

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

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

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

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Bulldog Foundation  
Fresno, California

### Report on the Financial Statements

We have audited the accompanying financial statements of The Bulldog Foundation (a component of California State University, Fresno), which comprise the statements of net position as of June 30, 2020 and 2019 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.

### *Auditors' 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, 2020 and 2019, 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 11 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 31 to 34 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.

### ***Emphasis of Matter***

As more fully described in Note 14 to the financial statements, citizens and economies of the United States and other countries have been significantly impacted by the coronavirus (COVID-19) pandemic. While it is premature to accurately predict how the coronavirus will ultimately affect the Company's operations, because the disease's severity and

duration are uncertain, we expect financial results for the year ended June 30, 2021 to be significantly impacted and the implications beyond the year ended June 30, 2021, while unclear, could also be adversely impacted. Our conclusion is not modified to this matter and no pandemic implications are accounted for in these financial statements.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2020, 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 Heidner & Company LLP*

Fresno, California  
September 16, 2020

**THE BULLDOG FOUNDATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**YEARS ENDED JUNE 30, 2020 AND 2019**

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, 2020 and 2019. 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, 2020 and 2019 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, 2020 AND 2019**

**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, 2020 and 2019. Included is a discussion of restrictions of the BDF's net position.

***Financial Highlights – Years Ended June 30, 2020 and 2019***

The Bulldog Foundation's 2019 Annual Fund Drive raised over \$4.4 million for scholarships. Due to a decision made in consultation with University and Athletic Corporation leadership, it was agreed that the BDF would contribute a cap of \$3,000,000 (projected dollars raised less Bulldog Foundation annual budget) of scholarship aid to the Athletic Corporation in an effort to preserve the corpus of the endowment which had been depleted in previous years due to the need to provide additional funding to support the cost of attendance for student athletes. However, the contribution cap of \$3,000,000 does not include the minimum 2.5% endowment distribution and the endowment earnings distribution in accordance with the MOU between the Athletic Corporation and the BDF.

Beginning in March 2020 the arrival of COVID-19 had (and continues to have) a major impact on the BDF and Fresno State Athletics. Over the last four months of this fiscal year numerous athletic and other fan-based events were cancelled. Both revenues and expenses for BDF sport club operations decreased. Scholarship Fund contributions decreased as many donors delayed making their contribution until a clearer picture of the impact of the virus would become known. Notes in this document will indicate any impact COVID-19 might have had on revenue and expenses.

During 2020 the BDF had a net position decrease of \$1,056,079. This reflects an actual operational net decrease of \$5,396,681 that was offset by contributions, endowments and endowment and investment income of \$4,340,602.

During 2019 the BDF had a net position decrease of \$1,933,106. This was a result of the support for the Athletic Corporation exceeding revenue earned during the year. As of June 30, 2019, there was an additional request of \$3,500,000 in scholarship funds from the Athletic Corporation included in the total distribution cost for that year.

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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, 2020 AND 2019**

**CONDENSED SUMMARY OF NET POSITION**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Assets</b>			
Current assets	\$ 5,399,257	\$ 6,444,092	\$ 5,748,725
Noncurrent assets	<u>6,623,783</u>	<u>7,187,339</u>	<u>9,584,664</u>
 Total assets	 <u>12,023,040</u>	 <u>13,631,431</u>	 <u>15,333,389</u>
<b>Liabilities</b>			
Current liabilities	<u>3,837,688</u>	<u>4,390,000</u>	<u>4,158,853</u>
 Net position			
Restricted - nonexpendable	1,272,732	1,093,204	970,053
Restricted - expendable	4,740,150	5,541,713	5,021,403
Unrestricted	<u>2,172,470</u>	<u>2,606,514</u>	<u>5,183,081</u>
 Total net position	 <u>\$ 8,185,352</u>	<u>\$ 9,241,431</u>	<u>\$ 11,174,537</u>

**Assets**

Current assets, consisting of cash and cash equivalents, accounts receivable, pledges receivable, prepaid expenses and other assets, decreased approximately \$1,045,000 from FY 2019 to FY 2020. The decrease is primarily due to a decrease in cash of approximately \$1,300,000, decrease of pledges receivable of \$142,000, offset by an increase in accounts receivable of \$399,000.

Noncurrent assets, consisting of restricted cash and cash equivalents, long-term pledges receivable and endowment investments, decreased approximately \$564,000 from FY 2019 to FY 2020. The decrease is primarily due to a decrease in endowment investments and related cash accounts of approximately \$276,000 and a decrease in long term pledges receivable of approximately \$240,000. The endowment investments decrease is primarily a result of fund distributions of \$357,000 to pay off the line of credit, unrealized losses of approximately \$199,000, offset by realized gains of approximately \$172,000, investment earnings of approximately \$124,000 and additional endowment contributions of \$54,000.

**Liabilities**

Current liabilities, consisting of accounts payable, accrued compensated absences, line of credit and amount due to Athletic Corporation for football suite income, decreased approximately \$552,000 FY 2019 to FY 2020. The decrease is primarily due to the payment of \$357,000 to pay off the line of credit, and the payment to the Athletic Corporation for football suite income for the fall 2019 season of approximately \$225,000.

**Net Position**

Total net position decreased by \$1,056,079 from FY 2019 to FY 2020 due to an operating loss of approximately \$5,400,000 offset by contributions and endowment and investment net earnings of \$4,288,000 and additional memorial contributions of \$54,000.

**THE BULLDOG FOUNDATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**YEARS ENDED JUNE 30, 2020 AND 2019**

**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, 2020, 2019, and 2018:

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Nonexpendable			
Bulldog Women's Foundation Fifth-Year Scholarship Fund	\$ 145,559	\$ 138,056	\$ 138,056
Dr. Thomas Thaxter Memorial Scholarship Fund	46,840	48,425	48,425
Pete Beiden Scholarship Fund	38,737	36,740	36,740
Pete and Martha Beiden Memorial Endowment Fund	105,267	99,841	99,841
Norman Weston Fund	25,493	24,179	24,179
Dr. William Kennedy and Friends	55,628	56,760	56,760
Sirman Men's Golf	0	12,073	12,073
Darrel Copeland Scholars	42,879	40,550	37,385
Ogle Family Scholarship	18,445	0	0
Bob Bennett Scholarship	5,260	0	0
Hoover Family Trust	397,420	364,190	297,523
Ben Madriano Memorial - Football Scholarship	105,170	99,748	99,748
Virginia Dix Memorial	72,864	69,108	69,108
Atomic Torosian Memorial	28,520	27,050	26,925
Margie Wright Scholarship Fund	26,800	19,595	0
Ted Dick Memorial	0	13,250	13,250
Dean Eller Family Memorial	0	10,040	10,040
Kyle Wilson Scholarship Fund	53,635	33,599	0
Eddie Hughes Scholarship	10,093	0	0
Restricted (Other)	<u>94,122</u>	<u>0</u>	<u>0</u>
Total restricted nonexpendable net position	<u><u>\$ 1,272,732</u></u>	<u><u>\$ 1,093,204</u></u>	<u><u>\$ 970,053</u></u>

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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, 2020 AND 2019**

**Restricted Resources (continued)**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Expendable			
Pete and Martha Beiden Memorial Endowment Fund	\$ 0	\$ 72,736	\$ 90,539
Athletic Director's Fund	140,889	199,827	292,252
Fund for Excellence - Football	298,372	406,497	430,784
Fund for Excellence - Men's Basketball	156,025	88,920	80,353
Fund for Excellence - Wrestling	60,861	149,720	231,454
Fund for Excellence - Various sports	475,966	336,057	347,231
Basketball Promotions	5,353	2,353	2,353
Sweeney - to be allocated	0	10,000	10,000
National Girls & Women's Sports Week	717	2,688	2,858
Athletic Trainer	16,574	30,574	12,600
Nutrition Program	102,290	181,083	149,544
Meyers Sports Medicine Center	160,415	0	(372)
Sweeney Learning Center	750	750	750
Weight Room Enhancement	3,974	3,973	3,973
North Gym Renovations	0	(276,512)	(276,512)
Save Mart Center Locker Room Renovation	27,299	27,299	27,299
Softball Renovations	0	0	78,167
Baseball Stadium (Bennett)	23,941	23,530	22,964
Football Stadium Renovation	2,700	2,700	2,700
Football Charter travel	0	0	(8,271)
Football Boise Bus Trip	2,142	4,000	4,000
Ricchiuti Academic Center	3,086	3,086	3,086
Softball Locker/Facility Project	0	0	(3,564)
Student Athlete Services	25,504	25,504	25,504
Tennis Facility	(2,053)	(8,518)	(13,811)
Track Facility	18,492	41,973	60,660
Equestrian Locker Room Project	0	2,500	0
Bulldog Brave Bulldog Strong	250	250	0
Annual Fund Drive (calendar year 2018)	0	0	3,444,861
Annual Fund Drive (calendar year 2019)	0	3,822,768	0
Annual Fund Drive (calendar year 2020)	2,850,939	0	0
Annual Scholarship Fund - Future Years	365,664	387,955	0
Total restricted expendable net position	<b>\$ 4,740,150</b>	<b>\$ 5,541,713</b>	<b>\$ 5,021,402</b>

The Annual Fund Drive is on a calendar year basis. The above amounts for the Annual Fund Drive reflect contributions for the applicable fund drive year as of June 30 and do not include amounts received subsequent to that date. The total Annual Fund Drive for 2019 was over \$4,400,000 as approximately \$570,000 was received during the year ended June 30, 2020 for the 2019 Annual Fund Drive.

**THE BULLDOG FOUNDATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**YEARS ENDED JUNE 30, 2020 AND 2019**

**Restricted Resources (Continued)**

Nonexpendable net position increased \$179,528 from FY 2019 to FY 2020 due to the receipt of gifts to the endowments totaling approximately \$53,000 and overall investment returns of approximately \$67,000, offset by multiple fund closeouts totaling approximately \$35,000.

Expendable net position decreased by \$801,563 from FY 2019 to FY 2020 due to increases and decreases in the funds during the year. Significant decreases were in the Beiden Memorial Endowment Fund of \$72,736, Athletics Director Fund of \$58,938, and Annual Fund Drive of \$971,829. Significant increases include the North Gym Renovations of \$276,512 along with various other funds cumulatively experiencing an increase of \$139,791 and a reclassification for Meyers Sports Medicine Center of \$160,415 from unrestricted resources.

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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, 2020 AND 2019**

**CONDENSED SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Operating revenues:			
Other operating revenues	\$ 221,950	\$ 225,489	\$ 762,277
Operating expenses:			
Auxiliary enterprise expenses	5,618,631	8,721,199	9,453,474
Operating loss	<u>(5,396,681)</u>	<u>(8,495,710)</u>	<u>(8,691,197)</u>
Nonoperating revenues (expenses):			
Gifts, noncapital	4,179,777	5,921,206	5,008,169
Investment income	13,709	18,170	11,099
Endowment income	<u>94,153</u>	<u>500,078</u>	<u>852,860</u>
Net nonoperating revenues	<u>4,287,639</u>	<u>6,439,454</u>	<u>5,872,128</u>
Loss before other additions	<u>(1,109,042)</u>	<u>(2,056,256)</u>	<u>(2,819,069)</u>
Additions to permanent endowments	<u>52,963</u>	<u>123,150</u>	<u>75,293</u>
Decrease in net position	<u>(1,056,079)</u>	<u>(1,933,106)</u>	<u>(2,743,776)</u>
Net position at beginning of year	<u>9,241,431</u>	<u>11,174,537</u>	<u>13,918,313</u>
Net position at end of year	<b>\$ 8,185,352</b>	<b>\$ 9,241,431</b>	<b>\$ 11,174,537</b>
Total revenues	\$ 4,562,552	\$ 6,788,093	\$ 6,709,698
Total expenses	<u>5,618,631</u>	<u>8,721,199</u>	<u>9,453,474</u>
Change in net position	<b><u>\$ (1,056,079)</u></b>	<b><u>\$ (1,933,106)</u></b>	<b><u>\$ (2,743,776)</u></b>

**Operating Revenues**

Operating revenues consist of sports club income and other revenue. Operating revenues decreased approximately \$3,500 from FY2019 to FY2020.

**THE BULLDOG FOUNDATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**YEARS ENDED JUNE 30, 2020 AND 2019**

**Operating Expenses**

Operating expenses decreased approximately \$3,102,000 from FY 2019 to FY 2020. This decrease was primarily driven by the decline in the distributions to the Athletic Corporation for scholarships and distributions of Funds for Excellence of approximately \$3,318,000. The decrease in the distribution for scholarships was a result of the \$3,000,000 cap to the Athletic Corporation, offset by an increase in training table disbursements of approximately \$105,000.

**Nonoperating Revenues (Expenses)**

Nonoperating revenues consist of contributions, investment net earnings and endowment income.

Nonoperating revenues decreased approximately \$2,152,000 from FY 2019 to FY 2020 primarily due to a decrease in campaign contributions and Funds For Excellence contributions of approximately \$1,749,000 along with a decrease in net endowment income of approximately \$406,000.

**Additions to permanent endowments**

Additions to permanent endowments decreased by approximately \$71,000 from FY 2019 to FY 2020.

**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. Ongoing impact of COVID-19 continues to influence the 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, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 4,388,085	\$ 5,688,157
Accounts receivables, net (Note 13)	398,933	0
Pledges receivable, net (Note 4)	587,442	729,661
Prepaid expenses and other assets	24,797	26,274
<b>TOTAL CURRENT ASSETS</b>	<u>5,399,257</u>	<u>6,444,092</u>
<b>NONCURRENT ASSETS</b>		
Restricted cash and cash equivalents	79,077	126,921
Pledges receivable, net (Note 4)	459,531	699,282
Endowment investments (Note 3)	6,085,175	6,361,136
<b>TOTAL NONCURRENT ASSETS</b>	<u>6,623,783</u>	<u>7,187,339</u>
<b>TOTAL ASSETS</b>	<u>12,023,040</u>	<u>13,631,431</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	3,820,871	3,780,245
Due to Athletic Corporation - football suite income	0	225,267
Accrued compensated absences (Note 6)	16,817	27,104
Line of credit (Note 7)	0	357,384
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,837,688</u>	<u>4,390,000</u>
<b>NET POSITION</b>		
<b>NET POSITION</b>		
Restricted for:		
Nonexpendable - endowments	1,272,732	1,093,204
Expendable:		
Scholarships	0	72,736
Other	4,740,150	5,468,977
Unrestricted	2,172,470	2,606,514
<b>TOTAL NET POSITION</b>	<u>\$ 8,185,352</u>	<u>\$ 9,241,431</u>

See Accompanying Notes to Financial Statements

**THE BULLDOG FOUNDATION**

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

**YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>REVENUES</b>		
<b>OPERATING REVENUES</b>		
Other operating revenues (Note 8)	<u>\$ 221,950</u>	<u>\$ 225,489</u>
<b>EXPENSES</b>		
<b>OPERATING EXPENSES (Note 9)</b>		
Auxiliary enterprise expenses	<u>5,618,631</u>	<u>8,721,199</u>
<b>OPERATING LOSS</b>	<u>(5,396,681)</u>	<u>(8,495,710)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gifts, noncapital (Note 10)	<u>4,179,777</u>	<u>5,921,206</u>
Investment income, net	<u>13,709</u>	<u>18,170</u>
Endowment income, net (Note 5)	<u>94,153</u>	<u>500,078</u>
<b>NET NONOPERATING REVENUES (EXPENSES)</b>	<u>4,287,639</u>	<u>6,439,454</u>
<b>LOSS BEFORE OTHER ADDITIONS</b>	<u>(1,109,042)</u>	<u>(2,056,256)</u>
<b>ADDITIONS TO PERMANENT ENDOWMENTS</b>	<u>52,963</u>	<u>123,150</u>
<b>DECREASE IN NET POSITION</b>	<u>(1,056,079)</u>	<u>(1,933,106)</u>
<b>NET POSITION</b>		
Net position at beginning of year	<u>9,241,431</u>	<u>11,174,537</u>
Net position at end of year	<u><b>\$ 8,185,352</b></u>	<u><b>\$ 9,241,431</b></u>

See Accompanying Notes to Financial Statements

**THE BULLDOG FOUNDATION**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 221,950	\$ 187,006
Cash paid to CSU Fresno Athletic Corporation and other vendors	(5,453,007)	(7,547,341)
Payments to employees	<u>(696,478)</u>	<u>(726,285)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(5,927,535)</u>	<u>(8,086,620)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of endowment investments	0	(184,605)
Sale of endowment investments	275,960	2,715,643
(Increase) decrease in restricted cash	47,844	(7,682)
Investment income, net	13,709	18,170
Endowment income, net	<u>94,153</u>	<u>500,078</u>
<b>NET CASH PROVIDED FROM INVESTING ACTIVITIES</b>	<u>431,666</u>	<u>3,041,604</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Contributions received for other than capital purposes	4,500,217	5,684,822
Payments on line of credit	(357,384)	(115,000)
Contributions to nonexpendable endowments	<u>52,963</u>	<u>123,150</u>
<b>NET CASH PROVIDED FROM NONCAPITAL FINANCING ACTIVITIES</b>	<u>4,195,796</u>	<u>5,692,972</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,300,073)	647,956
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>5,688,157</u>	<u>5,040,201</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b><u>\$ 4,388,085</u></b>	<b><u>\$ 5,688,157</u></b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (5,396,681)	\$ (8,495,710)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Trade-out expenses	61,530	33,386
Changes in:		
Accounts receivable	(398,933)	0
Prepaid expenses and other assets	1,477	(5,643)
Accounts payable	40,626	440,017
Accrued compensated absences	(10,287)	(20,187)
Due to Athletic Corporation - football suite income	<u>(225,267)</u>	<u>(38,483)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b><u>\$ (5,927,535)</u></b>	<b><u>\$ (8,086,620)</u></b>

See Accompanying Notes to Financial Statements

# THE BULLDOG FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

### 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** – This includes restricted cash held in trust and cash restricted as to use. At June 30, 2020, restricted cash consists of an account with a balance of \$79,007 of endowment cash, which is restricted as to use. At June 30, 2019, restricted cash consists of an account with a balance of \$10,280 for various facilities projects and \$116,641 of endowment cash, both of which are restricted as to use.

**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, 2020 and 2019, management has established an allowance of \$26,136 and \$23,846 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, 2020 and 2019, management has determined an allowance of \$59,453 and \$48,893, 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, 2020 AND 2019**

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.

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# THE BULLDOG FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

**YEARS ENDED JUNE 30, 2020 AND 2019**

**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.

**Reclassifications** – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. The reclassification had no impact on the previously-reported decrease in net position or cash flow information.

**NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash, cash equivalents and investments as of June 30, 2020 and 2019 consist of the following:

	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 4,388,085	\$ 5,688,157
Endowment investments	<u>6,085,175</u>	<u>6,361,136</u>
	<b>\$ 10,473,260</b>	<b>\$ 12,049,293</b>

The amounts above consist of the following as of June 30, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Cash	\$ 3,422,027	\$ 4,744,176
Certificates of deposit	900,008	600,008
Money market funds	66,050	343,973
Cash and cash equivalents	<u>4,388,085</u>	<u>5,688,157</u>
Endowment investments		
Money market funds - endowment	13,856	19,802
Corporate bonds	1,463,202	1,515,532
Mutual funds	1,014,003	860,844
Equity securities	3,594,114	3,964,958
Endowment investments	<u>6,085,175</u>	<u>6,361,136</u>
	<b>\$ 10,473,260</b>	<b>\$ 12,049,293</b>

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## **THE BULLDOG FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **YEARS ENDED JUNE 30, 2020 AND 2019**

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

##### **Investment Policy**

The primary objective of the investment policy of the BDF is to protect the underlying assets so that the funds are available when needed by various projects and programs. A secondary objective is to maximize investment income on available investments. Various policies have been adopted to meet these objectives at the same time. In general, operating funds are limited in maturity ranges and type of debt instrument.

##### **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, 2020 AND 2019**

### 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, 2020, the BDF had various deposit accounts with one financial institution with balances that exceeded the FDIC limit by \$3,215,911 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, 2020 consist of the following:

	<b>Annual Scholarship Fund</b>	<b>Promises to Give</b>	<b>Total</b>
<b>Current portion</b>			
Due in one year or less	\$ 372,338	\$ 300,872	\$ 673,210
Less: Allowance for doubtful pledges	<u>(26,316)</u>	<u>(59,453)</u>	<u>(85,769)</u>
	<u>346,022</u>	<u>241,420</u>	<u>587,441</u>
<b>Non-current portion</b>			
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>459,531</u>	<u>459,531</u>
	<b><u>\$ 346,022</u></b>	<b><u>\$ 700,951</u></b>	<b><u>\$ 1,046,973</u></b>

**THE BULLDOG FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

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

Pledges receivable at June 30, 2019 consist of the following:

	<b>Annual Scholarship Fund</b>	<b>Promises to Give</b>	<b>Total</b>
<b>Current portion</b>			
Due in one year or less	\$ 487,119	\$ 315,281	\$ 802,400
Less: Allowance for doubtful pledges	<u>(23,846)</u>	<u>(48,893)</u>	<u>(72,739)</u>
	<u>463,273</u>	<u>266,388</u>	<u>729,661</u>
<b>Non-current portion</b>			
Due between one and five years	0	804,768	804,768
Less: Discount to reflect pledges receivable at present value	<u>0</u>	<u>(105,486)</u>	<u>(105,486)</u>
	<u>0</u>	<u>699,282</u>	<u>699,282</u>
	<b><u>\$ 463,273</u></b>	<b><u>\$ 965,670</u></b>	<b><u>\$ 1,428,943</u></b>

The discount rate used to calculate the present value at June 30, 2020 and 2019 is 3.5%.

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# THE BULLDOG FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

**YEARS ENDED JUNE 30, 2020 AND 2019**

### 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, 2020 and 2019:

	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>
	<b><u>\$ 4,483,267</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 1,272,731</u></b>	<b><u>\$ 5,755,998</u></b>
	2019			
	Unrestricted	Restricted Expendable	Restricted Nonexpendable	Total
Donor-restricted endowment funds	\$ 0	\$ 72,736	\$ 1,093,204	\$ 1,165,940
Board-designated endowment funds	<u>2,161,837</u>	<u>0</u>	<u>0</u>	<u>2,161,837</u>
	<b><u>\$ 2,161,837</u></b>	<b><u>\$ 72,736</u></b>	<b><u>\$ 1,093,204</u></b>	<b><u>\$ 3,327,777</u></b>

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 31<sup>st</sup> each year and is based on the rate of return for the year.

**THE BULLDOG FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

**NOTE 5: ENDOWMENT (Continued)**

The memorandum of understanding 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 31<sup>st</sup>. 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, 2020 and 2019:

	2020			
	Unrestricted	Restricted Expendable	Restricted Nonexpendable	Total
Endowment net position, July 1, 2019	\$ 2,161,837	\$ 72,736	\$ 1,093,204	\$ 3,327,777
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 the BDF would be limited to a \$3,000,000 contribution to the Athletic Corporation for scholarship aid. On an annual basis, these funds will come from the Annual Fund Drive. 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

**THE BULLDOG FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2020 AND 2019**

**NOTE 5: ENDOWMENT (Continued)**

include the minimum 2.5% distribution (\$131,337) required in the MOU between the Athletic Corporation and the BDF.

	2019			
	Unrestricted	Restricted Expendable	Restricted Nonexpendable	Total
Endowment net position, July 1, 2018	\$ 4,791,428	\$ 90,540	\$ 970,053	\$ 5,852,021
Investment return				2019
Realized gain	581,759	0	0	581,759
Unrealized loss	(213,201)	0	0	(213,201)
Earnings, net of expenses	<u>131,520</u>	<u>0</u>	<u>0</u>	<u>131,520</u>
Net investment return	500,078	0	0	500,078
Contributions	20,330	0	123,151	143,481
Minimum 2.5% distribution	(113,520)	0	0	(113,520)
Additional distribution	(3,036,480)	0	0	(3,036,480)
Interfund recharacterization	1	(1)	0	0
Release of endowment earnings	0	(17,803)	0	(17,803)
Endowment net position, June 30, 2019	<u>\$ 2,161,837</u>	<u>\$ 72,736</u>	<u>\$ 1,093,204</u>	<u>\$ 3,327,777</u>

As of June 30, 2020, and 2019, the BDF had cumulative unrealized gains (appreciation) of approximately \$956,000 and \$1,140,000, respectively.

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**THE BULLDOG FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

**NOTE 6: LONG-TERM LIABILITIES ACTIVITY**

Long-term liabilities activity for the years ended June 30, 2020 and 2019 are as follows:

	<b>2020</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Accrued compensated absences	\$ 27,104	\$ 11,301	\$ (21,588)	\$ 16,817	\$ 16,817
<b>2019</b>					
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Accrued compensated absences	\$ 47,291	\$ 11,509	\$ (31,696)	\$ 27,104	\$ 27,104

**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 has an expiration of March 5, 2021. Borrowings under this agreement are secured by one Citibank, N.A. investment account. Interest is calculated at a rate of 1.0% over the index determined by the financial institution. The interest rate as of June 30, 2020 was 1.17%. The amount drawn on the line of credit as of June 30, 2020 and 2019 was \$0 and \$357,384, respectively.

**NOTE 8: OTHER OPERATING REVENUES**

Other operating revenues for the years ended June 30, 2020 and 2019 are as follow:

	<b>2020</b>	<b>2019</b>
Sport clubs income	\$ 176,050	\$ 213,021
Other operating revenue	\$ 45,900	\$ 12,468
	<b>\$ 221,950</b>	<b>\$ 225,489</b>

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**THE BULLDOG FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

**NOTE 9: OPERATING EXPENSES BY FUNCTION**

Operating expenses by function for the years ended June 30, 2020 and 2019, are as follow:

	<b>AUXILIARY ENTERPRISE EXPENSES</b>	
	<b>2020</b>	<b>2019</b>
Expenses to support various sport programs for the Athletic Corporation		
Grants-in-aid	\$ 3,000,000	\$ 2,850,000
Training table	180,388	75,000
All sport pass transfer	10,800	12,200
Athletic Director discretionary fund	61,407	98,116
Athletic training	14,000	2,061
Football charter expense	0	1,858
Fund for excellence disbursements	760,091	1,131,894
Endowment distribution	293,612	3,150,000
Expendable scholarship distributions	23,846	0
Facility improvements	78,933	89,513
Sport clubs disbursements, expenses	133,547	170,156
Total	4,556,624	7,580,798
Fund drive expenses		
Fund drive events	84,463	77,950
Member benefits	12,497	18,167
Advertising	17,878	11,238
Promotion	27,318	43,592
Total	142,156	150,947
Salaries and benefits	686,191	706,098
Administrative expenses		
Computer system and software	31,536	29,721
Professional services	51,738	60,582
Bank card fees	76,517	133,599
Equipment maintenance	1,979	1,491
Insurance	13,030	10,866
Interest expense	7,788	13,361
Postage	14,868	11,432
Printing	10,817	4,510
Office supplies	8,126	13,553
Total	216,400	279,115
Other expenses	17,261	4,241
	<b>\$ 5,618,631</b>	<b>\$ 8,721,199</b>

# **THE BULLDOG FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

### **NOTE 10: GIFTS, NONCAPITAL**

Gifts, noncapital for the years ended June 30, 2020 and 2019 are as follow:

	<b>2020</b>	<b>2019</b>
Contributions	\$ 3,462,916	\$ 4,934,519
Contributions - Fund for Excellence	655,331	932,970
Memorials	0	20,331
Non-cash donations	<u>61,530</u>	<u>33,386</u>
	<u><u>\$ 4,179,777</u></u>	<u><u>\$ 5,921,206</u></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, 2020 and 2019 totaled \$23,122 and \$23,768, 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, 2020 AND 2019

#### 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, 2020 and 2019.

*Corporate bonds, mutual funds, equity securities, and preferred 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, 2020 and 2019:

<b>2020</b>						
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>		
<b>Investments:</b>						
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	<u>3,594,114</u>	<u>3,594,114</u>	<u>0</u>	<u>0</u>		
	<b><u>\$ 6,085,175</u></b>	<b><u>\$ 6,085,175</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>		
<b>2019</b>						
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>		
<b>Investments:</b>						
Corporate bonds	\$ 1,515,532	\$ 1,515,532	\$ 0	\$ 0		
Money market funds	19,802	19,802	0	0		
Mutual funds	860,844	860,844	0	0		
Equity securities	<u>3,964,958</u>	<u>3,964,958</u>	<u>0</u>	<u>0</u>		
	<b><u>\$ 6,361,136</u></b>	<b><u>\$ 6,361,136</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>		

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See next page for continuation of notes.

# **THE BULLDOG FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

### **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 provides virtually all monies generated (net of fundraising expense and operating reserves) to the Athletic Corporation. As of June 30, 2020 and 2019, amounts due to the Athletic Corporation were \$3,812,506 and \$3,745,866, respectively. Additionally, as of June 30, 2020, the amount due from the Athletic Corporation was \$398,933. During the fiscal years ended June 30, 2020 and 2019, the BDF provided the following to the Athletic Corporation:

	<b>2020</b>	<b>2019</b>
Grants-in-aid	\$ 3,000,000	\$ 2,850,000
Training table	180,388	75,000
Athletic Director discretionary fund	61,407	98,116
Fund for excellence disbursements	760,091	1,131,894
Endowment distribution	293,612	3,150,000
Endowment scholarship distributions	23,846	0
Facility improvements	78,933	89,513
Sports clubs expenses	133,547	170,156
Athletic training	<u>14,000</u>	<u>2,061</u>
	<hr/> <u>\$ 4,545,824</u>	<hr/> <u>\$ 7,566,740</u>

### **NOTE 14: SUBSEQUENT EVENT**

Management has evaluated subsequent events through September 16, 2020, (the date which the financial statements were available for issue). With the exception of the subsequent event disclosed below, no events have occurred subsequent to June 30, 2020 that would require adjustment to or disclosure in the financial statements.

On March 11, 2020, the World Health Organization pronounced the coronavirus (COVID-19) outbreak a pandemic. Citizens and economies of the United States and other countries have been significantly impacted by the pandemic. The duration and ultimate disruption which may be caused by the outbreak.

On August 10, 2020, the Mountain West Conference postponed all fall sports with the potential of moving competitive seasons to the spring of 2021. This decision was made based on recommendations from state and local public health officials and government mandates related to COVID-19 pandemic to ensure the safety of the student-athletes, fans, and community. In the event that competitive seasons are not resumed in spring 2021, there may be a significant reduction in contribution revenue, increase in bad debts, cash flow disruptions and other financial implications.



## Moore Grider & Company LLP

Certified Public Accountants

### A Partnership Including Accountancy Corporations

Richard L. Holland, C.P.A.

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

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.

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Stalin Hernandez, C.P.A.

Michiko Rosenthal, C.P.A.

Shaina M. Miracle, C.P.A.

Kara J. Nickel, C.P.A.

Kirsten Years, 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 statements of The Bulldog Foundation, which comprise the statements of net position as of June 30, 2020 and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 16, 2020.

#### **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) to determine the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 determination of financial statement amounts. 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.

*Moore, Grider & Company LLP*

Fresno, California  
September 16, 2020

**SUPPLEMENTARY INFORMATION**

**For inclusion in California State University, Fresno**

**THE BULLDOG FOUNDATION**

**SCHEDULE OF NET POSITION**

**JUNE 30, 2020**  
**(for inclusion in the California State University)**

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 4,388,085
Accounts receivable, net	398,933
Pledges receivable, net	587,442
Prepaid expenses and other current assets	<u>24,797</u>
<b>TOTAL CURRENT ASSETS</b>	<u>5,399,257</u>
<b>NONCURRENT ASSETS</b>	
Restricted cash and cash equivalents	79,077
Pledges receivable, net	459,531
Endowment investments	<u>6,085,175</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>6,623,783</u>
<b>TOTAL ASSETS</b>	<u>12,023,040</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
	<u>0</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	3,820,871
Accrued compensated absences, current portion	16,817
Unearned revenues	0
Other liabilities	<u>0</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,837,688</u>
<b>NONCURRENT LIABILITIES</b>	
	<u>0</u>
<b>TOTAL LIABILITIES</b>	<u>3,837,688</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
	<u>0</u>
<b>NET POSITION</b>	
Net investment in capital assets	0
Restricted for:	
Nonexpendable - endowments	1,272,732
Expendable:	
Scholarships and fellowships	0
Other	4,740,150
Unrestricted	<u>2,172,470</u>
<b>TOTAL NET POSITION</b>	<u>\$ 8,185,352</u>

**THE BULLDOG FOUNDATION**

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

**YEAR ENDED JUNE 30, 2020**  
**(for inclusion in the California State University)**

<b>REVENUES</b>	
<b>OPERATING REVENUES</b>	
Other operating revenues	\$ 221,950
<b>TOTAL OPERATING REVENUES</b>	<u>221,950</u>
<b>EXPENSES</b>	
<b>OPERATING EXPENSES</b>	
Auxiliary enterprise expenses	<u>5,618,631</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>5,618,631</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(5,396,681)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Gifts, noncapital	4,179,777
Investment income (loss), net	13,709
Endowment income (loss), net	<u>94,153</u>
<b>NET NONOPERATING REVENUES (EXPENSES)</b>	<u>4,287,639</u>
<b>INCOME (LOSS) BEFORE OTHER REVENUES (EXPENSES)</b>	<u>(1,109,042)</u>
Additions (reductions) to permanent endowments	<u>52,963</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<u>(1,056,079)</u>
<b>NET POSITION</b>	
Net position at beginning of year	<u>9,241,431</u>
Net position at end of year	<u>\$ 8,185,352</u>

**THE BULLDOG FOUNDATION**  
 Other Information  
 June 30, 2020  
 (for inclusion in the California State University)

**1 Cash and cash equivalents:**

Portion of restricted cash and cash equivalents related to endowments	\$ 79,007
All other restricted cash and cash equivalents	\$ <u>—</u>
<b>Noncurrent restricted cash and cash equivalents</b>	<b>\$ 79,007</b>
Current cash and cash equivalents	\$ 4,388,085
<b>Total</b>	<b>\$ 4,467,092</b>

**2.1 Composition of investments:**

	<b>Current</b>	<b>Noncurrent</b>	<b>Fair Value</b>
Corporate bonds	\$ —	\$ 1,463,202	\$ 1,463,202
Money market funds	\$ —	\$ 13,856	\$ 13,856
Mutual funds	\$ —	\$ 1,014,003	\$ 1,014,003
Equity securities	\$ —	\$ 3,594,114	\$ 3,594,114
<b>Total investments</b>	<b>\$ —</b>	<b>\$ 6,085,175</b>	<b>\$ 6,085,175</b>
Less endowment investments	\$ —	\$ (6,085,175)	\$ (6,085,175)
<b>Total investments</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

**2.2 Fair value hierarchy in investments:**

	<b>Total</b>	<b>Fair Value Measurements Using</b>			
		<b>Quoted Prices In Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Net Asset Value (NAV)</b>
Corporate bonds	\$ 1,463,202	\$ 1,463,202	\$ —	\$ —	\$ —
Money market funds	\$ 13,856	\$ 13,856	\$ —	\$ —	\$ —
Mutual funds	\$ 1,014,003	\$ 1,014,003	\$ —	\$ —	\$ —
Equity securities	\$ 3,594,114	\$ 3,594,114	\$ —	\$ —	\$ —
Preferred securities	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Total investments</b>	<b>\$ 6,085,175</b>	<b>\$ 6,085,175</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

**2.3 Investments held by the University under contractual agreements:** Nothing to report

**3.1 Composition of capital assets:** Nothing to report

**3.2 Detail of depreciation and amortization expense:** Nothing to report

**4 Long-term liabilities:**

	<b>Balance June 30, 2019</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2020</b>	<b>Current Portion</b>	<b>Long-term Portion</b>
1. Accrued compensated absences	\$ 27,104	\$ 11,301	\$ (21,588)	\$ 16,817	\$ 16,817	\$ 0

**5 Capital lease obligations schedule:** Nothing to report

**6 Long-term debt obligations schedule:** Nothing to report

**7 Transactions with Related Entities:** Nothing to report

**8 Restatements:** Nothing to report

**9 Natural Classifications of Operating Expenses:**

	<b>Salaries</b>	<b>Benefits - other</b>	<b>Supplies and other services</b>	<b>Total operating expenses</b>
Auxiliary enterprise expenses	\$ 517,048	\$ 169,143	\$ 4,932,440	\$ 5,618,631

**10 Deferred outflows/inflows of resources:** Nothing to report