fund	23,782	-
Jeanne Contel Fund	22,632	-
Ric and Annie Schultz	21,843	-
Bob and Eliane Fraley Women's Track Scholarship	21,843	-
Jeffrey Roberson Born to Shine Endowment	21,843	-
De La Cerda Born to Shine Endowment	21,212	-
Diamond Leaning Center Born to Shine Endowment	21,843	-
Hamel Born to Shine Endowment	21,212	-
1982 Softball Team	21,090	-
Blair, Church and Flynn Scholarship	46,054	-
Richard "Cardy" Farias Memorial Scholarship	25,000	-
1964 Nat.l Champ. Track and Field Scholarship	26,500	-
Robert E Duncan	50,000	-
Restricted (Other)	112,031	100,487
Total restricted nonexpendable net position	<u>\$ 1,930,555</u>	<u>\$ 1,357,502</u>

THE BULLDOG FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Restricted Resources (continued)

Nonexpendable net position increased \$573,053 from FY 2021 to FY 2022 due to the receipt of gifts to endowments totaling approximately \$485,000 and overall investment returns of approximately \$95,000.

	<u>2022</u>	<u>2021</u>
Expendable		
Athletic Director's Fund	\$ 87,519	\$ 141,052
Fund for Excellence - Football	187,093	245,824
Fund for Excellence - Men's Basketball	53,536	192,313
Fund for Excellence - Various sports	582,120	583,330
Basketball Promotions	5,353	5,353
National Girls & Women's Sports Week	925	717
Athletic Trainer	30,574	30,574
Nutrition Program	87,440	117,302
Meyers Sports Medicine Center	135,466	144,419
Sweeney Learning Center	750	750
Weight Room Enhancement	51,693	90,784
Save Mart Center Locker Room Renovation	27,299	27,299
Baseball Stadium (Bennett)	24,059	24,059
Football Stadium Renovation	2,725	2,700
Football Boise Bus Trip	2,142	2,142
Ricchiuti Academic Center	3,086	3,086
Student Athlete Services	25,504	25,504
Tennis Facility	-	(2,381)
Track Facility	(227)	(264)
Bulldog Brave Bulldog Strong	250	250
Annual Fund Drive (calendar year 2020)	-	119,731
Annual Fund Drive (calendar year 2021)	-	3,630,866
Annual Fund Drive (calendar year 2022)	4,061,525	69,478
Annual Scholarship Fund - Future Years	<u>189,040</u>	<u>190,467</u>
Total restricted expendable net position	<u>\$ 5,557,872</u>	<u>\$ 5,645,355</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.

Expendable net position decreased by \$87,483 from FY 2021 to FY 2022 due to increases and decreases in various fund contributions and expenses. Significant decreases include the Athletic Director's Fund (\$53,533), Football Fund for Excellence (\$58,731), and Men's Basketball Fund for Excellence (\$138,777). A significant increase was in the Annual Fund Drive of \$241,450.

THE BULLDOG FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Other operating revenues	\$ 767,368	\$ 254,830
Operating expenses:		
Auxiliary enterprise expenses	6,109,529	3,289,676
Depreciation	1,697	-
Total operating expenses	<u>6,111,226</u>	<u>3,289,676</u>
Operating loss	<u>(5,343,858)</u>	<u>(3,034,846)</u>
Nonoperating revenues (expenses):		
Gifts, noncapital	5,017,947	4,173,679
Investment income	771	1,309
Endowment income (loss)	(658,965)	1,867,257
Interest expense	<u>(91)</u>	<u>-</u>
Net nonoperating revenues	<u>4,359,662</u>	<u>6,042,245</u>
Income/(Loss) before other additions	(984,196)	3,007,399
Additions to permanent endowments	<u>484,859</u>	<u>43,216</u>
Increase/(Decrease) in net position	(499,337)	3,050,615
Net position at beginning of year	<u>11,235,967</u>	<u>8,185,352</u>
Net position at end of year	<u>\$ 10,736,630</u>	<u>\$ 11,235,967</u>
Total revenues	\$ 5,611,980	\$ 4,473,034
Total expenses	<u>6,111,317</u>	<u>3,289,676</u>
Change in net position	<u>\$ (499,337)</u>	<u>\$ 1,183,358</u>

Operating Revenues

Other operating revenues consist of sports club and funds for excellence income and other miscellaneous income and increased \$512,538 from FY 2021 to FY 2022. The increase is mostly attributed to fund raising events, such as dinners and golf tournaments that were not held in the previous year due to the pandemic.

THE BULLDOG FOUNDATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Operating Expenses

Operating expenses increased \$2,821,550 from FY 2021 to FY 2022. BDF's contribution to the Athletic Corporation for scholarships was \$3,258,904 in FY 2022 however in FY 2021 it was limited to \$1,700,000 to preserve the value of the endowment. Other significant increases include Fund for Excellence disbursements of \$781,716, endowment distributions of \$101,426 (due to increase in market return), and administrative salaries and benefits of \$127,667 (additional benefits provided to one employee, new position hired, and empty position from previous year filled).

Nonoperating Revenues (Expenses)

Nonoperating revenues consist of noncapital contributions, investment net earnings and endowment income (loss). Nonoperating revenues decreased approximately \$1,710,000 from FY 2021 to FY 2022 primarily due to a decrease in endowment income. Unfavorable market conditions contributed to an endowment net loss of \$658,965 a change of (\$2,526,222) as compared to prior year. This decrease was offset by an increase in contributions of \$844,268.

Additions to permanent endowments

Additions to permanent endowments increased by \$441,643 from FY 2021 to FY 2022. This increase was tied to a new "Fifty For 50" campaign that coincided with a celebration of the 50th year of Title IX. There was a BDF initiative to gain 50 new endowment donors who would make a \$25,000 pledge over five years. 18 new gifts were received during this fiscal year.

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 of the Bulldog Foundation is closely tied to the success of our athletics programs, the general health of our local economy, and in recent years to any existing pandemic restrictions in place. Looking forward, there are no current health restrictions and our programs have had success that have allowed the Foundation to increase dollars raised with the hope this will continue into the future.

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
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents (Note 4)	\$ 6,084,293
Pledges receivable, net (Note 5)	561,546
Prepaid expenses and other assets	<u>31,902</u>
TOTAL CURRENT ASSETS	<u>6,677,741</u>
NONCURRENT ASSETS	
Restricted cash and cash equivalents	342,889
Pledges receivable, net (Note 5)	317,504
Endowment investments (Note 4)	4,606,586
Capital assets, net (Note 3)	<u>7,690</u>
TOTAL NONCURRENT ASSETS	<u>5,274,669</u>
TOTAL ASSETS	<u>11,952,410</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	1,048,267
Due to Athletic Corporation - football suites	137,653
Accrued compensated absences (Note 7)	22,239
Lease liabilities, current portion (Note 8)	<u>1,760</u>
TOTAL CURRENT LIABILITIES	<u>1,209,919</u>
NONCURRENT LIABILITIES	
Lease liabilities, net of current portion (Note 8)	<u>5,861</u>
TOTAL NONCURRENT LIABILITIES	<u>5,861</u>
TOTAL LIABILITIES	<u>1,215,780</u>
NET POSITION	
NET POSITION	
Net investment in capital assets	69
Restricted for:	
Nonexpendable - endowments	1,930,555
Expendable:	
Other	5,557,872
Unrestricted	<u>3,248,134</u>
TOTAL NET POSITION	<u>\$ 10,736,630</u>

See accompanying notes to financial statements

THE BULLDOG FOUNDATION
STATEMENT OF REVNUES, EXPENSES, AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2022

REVENUES

OPERATING REVENUES

Other operating revenues (Note 9)	\$ <u>767,368</u>
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EXPENSES

OPERATING EXPENSES

Auxiliary enterprise expenses (Note 10)	6,109,529
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Depreciation (Note 8)	<u>1,697</u>
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TOTAL OPERATING EXPENSES	<u>6,111,226</u>
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OPERATING LOSS	<u>(5,343,858)</u>
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NONOPERATING REVENUES (EXPENSES)

Gifts, noncapital (Note 11)	5,017,947
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Investment income, net	771
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Endowment income (loss), net (Note 6)	(658,965)
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Interest expense	<u>(91)</u>
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NET NONOPERATING REVENUES (EXPENSES)	<u>4,359,662</u>
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LOSS BEFORE OTHER ADDITIONS	(984,196)
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ADDITIONS TO PERMANENT ENDOWMENTS	<u>484,859</u>
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DECREASE IN NET POSITION	(499,337)
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NET POSITION

Net position at beginning of year	<u>11,235,967</u>
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Net position at end of year	<u><u>\$ 10,736,630</u></u>
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See accompanying notes to financial statements

THE BULLDOG FOUNDATION
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 767,368
Cash paid to CSU Fresno Athletic Corporation and other vendors	(6,044,459)
Payments to employees	<u>(657,139)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(5,934,230)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Sale of endowment investments	1,188,273
Decrease in restricted cash and cash equivalents	(334,797)
Investment income, net	771
Endowment income, net	<u>(91)</u>
NET CASH PROVIDED FROM INVESTING ACTIVITIES	<u>854,156</u>

**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

Contributions received for other than capital purposes	5,000,054
Contributions to nonexpendable endowments	<u>484,859</u>
NET CASH PROVIDED FROM NONCAPITAL FINANCING ACTIVITIES	<u>5,484,913</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Principal paid on capital debt	(1,766)
Interest paid on capital debt	<u>(91)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,857)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	402,982
CASH AND CASH EQUIVALENTS, beginning of year	<u>5,681,310</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 6,084,292</u>

See accompanying notes to financial statements

THE BULLDOG FOUNDATION
STATEMENT OF CASH FLOWS (continued)
FOR FISCAL YEAR ENDED JUNE 30, 2022

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating loss	\$ (5,343,858)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Trade-out expenses	34,088
Depreciation	1,697
Changes in:	
Accounts receivable	214
Prepaid expenses and other assets	5,080
Accounts payable	(644,921)
Accrued compensated absences	3,217
Due to Athletic Corporation - football suites	<u>10,253</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (5,934,230)</u>

SUPPLEMENTAL SCHEDULE OF NONCASH TRANSACTIONS

Trade-outs	<u>\$ 34,088</u>
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See accompanying notes to financial statements

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: ORGANIZATION

The Bulldog Foundation (“BDF”) was incorporated March 17, 1950, as a non-profit corporation. The BDF was 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, 2022 consists of an endowment account.

Pledges receivable - annual scholarship fund – Pledges receivable are expected to be collected within one year and are recorded based upon estimated future cash flows. At June 30, 2022, management has established an allowance of \$20,300, 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, 2022, management has determined an allowance of \$21,148, 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.

Net Position - The BDF’s net position is classified into the following net position categories:

Net Investment in capital assets – This category includes capital asset, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 nonoperating revenues and expenses. These nonoperating 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 nonoperating 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.

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.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3: IMPLEMENTATION OF NEW ACCOUNTING STANDARD

Effective July 1, 2021, the BDF implemented GASB Statement No. 87, Leases. This statement established standards of accounting and financial reporting for leases applicable to financial statements of all state and local governments. The standard redefines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The new single model approach for lease accounting requires that for other than short-term leases (maximum of 12 months or less), lessees recognize a lease liability and an intangible right-to-use asset; lessors recognize a lease receivable and a deferred inflow of resources. Lease contracts qualifying to be reported under the new standard are disclosed in Note 8.

NOTE 4: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments as of June 30, 2022 consist of the following:

Cash and cash equivalents	\$ 6,084,293
Endowment investments	<u>4,606,586</u>
	<u>\$ 10,690,879</u>

The amounts above consist of the following as of June 30, 2022.

Cash	\$ 5,124,249
Certificates of deposit	800,008
Money market funds	<u>160,036</u>
Cash and cash equivalents	<u>6,084,293</u>
Endowment investments	
Money market funds - endowment	96,802
Corporate bonds	404,398
Mutual funds	1,003,768
Equity securities	<u>3,101,618</u>
Endowment investments	<u>4,606,586</u>
	<u>\$ 10,690,879</u>

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4: 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
JUNE 30, 2022

NOTE 4: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Custodial Credit Risk (continued)

None of the cash and money market accounts are collateralized. At June 30, 2022, the BDF had various deposit accounts with one financial institution with balances that exceeded the FDIC limit by \$5,069,650 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 statement of net position.

NOTE 5: PLEDGES RECEIVABLE

Pledges receivable at June 30, 2022 consist of the following:

	Annual Scholarship Fund	Promises to Give	Total
Current portion			
Due in one year or less	\$ 495,817	\$ 107,177	\$ 602,994
Less: Allowance for doubtful pledges	(20,300)	(21,148)	(41,448)
	<u>475,517</u>	<u>86,029</u>	<u>561,546</u>
Non-current portion			
Due between one and five years	-	328,750	328,750
Less: Discount to reflect pledges receivable at present value	-	(11,246)	(11,246)
	<u>-</u>	<u>317,504</u>	<u>317,504</u>
	<u>\$ 475,517</u>	<u>\$ 403,533</u>	<u>\$ 879,050</u>

The discount rate used to calculate the present value at June 30, 2022 is 5.0%.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6: 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, 2022:

	Unrestricted	Restricted Expendable	Restricted Nonexpendable	Total
Donor-restricted endowment funds	\$ -	\$ -	\$ 1,930,555	\$ 1,930,555
Board-designated endowment funds	<u>2,896,577</u>	<u>-</u>	<u>-</u>	<u>2,896,577</u>
	<u>\$ 2,896,577</u>	<u>\$ -</u>	<u>\$ 1,930,555</u>	<u>\$ 4,827,132</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 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.

Restricted endowments established prior to July 1, 2021 are distributed based on the annual earnings percentage for the overall endowment as of December 31st, with 75% of the earnings being distributed and 25% added to the principal of each endowment. Restricted endowments established on or after July 1, 2021 are distributed in accordance with BDF policies.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6: ENDOWMENT (Continued)

The following schedule shows changes in endowment net positions for the fiscal year ended June 30, 2022:

	Unrestricted	Restricted Expendable	Restricted Nonexpendable	Total
Endowment net position, July 1, 2021	<u>\$ 5,087,386</u>	<u>\$ -</u>	<u>\$ 1,357,502</u>	<u>\$ 6,444,888</u>
Investment return				
Realized gain	1,082,738	-	-	1,082,738
Unrealized gain (loss)	(1,786,972)	-	-	(1,786,972)
Earnings, net of expenses	<u>(245,569)</u>	<u>195,389</u>	<u>95,449</u>	<u>45,269</u>
Net investment return	(949,803)	195,389	95,449	(658,965)
Contributions	-	-	484,859	484,859
Minimum 2.5% distribution	-	(101,296)	-	(101,296)
Interfund recharacterization	(101,296)	101,296	-	-
Endowment earnings distribution	-	(195,389)	-	(195,389)
Funding for prior year scholarship commitment	(1,150,000)	-	-	(1,150,000)
Intrafund recharacterization	10,290		16,495	26,785
Other distributions	<u>-</u>	<u>-</u>	<u>(23,750)</u>	<u>(23,750)</u>
Endowment net position, June 30, 2022	<u>\$ 2,896,577</u>	<u>\$ -</u>	<u>\$ 1,930,555</u>	<u>\$ 4,827,132</u>

As of June 30, 2022, the BDF had cumulative unrealized gains (appreciation) of approximately \$723,000.

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7: LONG-TERM LIABILITIES ACTIVITY

Long-term liabilities activity for the fiscal year ended June 30, 2022 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Accrued compensated absences	\$ 19,022	\$ 14,478	\$ (11,261)	\$ 22,239	\$ 22,239	\$ -
Lease liabilities	<u>-</u>	<u>9,387</u>	<u>(1,766)</u>	<u>7,621</u>	<u>1,760</u>	<u>5,861</u>
Total long-term liabilities	<u>\$ 19,022</u>	<u>\$ 23,865</u>	<u>\$ (13,027)</u>	<u>\$ 29,860</u>	<u>\$ 23,999</u>	<u>\$ 5,861</u>

NOTE 8: LEASE LIABILITIES

In April 2021, the BDF entered into a 63-month noncancelable agreement to lease a postage meter. The lease commenced on July 20, 2021 and expires October 19, 2026. The contract requires quarterly payments of \$459. At the commence of the lease, a lease asset and liability of \$9,387 were recorded. Depreciation of \$1,697 and interest expense of \$91 were reported during the fiscal year ending June 30, 2022.

The schedule of maturities of lease liability principal and interest are presented below:

Fiscal year ending June 30:	Principal	Interest	Total
2023	\$ 1,760	\$ 76	\$ 1,836
2024	1,780	56	1,836
2025	1,801	35	1,836
2026	1,821	15	1,836
2027	<u>459</u>	<u>-</u>	<u>459</u>
	<u>\$ 7,621</u>	<u>\$ 182</u>	<u>\$ 7,803</u>

NOTE 9: OTHER OPERATING REVENUES

Other operating revenues for the fiscal year ended June 30, 2022 are as follows:

Sport clubs and funds for excellence income	\$ 719,187
Other operating revenue	<u>48,181</u>
	<u>\$ 767,368</u>

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10: OPERATING EXPENSES BY FUNCTION

Operating expenses by function for the fiscal year ended June 30, 2022 are as follows:

AUXILIARY ENTERPRISE EXPENSES

Expenses to support various sport programs for the Athletic Corporation	
Grants-in-aid	\$ 3,258,904
Nutrition	25,970
Athletic Director discretionary fund	52,629
Athletic training	21,254
Fund for excellence disbursements	1,250,362
Endowment distribution	296,685
Facility improvements	74,014
Sport clubs disbursements, expenses	84,545
Total	<u>5,064,363</u>
Fund drive expenses	
Fund drive events	88,810
Member benefits	23,929
Advertising	16,833
Promotion	21,298
Total	<u>150,870</u>
Salaries and benefits	<u>660,356</u>
Administrative expenses	
Computer system and software	31,793
Professional services	46,501
Credit card processing fees	105,895
Equipment maintenance	942
Insurance	10,233
Postage	10,496
Printing	7,925
Office supplies	8,106
Total	<u>221,891</u>
Other expenses	<u>12,049</u>
	<u>\$ 6,109,529</u>

THE BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11: GIFTS, NONCAPITAL

Gifts, noncapital for the fiscal year ended June 30, 2022 are as follows:

Contributions	\$ 4,584,602
Contributions - Fund for Excellence	399,257
Non-cash donations	<u>34,088</u>
	<u><u>\$ 5,017,947</u></u>

NOTE 12: 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 fiscal year ended June 30, 2022 totaled \$19,328.

NOTE 13: 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.

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, 2022.

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 BULLDOG FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13: FAIR VALUE MEASUREMENTS (Continued)

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, 2022.

	Total	Level 1	Level 2	Level 3
Investments:				
Corporate bonds	\$ 404,398	\$ 404,398	\$ -	\$ -
Money market funds	96,802	96,802	-	-
Mutual funds	1,003,768	1,003,768	-	-
Equity securities	<u>3,101,618</u>	<u>3,101,618</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,606,586</u>	<u>\$ 4,606,586</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 14: 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, 2022, amounts due to the Athletic Corporation were \$986,395. During the fiscal years ended June 30, 2022, the BDF provided the following to the Athletic Corporation:

Grants-in-aid	\$ 3,258,904
Nutrition	25,970
Athletic Director discretionary fund	52,629
Fund for excellence and sports club disbursements	959,680
Endowment distribution	296,685
Facility improvements	<u>74,014</u>
	<u>\$ 4,667,882</u>

NOTE 15: 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 in-person sporting events. 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

*A Partnership Including
Accountancy Corporations*

Denise S. Hurst, C.P.A.

Kenneth J. Labendeira, C.P.A., C.F.E.
Accountancy Corporation

Pamela J. Gallemore, C.P.A.
Accountancy Corporation

Karl L. Noyes, C.P.A.
Accountancy Corporation

Cory J. Bell, C.P.A.

Aaron C. Studt, C.P.A.

Kendall K. Wheeler, C.P.A.

Carrie M. Wiebe, C.P.A., C.F.E.
Accountancy Corporation

Lisa Brown, C.P.A., C.F.E.
Accountancy Corporation

Richard L. Holland, C.P.A.

Thomas L. Bell, C.P.A.
Accountancy Corporation

Tom Collins, C.P.A.
Accountancy Corporation

Ginger A. Lozano, C.P.A.

Robert G. Rose, C.P.A.

Abel M. Cabello, E.A.

Kelli D. Steele, C.P.A.

Stalin Hernandez, C.P.A.

Michiko Rosenthal, C.P.A.

Shaina M. Miracle, C.P.A.

Kirsten Years, C.P.A.

Franklin Daniel, C.P.A.

Steve Thapar, C.P.A.

Christina R. Thompson, C.P.A.

L. Jerome Moore, C.P.A.
1923-2016

Robert E. Grider, C.P.A.
Retired

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

Board of Directors
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 statement of The Bulldog Foundation, which comprise the statement of net position as of June 30, 2022, and the related statement 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, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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.

Morie Knicker & Company LLP

September 14, 2022
Fresno, California

SUPPLEMENTARY INFORMATION

**Information Prepared in Accordance with Instructions from
the California State University Office of the Chancellor**

THE BULLDOG FOUNDATION
SCHEDULE OF NET POSITION
JUNE 30, 2022
(for inclusion in the California State University Financial Statements)

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 6,084,293
Pledges receivable, net	561,546
Prepaid expenses and other current assets	<u>31,902</u>
TOTAL CURRENT ASSETS	<u>6,677,741</u>
NONCURRENT ASSETS	
Restricted cash and cash equivalents	342,889
Pledges receivable, net	317,504
Endowment investments	4,606,586
Capital assets, net	<u>7,690</u>
TOTAL NONCURRENT ASSETS	<u>5,274,669</u>
TOTAL ASSETS	<u>11,952,410</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	1,185,920
Accrued compensated absences, current portion	22,239
Lease liabilities, current portion	<u>1,760</u>
TOTAL CURRENT LIABILITIES	<u>1,209,919</u>
NONCURRENT LIABILITIES	
Lease liabilities, net of current portion	<u>5,861</u>
TOTAL NONCURRENT LIABILITIES	<u>5,861</u>
TOTAL LIABILITIES	<u>1,215,780</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>
NET POSITION	
Net investment in capital assets	69
Restricted for:	
Nonexpendable - endowments	1,930,555
Expendable:	
Other	5,557,872
Unrestricted	<u>3,248,134</u>
TOTAL NET POSITION	<u><u>\$ 10,736,630</u></u>

See accompanying independent auditor's report.

THE BULLDOG FOUNDATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022
(for inclusion in the California State University Financial Statements)

REVENUES

OPERATING REVENUES

Other operating revenues \$ 767,368

TOTAL OPERATING REVENUES 767,368

EXPENSES

OPERATING EXPENSES

Auxiliary enterprise expenses 6,109,529

Depreciation and amortization 1,697

TOTAL OPERATING EXPENSES 6,111,226

OPERATING INCOME (LOSS) (5,343,858)

NONOPERATING REVENUES (EXPENSES)

Gifts, noncapital 5,017,947

Investment income (loss), net 771

Endowment income (loss), net (658,965)

Interest expense (91)

**NET NONOPERATING REVENUES
(EXPENSES)** 4,359,662

**INCOME (LOSS) BEFORE OTHER REVENUES
(EXPENSES)** (984,196)

Additions (reductions) to permanent endowments 484,859

INCREASE (DECREASE) IN NET POSITION (499,337)

NET POSITION

Net position at beginning of year 11,235,967

Net position at end of year \$ 10,736,630

See accompanying independent auditor's report.

THE BULLDOG FOUNDATION
OTHER INFORMATION
JUNE 30, 2022
(for inclusion in the California State University Financial Statements)

1 Cash and cash equivalents:

Portion of restricted cash and cash equivalents related to endowments	\$ 342,889
All other restricted cash and cash equivalents	<u>-</u>
Noncurrent restricted cash and cash equivalents	<u>342,889</u>
Current cash and cash equivalents	<u>6,084,293</u>
Total	<u><u>\$ 6,427,182</u></u>

2.1 Composition of investments:

<u>Investment Type</u>	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Money market funds	\$ -	\$ 96,802	\$ 96,802
Corporate bonds	-	404,398	404,398
Mutual funds	-	1,003,768	1,003,768
Equity securities	<u>-</u>	<u>3,101,618</u>	<u>3,101,618</u>
Total investments	<u>-</u>	<u>4,606,586</u>	<u>4,606,586</u>
Less endowment investments	<u>-</u>	<u>(4,606,586)</u>	<u>(4,606,586)</u>
Total investments	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

2.2 Fair value hierarchy in investments:

<u>Investment Type</u>	<u>Total</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Net Asset Value (NAV)</u>
Money market funds	\$ 96,802	\$ 96,802	\$ -	\$ -	-
Corporate bonds	404,398	404,398	-	-	-
Mutual funds	1,003,768	1,003,768	-	-	-
Equity securities	<u>3,101,618</u>	<u>3,101,618</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u><u>\$ 4,606,586</u></u>	<u><u>\$ 4,606,586</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>-</u></u>

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THE BULLDOG FOUNDATION
OTHER INFORMATION
JUNE 30, 2022
(for inclusion in the California State University Financial Statements)

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

3.1 Composition of capital assets:

	Balance June 30, 2021	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2022
Non-depreciable/Non-amortizable capital assets:	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	\$ -	\$ -	\$ -	\$ -	-
Depreciable/Amortizable capital assets:	-	-	-	-	-
Total depreciable/amortizable capital assets	-	-	-	-	-
Total capital assets	\$ -	\$ -	\$ -	\$ -	-
Less accumulated depreciation/amortization:	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-
Total capital assets, net excluding lease assets	\$ -	\$ -	\$ -	\$ -	-
Lease assets, net					7,690
Total capital assets, net					7,690

	Balance June 30, 2021	Additions	Remeasurements	Reductions	Balance June 30, 2022
Non-depreciable/Non-amortizable lease assets:	\$ -	\$ -	\$ -	\$ -	-
Depreciable/Amortizable lease assets:					
Personal property:					
Equipment	-	9,387	-	-	9,387
Total depreciable/amortizable lease assets	-	9,387	-	-	9,387
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)					
Personal property:					
Equipment	-	(1,697)	-	-	(1,697)
Total accumulated depreciation/amortization	-	(1,697)	-	-	(1,697)
Total lease assets, net	\$ -	\$ 7,690	\$ -	\$ -	7,690

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THE BULLDOG FOUNDATION
OTHER INFORMATION
JUNE 30, 2022
(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	\$ 1,697
Amortization expense related to other assets	<u>-</u>
Total depreciation and amortization	\$ <u>1,697</u>

4 Long-term liabilities:

	Balance			Balance	Current	Noncurrent
	June 30, 2021	Additions	Reductions	June 30, 2022	Portion	Portion
1. Accrued compensated absences	\$ 19,022	\$ 14,478	\$ (11,261)	\$ 22,239	\$ 22,239	\$ -
2. Claims liability for losses and loss adjustment expenses - Not applicable						
3. Capital lease obligations: - Not applicable						
4. Long-term debt obligations: - Not applicable						
5. Lease liabilities				<u>7,621</u>	<u>1,760</u>	<u>5,861</u>
Total long-term liabilities				\$ <u>7,621</u>	\$ <u>1,760</u>	\$ <u>5,861</u>

	Balance			Balance	Current	Noncurrent
	June 30, 2021	Additions	Reductions	June 30, 2022	Portion	Portion
Lease liabilities	\$ <u> </u>	\$ <u>9,387</u>	\$ (1,766)	\$ 7,621	\$ 1,760	\$ 5,861
Total	\$ -	\$ <u>9,387</u>	\$ (1,766)	\$ <u>7,621</u>	\$ <u>1,760</u>	\$ <u>5,861</u>

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THE BULLDOG FOUNDATION
OTHER INFORMATION
JUNE 30, 2022
(for inclusion in the California State University Financial Statements)

5 Lease Liabilities schedule:

	All other lease liabilities			Total lease liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:						
2023	1,760	76	1,836	1,760	76	1,836
2024	1,780	56	1,836	1,780	56	1,836
2025	1,801	35	1,836	1,801	35	1,836
2026	1,821	15	1,836	1,821	15	1,836
2027	459	-	459	459	-	459
Total minimum lease payments	\$ 7,621	\$ 182	\$ 7,803	\$ 7,621	\$ 182	\$ 7,803
Less: amounts representing interest						(182)
Present value of future minimum lease payments						7,621
Total lease liabilities						7,621
Less: current portion						(1,760)
Lease liabilities, net of current portion						\$ 5,861

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	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Auxiliary enterprise expenses	\$ 504,665	\$ 155,691	\$			\$ 5,449,173	\$	\$ 6,109,529
Depreciation							1,697	1,697
Total	\$ 504,665	\$ 155,691	\$ -	\$ -	\$ -	\$ 5,449,173	\$ 1,697	\$ 6,111,226

10 Deferred outflows/inflows of resources: Not applicable

11 Other nonoperating revenues (expenses) : Not applicable

See accompanying independent auditor's report