

**The Agricultural Foundation
of
California State University, Fresno**

**2024-25
Annual Report**

**Approved by the Board of Directors
September 12, 2025**

**THE AGRICULTURAL FOUNDATION OF
CALIFORNIA STATE UNIVERSITY, FRESNO
JUNE 30, 2025 AND 2024**

TABLE OF CONTENTS

	<u>Page</u>
Corporate Information - Unaudited	1
Report of Independent Auditors	2
Financial Statements	
Statements of Financial Position	5
Statement of Activities	6
Statements of Cash Flows	8
Notes to the Financial Statements	9
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	22
Supplementary Information	
Schedule of Net Position	24
Schedule of Revenues, Expenses and Changes in Net Position	25
Other Information	26

**THE AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY,
FRESNO
CORPORATE INFORMATION
For the Fiscal Year Ended June 30, 2025**

BOARD OF DIRECTORS

William Bourdeau	Coalinga, California
Daniel Errotabere	Riverdale, California
Dr. Saúl Jiménez-Sandoval	Fresno, California
Richard Matoian	Fresno, California
Dianne Nury	Fresno, California
Pat V. Ricchiuti	Clovis, California
Steve Shehadey	Fresno, California
Dr. Rolston St. Hilaire	Fresno, California
Sarah Woolf	Fresno, California

CORPORATE OFFICERS

Pat V. Ricchiuti	Chair
Sarah Woolf	Vice Chair
Daniel Errotabere	Treasurer
Dr. Saúl Jiménez-Sandoval	Secretary

AUDIT COMMITTEE

Richard Matoian, Chair	Fresno, California
Daniel Errotabere, Vice Chair	Fresno, California
Larry Layne	Sanger, California
William Bourdeau	Coalinga, California

EXECUTIVE STAFF

Nicole Lane	Executive Director
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CORPORATE DATA

Executive Offices	2771 East Shaw Avenue Fresno, California 93710-8205 Telephone (559) 278-0800
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Auditors	Baker Tilly LLP 255 East River Park Circle, Suite 220 Fresno, California 93720 Telephone (559) 389-5700 bakertilly.com
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Report of Independent Auditors

The Board of Directors
The Agricultural Foundation of California State University, Fresno

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Agricultural Foundation of California State University, Fresno (Agricultural Foundation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agricultural Foundation as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Generally Accepted Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agricultural Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agricultural Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agricultural 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 Agricultural 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of net position, schedule of revenues, expenses, and changes in net position, and other information (collectively supplementary information) are presented for purposes of additional analysis and is not a required part of the financial statements. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 11, 2025, on our consideration of Agricultural 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 Agricultural 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 Agricultural Foundation's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Fresno, California
September 11, 2025

THE AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Notes 3 and 4)	\$ 1,387,595	\$ 1,207,399
Accounts Receivable (Note 2)	470,923	490,742
Pledges Receivable (Note 2)	34,000	34,000
Allowance for Doubtful Accounts (Note 2)	(1,247)	(3,344)
Inventories at Cost and Unit Livestock Method (Notes 2 and 6)	968,457	703,817
Investment in Growing Crops (Note 2)	444,792	385,367
Prepaid Expenses (Note 2)	674	30
Total Current Assets	<u>3,305,194</u>	<u>2,818,011</u>
Noncurrent Assets:		
Other Assets:		
Long-Term Receivables (Note 7)	39,330	50,211
Investments (Note 5 and 8)	1,468,019	1,359,477
Total Other Assets	<u>1,507,349</u>	<u>1,409,688</u>
Fixed Assets: (Note 2)		
Breeding Herd	152,405	101,590
Equipment	5,479,895	4,904,816
Capitalized Development Costs	1,311,149	1,302,024
Construction In Progress	389,859	367,601
Total Fixed Assets	<u>7,333,308</u>	<u>6,676,031</u>
Less: Accumulated Depreciation	<u>(4,736,019)</u>	<u>(4,485,497)</u>
Total Fixed Assets, Net	<u>2,597,289</u>	<u>2,190,534</u>
Total Noncurrent Assets	<u>4,104,638</u>	<u>3,600,222</u>
Total Assets	<u><u>\$ 7,409,832</u></u>	<u><u>\$ 6,418,233</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Current Liabilities:		
Accounts Payable and Other Accrued Expenses (Note 2)	\$ 1,284,822	\$ 520,189
Deferred Revenue (Note 2)	41,481	37,721
Total Current Liabilities	<u>1,326,303</u>	<u>557,910</u>
Net Assets:		
Without Donor Restrictions (Note 11)	5,753,050	5,536,398
With Donor Restrictions (Note 11)	330,479	323,925
Total Net Assets	<u>6,083,529</u>	<u>5,860,323</u>
Total Liabilities and Net Assets	<u><u>\$ 7,409,832</u></u>	<u><u>\$ 6,418,233</u></u>

See accompanying notes

THE AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Revenues and Other Support:			
Gross Sales	\$ 4,038,438	\$ -	\$ 4,038,438
Contributions:	79,780	60,000	139,780
Nonfinancial Assets (Note 10)			
Agricultural Operations Support (Note 10)	250,000	-	250,000
Other Nonfinancial Assets (Note 10)	1,322,058	-	1,322,058
Gain on Sale of Assets	31,000	-	31,000
Interest Income	77,471	-	77,471
Net Assets Released from Restrictions	53,446	(53,446)	-
	<u>5,852,193</u>	<u>6,554</u>	<u>5,858,747</u>
Total Revenues and Other Support			
	<u>5,852,193</u>	<u>6,554</u>	<u>5,858,747</u>
Expenses:			
Cost of Sales	742,430	-	742,430
Salaries/Wages (Note 15)	2,289,384	-	2,289,384
Employee Benefits (Note 15)	209,380	-	209,380
Advertising	13,605	-	13,605
Audit Fees	38,595	-	38,595
Capitalized Development Costs-Depreciation	99,746	-	99,746
Custom Harvesting	102,142	-	102,142
Depreciation	552,355	-	552,355
Donations	335	-	335
Equipment Rental/Repair	385,802	-	385,802
Insurance	80,246	-	80,246
Legal Fees	649	-	649
Licenses/Dues/Fees	65,447	-	65,447
Livestock Expense	82,336	-	82,336
Management Services Fee	177,927	-	177,927
Miscellaneous	33,612	-	33,612
Office Supplies/Duplicating	10,009	-	10,009
Postage/Freight	9,837	-	9,837
Supplies	657,649	-	657,649
Utilities	192,597	-	192,597
	<u>5,744,083</u>	<u>-</u>	<u>5,744,083</u>
Total Expenses			
	<u>5,744,083</u>	<u>-</u>	<u>5,744,083</u>
Change in Net Assets from Operations	108,110	6,554	114,664
	<u>108,110</u>	<u>6,554</u>	<u>114,664</u>
Nonoperating Activities			
Investment Income, Net	108,542	-	108,542
	<u>108,542</u>	<u>-</u>	<u>108,542</u>
Total Nonoperating Activities			
	<u>108,542</u>	<u>-</u>	<u>108,542</u>
Change in Net Assets	216,652	6,554	223,206
	<u>216,652</u>	<u>6,554</u>	<u>223,206</u>
Net Assets, Beginning of Year	5,536,398	323,925	5,860,323
	<u>5,536,398</u>	<u>323,925</u>	<u>5,860,323</u>
Net Assets, End of Year	\$ 5,753,050	\$ 330,479	\$ 6,083,529
	<u>\$ 5,753,050</u>	<u>\$ 330,479</u>	<u>\$ 6,083,529</u>

See accompanying notes

THE AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Revenues and Other Support:			
Gross Sales	\$ 4,536,135	\$ -	\$ 4,536,135
Contributions	153,873	60,000	213,873
Nonfinancial Assets (Note 10)			
Agricultural Operations Support (Note 10)	860,676	-	860,676
Other Nonfinancial Assets (Note 10)	1,074,613	-	1,074,613
Federal Subsidies	4,544	-	4,544
Interest Income	73,137	-	73,137
Net Assets Released from Restrictions	62,334	(62,334)	-
	<u>6,765,312</u>	<u>(2,334)</u>	<u>6,762,978</u>
Total Revenues and Other Support			
	<u>6,765,312</u>	<u>(2,334)</u>	<u>6,762,978</u>
Expenses:			
Cost of Sales	1,173,010	-	1,173,010
Salaries/Wages (Note 15)	2,459,005	-	2,459,005
Employee Benefits (Note 15)	254,888	-	254,888
Advertising	20,151	-	20,151
Audit Fees	28,093	-	28,093
Capitalized Development Costs-Depreciation	81,510	-	81,510
Custom Harvesting	116,338	-	116,338
Depreciation	246,388	-	246,388
Donations	244	-	244
Equipment Rental/Repair	405,280	-	405,280
Insurance	68,785	-	68,785
Legal Fees	59	-	59
Licenses/Dues/Fees	73,399	-	73,399
Livestock Expense	133,162	-	133,162
Management Services Fee	169,454	-	169,454
Miscellaneous	51,325	-	51,325
Office Supplies/Duplicating	7,777	-	7,777
Postage/Freight	5,565	-	5,565
Supplies	814,768	-	814,768
Utilities	124,876	-	124,876
	<u>6,234,077</u>	<u>-</u>	<u>6,234,077</u>
Total Expenses			
	<u>6,234,077</u>	<u>-</u>	<u>6,234,077</u>
Change in Net Assets from Operations	531,235	(2,334)	528,901
	<u>531,235</u>	<u>(2,334)</u>	<u>528,901</u>
Nonoperating Activities			
Investment Income, Net	111,287	-	111,287
	<u>111,287</u>	<u>-</u>	<u>111,287</u>
Total Nonoperating Activities			
	<u>111,287</u>	<u>-</u>	<u>111,287</u>
Change in Net Assets	642,522	(2,334)	640,188
	<u>642,522</u>	<u>(2,334)</u>	<u>640,188</u>
Net Assets, Beginning of Year	4,893,876	326,259	5,220,135
	<u>4,893,876</u>	<u>326,259</u>	<u>5,220,135</u>
Net Assets, End of Year	\$ 5,536,398	\$ 323,925	\$ 5,860,323
	<u>\$ 5,536,398</u>	<u>\$ 323,925</u>	<u>\$ 5,860,323</u>

See accompanying notes

THE AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ 223,206	\$ 640,188
Adjustments to Reconcile Increase (Decrease) in Net Assets to		
Net Cash Provided (Used) By Operating Activities:		
Depreciation	652,101	327,898
Unrealized (Gain) Loss on Investments	(108,542)	(111,287)
Donation Expense (Income) of Fixed Assets	(944,508)	(252,563)
Gain on Exchange of Fixed Assets	(31,000)	-
Changes In:		
Accounts Receivable	17,722	(122,521)
Inventories	(264,640)	(48,713)
Prepaid Expenses	(644)	15
Accounts Payable and Accrued Expenses	764,633	(114,938)
Deferred Revenue	<u>3,760</u>	<u>2,932</u>
Net Cash Provided By Operating Activities	<u>312,088</u>	<u>321,011</u>
Cash Flows from Investing Activities		
Collection of Cash on Long-Term Receivables	10,881	41,360
Investment in Growing Crops, Net	(59,425)	18,077
Purchases of Fixed Assets	<u>(83,348)</u>	<u>(455,399)</u>
Net Cash Used in Investing Activities	<u>(131,892)</u>	<u>(395,962)</u>
Net Increase (Decrease) in Cash	180,196	(74,951)
Cash and Cash Equivalents at Beginning of Year	<u>1,207,399</u>	<u>1,282,350</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,387,595</u></u>	<u><u>\$ 1,207,399</u></u>

Noncash Investing and Financing Activities

For the year ended June 30, 2025, the Agricultural Foundation exchanged equipment with a fair value of \$138,540 for equipment with a fair value of \$107,540, resulting in a gain of \$31,000. No cash was exchanged in the transaction.

See accompanying notes

THE AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 and 2024

NOTE 1 – GENERAL INFORMATION

The Agricultural Foundation of California State University, Fresno (The Agricultural Foundation) was incorporated on December 3, 1954 as a nonprofit corporation. It is a tax-exempt corporation under section 501(c)(3) of the Internal Revenue Code.

The Agricultural Foundation was formed and is operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of California State University, Fresno (the University). The Agricultural Foundation is supported primarily by sales of products from the various operating units. For the year ended June 30, 2025, approximately 14% and 15% of the Agricultural Foundation's revenue was from sales by the Mature Orchard and Quarter Horse, respectively. For the year ended June 30, 2024, approximately 12% and 13% of The Agricultural Foundation's revenue was from sales by the Mature Orchard and Dairy, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of The Agricultural Foundation have been prepared in accordance with US generally accepted accounting principles (US GAAP), which requires The Agricultural Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These amounts include quasi-endowments and reserves. These net assets may be used at the discretion of The Agricultural Foundation's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The Agricultural Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Agricultural Foundation has net assets with donor restrictions of \$330,479 and \$323,925 for the years ended June 30, 2025 and 2024, respectively.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Restricted assets are used before unrestricted assets, whenever possible.

Basis of Accounting

Basis of accounting refers to the timing of when various financial transactions are recognized in the accounts and reported in the financial statements. The accounting records of The Agricultural Foundation are maintained using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when goods or services are received.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to The Agricultural Foundation's ongoing farm laboratory services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposit accounts and money market funds with financial institutions. The Agricultural Foundation considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents. At June 30, 2025 and 2024, The Agricultural Foundation's uninsured cash balances at Citibank totaled \$853,311 and \$716,615, respectively.

Concentrations of Credit Risk

Financial instruments that potentially subject The Agricultural Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Agricultural Foundation maintains its cash and cash equivalents and investment accounts in various bank accounts, which are Federally Deposit Insurance Corporation (FDIC) and Securities Investor Protection (SIPC) insured up to the limits allowed by law. The Agricultural Foundation's cash and cash equivalent and investment accounts have been placed with high credit quality financial institutions. The Agricultural Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

Revenue and Revenue Recognition

Revenue from the sales of products and livestock are recognized when the performance obligation of transferring the products is met. Sales of crops are recorded net of certain custom harvesting costs.

The payment terms and conditions in customer contracts vary from 30-90 days from transfer of control. Deferred revenues represent stall deposits and gift certificates purchased that have not yet been redeemed at year end.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed fixed assets are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Nonfinancial Assets

The Agricultural Foundation recognized contributed financial assets within revenue, including donated livestock, feed, crops, supplies, equipment, and professional services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Livestock was contributed to various programs within the Agricultural Foundation. The Agricultural Foundation will determine whether to utilize or sell the livestock based on the current needs of the program. The Agricultural Foundation assigns values based on a board approved policy.

Livestock feed was used in the Dairy program. The Agricultural Foundation estimates the fair value based on wholesale values that would be paid for similar feed products in the Central Valley.

Growing crops consist of various types of crops for various programs within the Agricultural Foundation. The Agricultural Foundation estimates the value based on the fair value that would be paid for similar crops in the Central Valley.

Supplies and equipment were used in various programs within the Agricultural Foundation. The Agricultural Foundation estimates the value based on the fair value that would be paid for similar items in the Central Valley.

Contributed services recognized comprise of professional services varying from farm management to engineering and design. Contributed services are valued and reported at the estimated fair value based on current rates for similar services. California State University, Fresno contributed \$627,550 and \$1,106,903 during the years ended June 30, 2025 and 2024, respectively in salaries and benefits in support of the University Farm.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$13,605 and \$20,151 for the years ended June 30, 2025 and 2024, respectively.

Accounts Receivable

Accounts receivable are unsecured, non-interest bearing, and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for credit losses and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts and current economic events. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Allowance for credit losses totaled \$1,247 and \$3,344 at June 30, 2025 and 2024 respectively.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in Note 14 – Expenses by Natural Classification/Functional Classification. Accordingly, certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The costs have been allocated among the program and general and administrative based upon management's estimate of time and effort recorded on functions related to specific activity, or in the case of shared expenses, using an allocation based on usage or other relevant bases.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Raised and donated inventory of animals held for sale is carried at maximum raised value established by the Board. Inventory values are equivalent to average cost to raise to maturity. Purchased animals held for sale are valued at cost. Cost of supply inventories are determined using the first-in, first-out method (FIFO).

Investment in Growing Crops

The Agricultural Foundation accumulates all direct costs of growing crops and reports the growing crops on the Statements of Financial Position at the lower of cost or market. It is the policy of Agricultural Foundation to charge-off investment in growing crops when there is damage or obsolete crops. There were no charge offs for the year ended June 30, 2025 and 2024, respectively.

Investments

Investments in marketable securities are recorded at cost when purchased and at fair value, thereafter.

Fixed Assets

Fixed assets represent breeding herds, and equipment. Raised and donated breeding herds are carried at maximum raised value established by the Board. Purchased breeding herds are carried at cost less accumulated depreciation. Depreciation of livestock and herds is computed using straight line rates established by the Board.

Equipment is stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from three to ten years. The Agricultural Foundation's policy is to capitalize renewals and betterments acquired for greater than \$5,000 and expense normal repairs and maintenance as incurred. Fully depreciated assets, which have economic value, are retained on the books although fully depreciated.

Capitalized development costs represent costs incurred for producing vineyards and orchards. The costs are depreciated over 10 years as the vineyards and orchards commence production.

Depreciation and amortization of fixed assets is computed using the straight-line method over the following estimated useful lives:

Breeding herd	3-16 years
Equipment	3-20 years
Capitalized development costs	10 years

Depreciation expense amounted to \$552,355 and \$246,388 for the years ended June 30, 2025 and 2024, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Long Lived Assets

The long-lived assets are reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expected to result from the use and eventual disposition of that asset. Whenever any such impairment loss will be recognized for the amount by which the carry value exceeds the fair value. No impairments were found for the years ended June 30, 2025 and 2024.

Accounts Payables

Accounts payable are amounts owed by the organization to outside entities. This includes operational expenses, accruals of outstanding payments, and accrual of payroll and benefits.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status

The Agricultural Foundation is organized and operated exclusively for educational purposes and is thus allowed tax exempt status under provisions of section 501(c)(3) of the Internal Revenue Code and section 21701(d) of the California Revenue and Taxation Code.

NOTE 3 – LIQUIDITY AND AVAILABILITY

The following represents The Agricultural Foundation's financial assets at June 30, 2025 and 2024:

Financial assets at year end:	2025	2024
Cash and cash equivalents	\$ 1,387,595	\$ 1,207,399
Accounts receivable, net	469,676	487,398
Pledge Receivable	34,000	34,000
Investments	1,468,019	1,359,477
Total financial assets	3,359,290	3,088,274
Less amounts not available to be used within one year:		
Net assets with donor restrictions	330,479	323,925
Working capital reserve	830,574	768,957
Quasi endowment established by the board	1,468,019	1,359,477
	2,629,072	2,452,359
Financial assets available to meet general expenditures over the next twelve months	\$ 730,218	\$ 635,915

NOTE 3 – LIQUIDITY AND AVAILABILITY (continued)

As part of its liquidity plan, excess cash is invested in short-term investments including money market and State of California Local Agency Investment Fund (LAIF) accounts.

On August 30, 2020, the Board of Directors approved a revised Reserve Policy reducing the amount of working capital reserve minimum to \$750,000 or 15% of budgeted operating expenses (less depreciation) for the next fiscal year, whichever is greater. Of the minimum amount, \$250,000 in cash shall not be invaded for any purpose except in the case of extreme financial hardship with the authorization of both the University President and Chair of the Board of Directors. Fifteen percent of the budgeted operating expenses, net of depreciation is \$830,574 at June 30, 2025. Based on the available cash balances above, the Agricultural Foundation is meeting its minimum reserve requirements at June 30, 2025 and 2024.

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30 consisted of the following:

	2025	2024
Deposits:		
Cash in Bank	\$ 721,874	\$ 567,040
Money Market	345,844	334,582
Pooled Funds:		
Cash in State of California Local Agency Investment Fund	316,777	302,677
Change Funds:	3,100	3,100
Total	<u>\$ 1,387,595</u>	<u>\$ 1,207,399</u>

The Agricultural Foundation maintains some of its cash in The State of California Local Agency Investment Fund. The State pools these funds with those of other organizations and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is remitted quarterly to The Agricultural Foundation. Any investment losses are proportionately shared by all funds in the pool.

NOTE 5 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes 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 measurements involving significant observable input (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

NOTE 5 – FAIR VALUE MEASUREMENTS (continued)

Level 2 – Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounts cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Techniques and inputs – Level 1 assets include investment in money market and short-term investments for which quoted prices for identical assets are readily available. Level 3 assets include investment held in the University’s endowment fund for which quoted prices are not readily available. The Agricultural Foundation investments are pooled with other endowments and the fair values are estimated using an allocation based on the proportionate share of the University’s endowment.

Level 3 assets include investment held in the University’s endowment fund for which quoted prices are not readily available. The Agricultural Foundation investments are pooled with other endowments and the fair values are estimated using an allocation based on the proportion of the University’s endowment.

There have been no changes in the techniques and inputs used as of June 30, 2025

The table below presents the balance of assets measured at fair value on a recurring basis at June 30:

<u>2025</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash				
Equivalents	\$ 1,387,595	\$ 1,387,595	\$ -	\$ -
Investment	1,468,019	-	-	1,468,019
Totals	<u>\$ 2,855,614</u>	<u>\$ 1,387,595</u>	<u>\$ -</u>	<u>\$ 1,468,019</u>

<u>2024</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash				
Equivalents	\$ 1,207,399	\$ 1,207,399	\$ -	\$ -
Investment	1,359,477	-	-	1,359,477
Totals	<u>\$ 2,566,876</u>	<u>\$ 1,207,399</u>	<u>\$ -</u>	<u>\$ 1,359,477</u>

The following table presents a reconciliation of the statement of financial position amounts for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2025:

<u>2025</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Unrealized</u> <u>Gains</u>	<u>Purchases</u>	<u>Sales</u>	<u>Balance</u> <u>June 30, 2025</u>
Fresno State Foundation Endowment Fund	\$ 1,359,477	\$ 108,542	\$ -	\$ -	\$ 1,468,019

<u>2024</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Unrealized</u> <u>Gains</u>	<u>Purchases</u>	<u>Sales</u>	<u>Balance</u> <u>June 30, 2024</u>
Fresno State Foundation Endowment Fund	\$ 1,248,190	\$ 111,287	\$ -	\$ -	\$ 1,359,477

NOTE 5 – FAIR VALUE MEASUREMENTS (continued)

Investments, in general, are subject to various risks, including credit, interest and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

NOTE 6 – INVENTORY

Inventory at June 30 consist of the following :

	<u>2025</u>	<u>2024</u>
Winery	\$ 479,751	\$ 191,228
Dairy	309,019	250,916
Beef	53,923	61,943
Others	<u>125,764</u>	<u>199,730</u>
Total	<u>\$ 968,457</u>	<u>\$ 703,817</u>

NOTE 7 – LONG-TERM RECEIVABLES

The Agricultural Foundation is a member of a milk cooperative known as the California Dairies Inc. Members of the cooperative must maintain a permanent capital fund to provide the necessary capital to finance the California Dairies' operation and growth. This equity account is refundable in five annual payments upon The Agricultural Foundation's withdrawal from the cooperative.

Long-Term Receivables at June 30 are composed of the following :

	<u>2025</u>	<u>2024</u>
California Dairies Inc.	<u>\$ 39,330</u>	<u>\$ 50,211</u>

NOTE 8 – INVESTMENTS

Investment securities, stated at fair value, are summarized as follows at June 30:

<u>2025</u>	<u>Original Investment</u>	<u>Fair Value</u>	<u>Unrealized Gain/(Loss)</u>
Fresno State Foundation			
Endowment Pool	\$ 737,645	\$ 1,468,019	\$ 730,374
Totals	<u>\$ 737,645</u>	<u>\$ 1,468,019</u>	<u>\$ 730,374</u>
<u>2024</u>	<u>Original Investment</u>	<u>Fair Value</u>	<u>Unrealized Gain/(Loss)</u>
Fresno State Foundation			
Endowment Pool	\$ 737,645	\$ 1,359,477	\$ 621,832
Totals	<u>\$ 737,645</u>	<u>\$ 1,359,477</u>	<u>\$ 621,832</u>

NOTE 9 – CONTRACTS WITH CUSTOMERS

Revenue from performance obligations satisfied at a point in time consists of livestock and product sales. Product sales are sold direct to customers and wholesalers. The total amount of revenue recognized from contracts with customers at a point in time during the years ended June 30, 2025 and 2024 was approximately \$4,038,000 and \$4,536,000, respectively.

Contract assets include accounts receivable arising from contracts from customers in the amount of \$470,923, \$490,742, and \$368,377 at June 30, 2025, 2024, and 2023, respectively.

The following table provides information about significant changes in the contract liabilities for the years ended June 30:

	2025	2024
Deferred revenue, beginning of year	\$ 37,721	\$ 34,789
Revenue recognized that was included in deferred revenue at the beginning of year	(6,050)	(12,828)
Increase in deferred revenue due to cash received during the period	9,810	15,760
Deferred revenue, end of year	<u>\$ 41,481</u>	<u>\$ 37,721</u>

NOTE 10 – CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statement of activities included the following at June 30:

	2025	2024
Livestock/Breeding Herd	\$ 795,000	\$ 721,930
Livestock Feed	-	12,133
Growing Crops	-	26,124
Supplies and Equipment	149,508	97,813
Professional Services	627,550	1,077,289
Total	<u>\$ 1,572,058</u>	<u>\$ 1,935,289</u>

There were \$1,206 and \$12,300 livestock/breeding herd monetized for the years ended June 30, 2025 and 2024.

NOTE 11 – NET ASSETS

Net assets without donor restrictions were as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Undesignated	\$ 4,035,031	\$ 3,926,921
Designated, Capital Reserve (Note 3)	250,000	250,000
Designated, Fresno State Foundation Endowment Pool	1,468,019	1,359,477
Total	<u>\$ 5,753,050</u>	<u>\$ 5,536,398</u>

NOTE 11 – NET ASSETS (continued)

Endowment

The Board designated The Agricultural Foundation Endowment Fund to support the mission of the Agricultural Foundation. Since the fund resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

Endowment assets are invested with the California State University, Fresno Foundation (the Agricultural Foundation) in their endowment Pool A, a well-diversified fund that is intended to result in a consistent inflation-protected rate of return. Each year, the Agricultural Foundation either approves an appropriation for distribution from its endowments or a reinvestment in the pool. For fiscal year 2025 and 2024, the Board authorized a distribution.

The distribution or reinvestment is measured as a percentage of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, The Agricultural Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, The Agricultural Foundation expects the current spending policy to allow its general endowment fund to grow consistent with its return objectives and risk parameters. The Agricultural Foundation expects its endowment assets, over time, to exceed the rate of inflation by approximately 4%. Actual returns in any given year may vary from this amount.

Composition of and changes in endowment net assets for the years ending June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Board-designated endowment net assets, July 1	\$ 1,359,477	\$ 1,248,190
Net appreciation	160,612	159,295
Amount reinvested	-	-
Amounts appropriated for expenditures	<u>(52,070)</u>	<u>(48,008)</u>
Total	<u>\$ 1,468,019</u>	<u>\$ 1,359,477</u>

Net assets with donor restrictions were as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Poultry Reserve	\$ 235,882	\$ 198,025
Capital Repairs and Replacement Reserve	19,093	19,093
Fig Orchard	-	750
A-4 Pistachio Reserve	<u>75,504</u>	<u>106,057</u>
Totals	<u>\$ 330,479</u>	<u>\$ 323,925</u>

Poultry Reserve

In January 2012, an operating agreement was executed between Foster Farms, LLC and The Agricultural Foundation to maintain the proper facilities, conduct research and to raise and prepare broilers for processing back to Foster Farms, LLC. The agreement renewed in June 2021 for a 5-year term.

NOTE 11 – NET ASSETS (continued)

Capital Repairs and Replacement Reserve

In October 2020, a donation of \$250,000 was received from the Fresno State Foundation to provide for capital repair and replacement on the Farm. As of June 30, 2025, and 2024, \$19,093 remains to be used.

Pistachio Donation Reserve

In January 2022, a pledge of \$325,600 was received from Rod Stiefvater to provide for the establishing of a pistachio orchard. This donation is to be paid in several installments with a final installment to be provided to the Ag Foundation on July 1, 2025. The totals remaining to be used are \$75,504 and \$106,057 as of June 30, 2025, and 2024, respectively.

Fig Orchard

In June 2024, a donation of \$9,125 was received from Kevin Herman with Specialty Crop Company to provide for the planting and support of 2.5 acres of figs. This donation is to be provided in installments with the final installment provided in 2025. The totals remaining to be used are \$0 and \$750 as of June 30, 2025, and 2024, respectively.

NOTE 12 – RELATED PARTIES

The Agricultural Foundation receives management services from the California State University, Fresno Association, Inc. (the Association). The Agricultural Foundation had the following transactions with the following entities during the years ended June 30, 2025 and 2024:

Administrative fees paid to the Association for management services were \$177,927 and \$169,454 for the years ended June 30, 2025 and 2024, respectively based on a flat fee arrangement. The amounts due the Agricultural Foundation from the Association at June 30, 2025 and 2024, were \$528 and \$100, respectively. The amounts due the Association from the Agricultural Foundation at June 30, 2025 and 2024, were \$29,565 and \$13,700 respectively.

The Agricultural Foundation operates the University Farm, which serves as an instructional laboratory. As such, the University is required to pay for certain operational expenses during the fiscal year. The amounts paid by the University were \$250,000 for the year ended June 30, 2025 and \$860,676 for year ended June 30, 2024. These payments, which were fully nonfinancial contributions, were used to reduce farm operation expenses.

The amounts due from the Agricultural Foundation to the University at June 30, 2025 and 2024, were \$551,885 and \$121,702, respectively. The amounts due from the University to The Agricultural Foundation at June 30, 2025 and 2024, were \$18,844 and \$23,741, respectively.

The amounts due the Agricultural Foundation from California State University, Fresno Foundation at June 30, 2025 and 2024, were \$52,128 and \$87,069, respectively. The amounts due from the Agricultural Foundation to California State University, Fresno Foundation at June 30, 2025 and 2024, were \$1,036 and \$108, respectively.

The amounts due the Agricultural Foundation from Fresno State Athletics at June 30, 2025 and 2024, were \$0 and \$4,420, respectively.

NOTE 13 – LEASES

The Agricultural Foundation evaluated current contracts to determine which met the criteria of a lease, per ASU Topic 842 Leases. Management has determined that no current contracts held by The Agricultural Foundation qualify to meet the threshold of a lease. Future contracts will continue to be reviewed for lease status as they are agreed upon.

NOTE 14 – EXPENSES BY NATURAL/FUNCTIONAL CLASSIFICATION

The accompanying statement of activities reports certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable and systematic basis that is consistently applied by management in the preparation of its annual financial statements. All of The Agricultural Foundation's expenses are directly allocated to the functional categories by cost center. Such methodologies are deemed by management to be reasonable and appropriate and reflective of the functional purpose of each cost incurred for the respective reporting period.

The following is a detailed list of expenses by natural/functional classification for the years ended June 30:

	2025			2024		
	Program	General/ Admin	Total	Program	General/ Admin	Total
Cost of Sales	\$742,430	\$ -	\$ 742,430	\$1,173,010	\$ -	\$1,173,010
Salaries/Wages	2,289,384	-	2,289,384	2,459,005	-	2,459,005
Employee Benefits	209,380	-	209,380	254,888	-	254,888
Advertising/Publicity	13,605	-	13,605	20,151	-	20,151
Audit Fees	-	38,595	38,595	-	28,093	28,093
Capitalized Development						
Costs/Depreciation	99,746	-	99,746	81,510	-	81,510
Custom Harvesting	102,142	-	102,142	116,338	-	116,338
Depreciation	536,210	-	536,210	246,388	-	246,388
Donations	335	-	335	244	-	244
Equip Rental/Repair	385,802	-	385,802	405,280	-	405,280
Insurance	24,348	55,898	80,246	33,660	35,125	68,785
Legal Fees	-	649	649	-	59	59
Licenses/Dues/Fees	59,701	5,746	65,447	68,563	4,836	73,399
Livestock Expense	82,336	-	82,336	133,162	-	133,162
Management Service Fee	-	177,927	177,927	-	169,454	169,454
Miscellaneous	32,331	1,281	33,612	50,346	979	51,325
Office Supplies	2,084	7,925	10,009	1,783	5,994	7,777
Postage/Freight	9,837	-	9,837	5,565	-	5,565
Supplies	657,649	-	657,649	814,768	-	814,768
Travel	-	-	-	-	-	-
Utilities	192,597	-	192,597	124,876	-	124,876
Totals	<u>\$5,439,917</u>	<u>\$ 288,021</u>	<u>\$5,727,938</u>	<u>\$5,989,537</u>	<u>\$ 244,540</u>	<u>\$6,234,077</u>

Program expenses are incurred by various instructional farm laboratories, whose purpose is to provide students with hands-on experience in world-class agriculture. These enterprises provide students with opportunities in production, processing and marketing in crops and livestock.

The Agricultural Foundation provides support for the financial management of the enterprise units and student projects operated within the context of the Farm Laboratory. Responsibilities include ensuring prudent financial management of the enterprises, and providing other related assistance to the Jordan College of Agricultural Sciences and Technology. The Agricultural Foundation comprises over 22 enterprises, which constitute the University Agricultural Laboratory.

NOTE 15 – SALARIES/WAGES AND EMPLOYEE BENEFITS

Salaries/Wages for the years ended June 30, 2025 and 2024 are reflected on the Statements of Activities and consist of the following:

	2025	2024
Salaries/Wages	\$ 777,567	\$ 357,449
Salaries Reimbursed to the University	104,063	96,236
Salaries Donated by the University	501,208	980,612
Contract Labor – Outside	906,546	1,024,708
Total Salaries/Wages	<u>\$ 2,289,384</u>	<u>\$ 2,459,005</u>

Employee Benefits at June 30, 2025 and 2024 are reflected on the Statements of Activities and consist of the following:

	2025	2024
Employee Benefits	\$ 83,038	\$ 128,597
Employee Benefits Donated by the University	126,342	126,291
Total Employee Benefits	<u>\$ 209,380</u>	<u>\$ 254,888</u>

NOTE 16 – SUBSEQUENT EVENTS

The Agricultural Foundation has evaluated subsequent events through September 11, 2025, which is the date the financial statements were available to be issued. The Agricultural Foundation is not aware of any material subsequent events requiring disclosure in the financial statements for the year ended June 30, 2025.

NOTE 17 – UNCERTAIN TAX POSITIONS**Income Taxes**

The Agricultural Foundation is exempt from Federal and State of California income tax under IRC section 501(c)(3) and California Revenue and Taxation Code Section 23701(d), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Agricultural Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Agricultural Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Generally accepted accounting principles provide accounting and disclosures guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Agricultural Foundation's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Report of Independent Auditors 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*

The Board of Directors of
The Agricultural Foundation of California State University, Fresno

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 Agricultural Foundation of California State University, Fresno (Agricultural Foundation) which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 11, 2025.

Report on Internal Control Over Financial Reporting

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

Baker Tilly US, LLP

Fresno, California
September 11, 2025

SUPPLEMENTARY INFORMATION FOR
CALIFORNIA STATE UNIVERSITY, FRESNO

Schedule of Net Position

June 30, 2025

(for inclusion in the California State University Financial Statements)

Assets:

Current assets:

Cash and cash equivalents	\$ 724,975
Short-term investments	662,620
Accounts receivable, net	469,676
Pledges receivable, net	34,000
Prepaid expenses and other current assets	1,413,923
Total current assets	3,305,194

Noncurrent assets:

Restricted cash and cash equivalents	—
Accounts receivable, net	39,330
Endowment investments	1,468,019
Capital assets, net	2,597,289
Total noncurrent assets	4,104,638
Total assets	7,409,832

Liabilities:

Current liabilities:

Accounts payable	1,276,802
Accrued salaries and benefits	529
Accrued compensated absences, current portion	1,000
Unearned revenues	41,481
Total current liabilities	1,319,812

Noncurrent liabilities:

Accrued compensated absences, net of current portion	6,491
Total noncurrent liabilities	6,491
Total liabilities	1,326,303

Net position:

Net investment in capital assets	2,597,289
Expendable:	
Capital projects	94,597
Others	235,882
Unrestricted	3,155,761
Total net position	\$ 6,083,529

See report of independent auditors

Schedule of Revenues, Expenses, and Changes in Net Position
Year ended June 30, 2025
(for inclusion in the California State University Financial Statements)

Revenues:

Operating revenues:

Sales and services of auxiliary enterprises, gross	\$ 4,038,438
Other operating revenues	<u>281,000</u>
Total operating revenues	<u><u>4,319,438</u></u>

Expenses:

Operating expenses:

Auxiliary enterprise expenses	5,091,982
Depreciation and amortization	<u>652,101</u>
Total operating expenses	<u><u>5,744,083</u></u>
Operating income (loss)	<u><u>(1,424,645)</u></u>

Nonoperating revenues (expenses):

Gifts, noncapital	1,461,838
Investment income (loss), net	77,471
Endowment income (loss), net	108,542
Net nonoperating revenues (expenses)	<u>1,647,851</u>
Income (loss) before other revenues (expenses)	<u><u>223,206</u></u>
Increase (decrease) in net position	<u>223,206</u>

Net position:

Net position at beginning of year	<u>5,860,323</u>
Net position at end of year	<u><u>\$ 6,083,529</u></u>

See report of independent auditors

The Agricultural Foundation of California State University, Fresno
Other Information
June 30, 2025
(for inclusion in the California State University)

1 Cash and cash equivalents:

Current cash and cash equivalents	\$ 724,975
Total	\$ 724,975

2.1 Composition of investments:

Investment Type	Current	Noncurrent	Total
Money market funds	\$ 345,844		\$ 345,844
Equity securities		1,468,019	1,468,019
State of California Local Agency Investment Fund (LAIF)	316,776		316,776
Total investments	662,620	1,468,019	2,130,639
Less endowment investments (enter as negative number)	-	(1,468,019)	(1,468,019)
Total investments, net of endowments	\$ 662,620	-	662,620

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ 345,844	\$ 345,844			
Equity securities	1,468,019			1,468,019	
State of California Local Agency Investment Fund (LAIF)	316,776	-	-	-	316,776
Total investments	\$ 2,130,639	\$ 345,844	—	\$ 1,468,019	\$ 316,776

2.3 Investments held by the University under contractual agreements:

Nothing to report

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
Non-depreciable/Non-amortizable capital assets:									
Construction work in progress (CWIP)	\$ 367,601				\$ 367,601	\$ 31,383		\$ (9,125)	\$ 389,859
Total non-depreciable/non-amortizable capital assets	367,601	-	-	-	367,601	31,383	-	(9,125)	389,859
Depreciable/Amortizable capital assets:									
Buildings and building improvements	1,302,024				1,302,024			9,125	1,311,149
Equipment	5,006,406				5,006,406	1,027,473	(401,579)		5,632,300
Total depreciable/amortizable capital assets	6,308,430	-	-	-	6,308,430	1,027,473	(401,579)	9,125	6,943,449
Total capital assets	6,676,031	-	-	-	6,676,031	1,058,856	(401,579)	-	7,333,308

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Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)

Buildings and building improvements	(691,089)				(691,089)	(99,746)			(790,835)
Personal property:									
Equipment	(3,794,408)				(3,794,408)	(552,355)	401,579		(3,945,184)
Total accumulated depreciation/amortization	(4,485,497)	-	-	-	(4,485,497)	(652,101)	401,579	-	(4,736,019)
Total capital assets, net excluding ROU assets	\$ 2,190,534	\$ -	\$ -	\$ -	\$ 2,190,534	\$ 406,755	\$ -	\$ -	\$ 2,597,289
Total capital assets, net including ROU assets									<u>2,597,289</u>

3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	<u>\$ 652,101</u>
Total depreciation and amortization	<u>\$ 652,101</u>

4 Long-term liabilities:

	Balance June 30, 2024	Prior Period Adjustments/Recla ssifications	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
1. Accrued compensated absences	\$ 8,548		\$ 8,548		\$ (1,057)	\$ 7,491	\$ 1,000	\$ 6,491
Total long-term liabilities						<u>\$ 7,491</u>	<u>\$ 1,000</u>	<u>\$ 6,491</u>

5 Future minimum payments schedule - leases, SBITA, P3: Nothing to report

6 Future minimum payments schedule - Long-term debt obligations: Nothing to report

7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	104,063
Payments to University for other than salaries of University personnel	281,256
Payments received from University for services, space, and programs	
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	
Accounts (payable to) University	(551,885)
Other amounts (payable to) University	
Accounts receivable from University	18,844
Other amounts receivable from University	

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8 Restatements

Nothing to report

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	\$ 777,567	\$ 83,038	\$ -	\$ -		\$ 4,231,377		\$ 5,091,982
Depreciation and amortization							652,101	652,101
Total operating expenses	\$ 777,567	\$ 83,038	\$ -	\$ -	\$ -	\$ 4,231,377	\$ 652,101	\$ 5,744,083

No pension plan reported

N/A

10 Deferred outflows/inflows of resources:

Nothing to report

11 Other nonoperating revenues (expenses)

Nothing to report

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