

**ASSOCIATED STUDENTS OF THE UNIVERSITY  
OF CALIFORNIA, BERKELEY**

FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT

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## **INDEPENDENT AUDITOR'S REPORT**

To the Senate of the Associated Students  
of the University of California, Berkeley:

### ***Opinion***

We have audited the accompanying financial statements of the Associated Students of the University of California, Berkeley (a California, not-for-profit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Associated Students of the University of California, Berkeley as of June 30, 2024 and 2023, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Associated Students of the University of California, Berkeley 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.

### ***Responsibility 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 Associated Students of the University of California, Berkeley's ability to continue as a going concern within 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Associated Students of the University of California, Berkeley '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 Associated Students of the University of California, Berkeley '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.

*Mah & Associates, LLP*

San Francisco, California  
April 14, 2025

**ASSOCIATED STUDENTS OF THE UNIVERSITY  
OF CALIFORNIA, BERKELEY**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2024 AND 2023**

	2024	2023
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 5,583,816	\$ 9,600,357
Receivable from UC Berkeley	1,181,594	683,228
Accounts receivable	-	111,470
Prepaid expenses	45,813	37,444
Short-term investments	6,654,487	4,331,065
Investment with University of California Berkeley Foundation Endowment Fund	794,416	765,283
Other long-term investments	3,715,441	3,388,208
Property and equipment, net of accumulated depreciation of \$217,618 and \$172,469, respectively	328,893	64,481
Rights in Eshleman Hall	1,315,000	1,315,000
	19,619,460	20,296,536
Total assets		
<b>LIABILITIES AND NET ASSETS:</b>		
Student fund liabilities	9,127,960	10,069,976
Payables and accrued expenses	599,130	628,181
Other liabilities	808	8,047
	9,727,898	10,706,204
Total liabilities		
<b>NET ASSETS:</b>		
Without donor restrictions	9,891,562	9,590,332
	\$ 19,619,460	\$ 20,296,536
Total liabilities and net assets		

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF THE UNIVERSITY  
OF CALIFORNIA, BERKELEY**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED JUNE 30, 2024 and 2023**

	Without Donor Restrictions	
	2024	2023
<b>REVENUES, GAINS, AND OTHER SUPPORT:</b>		
Mandatory student fees	\$ 3,741,842	\$ 3,599,158
Campus support and grants	3,031,015	2,445,189
Consulting, travel and service fees	1,559,272	1,363,106
Sponsorship and donation revenue	1,514,750	1,692,568
Other income	688,824	435,645
Interest & dividend income	308,106	133,824
Realized/unrealized gain, net	290,830	337,476
Commercial revenue	250,000	269,077
SUPERB income	158,659	76,659
Blue & gold income	89,332	94,681
Merchandising revenue	13,360	7,141
	<b>11,645,990</b>	<b>10,454,524</b>
<b>EXPENSES:</b>		
Program services -		
Student activities	11,170,289	9,689,803
Support services -		
Management and general	174,471	151,855
	<b>11,344,760</b>	<b>9,841,658</b>
<b>INCREASE IN NET ASSETS</b>	<b>301,230</b>	<b>612,866</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>9,590,332</b>	<b>8,977,466</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 9,891,562</b>	<b>\$ 9,590,332</b>

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF THE UNIVERSITY  
OF CALIFORNIA, BERKELEY**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Student Activities</u>	<u>Management and General</u>	<u>Fundraising</u>	
<b>EXPENSES AND LOSSES:</b>				
Travel	\$ 2,022,603	\$ -	\$ -	\$ 2,022,603
Meeting and Meals	1,796,950	14,125	-	1,811,075
Stipends	1,698,153	20,000	-	1,718,153
Programs and Events	1,660,764	-	-	1,660,764
Supplies	897,108	2,540	-	899,648
Entertainment	542,663	-	-	542,663
Advertising	454,767	-	-	454,767
Salary	397,067	54,352	-	451,419
Professional Services	331,331	44,152	-	375,483
Publication and Subscriptions	358,554	-	-	358,554
Scholarship	326,430	-	-	326,430
Concert	148,738	-	-	148,738
Photo Copying and Printing	133,876	432	-	134,308
Membership and Dues	125,051	-	-	125,051
Merchandising	94,019	-	-	94,019
Loss on Write-off	67,633	-	-	67,633
Depreciation	32,556	20,880	-	53,436
Miscellaneous	34,843	-	-	34,843
Donation	24,395	-	-	24,395
Insurance	10,054	12,203	-	22,257
Postage	4,639	2,092	-	6,731
Repair and Maintenance	6,073	-	-	6,073
Legal	-	3,695	-	3,695
Communications and Utilities	2,022	-	-	2,022
<b>Total</b>	<b><u>\$ 11,170,289</u></b>	<b><u>\$ 174,471</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 11,344,760</u></b>

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF THE UNIVERSITY  
OF CALIFORNIA, BERKELEY**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Student Activities</u>	<u>Management and General</u>	<u>Fundraising</u>	
<b>EXPENSES AND LOSSES:</b>				
Programs and Events	\$ 1,922,023	\$ -	\$ -	\$ 1,922,023
Meeting and Meals	1,542,034	7,746	-	1,549,780
Stipends	1,456,032	20,000	-	1,476,032
Travel	1,468,763	-	-	1,468,763
Supplies	905,509	6,946	-	912,455
Entertainment	439,317	-	-	439,317
Advertising	368,696	-	-	368,696
Professional Services	240,854	42,476	-	283,330
Salary	229,705	48,296	-	278,001
Scholarship	229,329	-	-	229,329
Publication and Subscriptions	181,079	-	-	181,079
Concert	176,185	-	-	176,185
Photo Copying and Printing	160,114	1,049	-	161,163
Merchandising	110,797	-	-	110,797
Membership and Dues	101,309	-	-	101,309
Donation	54,482	-	-	54,482
Miscellaneous	36,019	-	-	36,019
Insurance	21,878	11,029	-	32,907
Depreciation	28,053	-	-	28,053
Legal	-	11,302	-	11,302
Postage	8,021	3,011	-	11,032
Communications and Utilities	5,690	-	-	5,690
Repair and Maintenance	3,914	-	-	3,914
<b>Total expenses</b>	<b><u>\$ 9,689,803</u></b>	<b><u>\$ 151,855</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 9,841,658</u></b>

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF THE UNIVERSITY  
OF CALIFORNIA, BERKELEY**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 301,230	\$ 612,866
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	53,436	28,053
Unrealized and realized gain on investments	(290,831)	(337,476)
Changes in assets and liabilities:		
Receivable from UC Berkeley	(498,366)	(175,843)
Other receivables	111,469	6,345
Prepaid expenses	(8,369)	2,612
Student fund liabilities	(942,016)	38,016
Payables and accrued expenses	(48,415)	161,048
Other liabilities	(7,238)	5,503
Total adjustments	<u>(1,630,330)</u>	<u>(271,742)</u>
Net cash provided by (used in) operating activities	<u>(1,329,100)</u>	<u>341,124</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of short-term investments	7,316,307	-
Proceeds from sale of long-term investments	496,313	838,906
Purchase of short-term investments	(9,649,919)	(4,068,112)
Purchase of long-term investments	(532,294)	(768,640)
Purchase of property and equipment	(317,848)	(12,017)
Net cash used in investing activities	<u>(2,687,441)</u>	<u>(4,009,863)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(4,016,541)	(3,668,739)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>9,600,357</u>	<u>13,269,096</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 5,583,816</u>	<u>\$ 9,600,357</u>

See accompanying notes to the financial statements.

**ASSOCIATED STUDENTS OF THE UNIVERSITY  
OF CALIFORNIA, BERKELEY**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2024 AND 2023**

**1. Description of Organization**

The Associated Students of the University of California, Berkeley (“ASUC” or “Association”) is a California not-for-profit organization that provides a wide range of programs, services and facilities to the students of the University of California Berkeley (the “University”). Its primary source of revenue is derived from mandatory student fees.

Programs, services, and facilities provided by ASUC for the benefit of students of the University are summarized as follows:

- Opportunity for participation in student government, various student clubs and organizations.
- Opportunity to participate in student outreach programs, community outreach programs, minority student programs and services, student orientation and counseling, and mini grants.

**2. Summary of Significant Accounting Policies**

The significant accounting and reporting policies used by ASUC are described below to enhance the usefulness and understandability of the financial statements.

**Basis of Accounting** -- ASUC prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit organizations.

**Net Assets** -- Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of ASUC and changes therein are classified as follows:

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of ASUC. ASUC’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions are 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 Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Cash and Cash Equivalents** -- Cash consists of bank accounts. Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

**Short-Term Investments** -- Investments consist primarily of U.S. government securities. Short-term investments are held for less than a year and measured at fair value.

**Receivables** -- Management believes that all outstanding receivables are collectible in full, therefore no allowance for credit losses for accounts receivable has been provided.

**Long-Term Investments** -- Investments, including endowment funds (Note 3), consist of money market funds and debt and equity securities and are measured at fair value. Gains and losses on investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. Investment income and gains restricted by a donor, if any, are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized.

**Property and Equipment** -- Purchased property and equipment are capitalized at cost (see Note 8). ASUC's policy is to capitalize property and equipment over \$5,000. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

<u>Type of Property</u>	<u>Life</u>
Office and computer equipment	3 – 5 years
Furniture and fixtures	7 years
Building and improvements	15 to 40 years

**Rights in Eshleman Hall** -- This intangible asset has no finite life and is subject to impairment testing in accordance with FASB ASC 350, Intangibles – Goodwill and Other. Any impairment loss will be recognized and charged against earnings in the year in which it becomes impaired (see Note 7).

**Impairment of Long-Lived Assets** -- Management periodically evaluates whether changes have occurred that would require revision of the remaining estimated useful life of the property, improvements, and other long-lived assets or render them not recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. There have been no such losses through June 30, 2024.

**Financial Investments with Off-Balance Sheet Risk** -- Boston Trust & Investment Management Company manages the investments of ASUC. Investment managers are allowed to use derivatives to achieve investment objectives. It is the investment managers' responsibility to understand the potential impact of derivatives on the total investment funds under various market scenarios. As with other marketable securities, all derivatives are in the custody of the investment company and valued daily. As of and during the years ended June 30, 2024 and 2023, ASUC held no direct investments in derivatives.

**Fair Value of Financial Instruments** -- The carrying amounts of financial instruments including cash, receivable from UC Berkeley, other receivables, prepaid expenses, payables and accrued expenses, approximate fair value as of June 30, 2024 and 2023, because of the relatively short maturity of these instruments.

**Revenue Recognition** -- ASUC recognizes revenue and other support when they arise from nonreciprocal transactions and are unconditional in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-605, *Not-for-Profit Entities – Revenue Recognition*, and are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and nature of any donor restrictions.

Campus support and grants are derived from the UC Regent for supporting the student group activities.

Sponsorship and donation revenues are derived from non-campus businesses, community organizations, individuals, and campus affiliates not related to offering goods or services.

Certain support received during the year contains restrictions by the donors. However, such support is also spent in the year it is received. Accordingly, any support with donor restrictions that is also spent in the same year is presented in the Statement of Activities as without donor restrictions. Therefore, all support is classified as without donor restrictions.

ASUC recognizes other revenues in accordance with FASB Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, codified as ASC Topic 606 and the related amendments ("ASC 606"). Pursuant to ASC 606, revenues are recognized upon applying the following steps:

- Identification of the contract(s) with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction prices to performance obligations in the contract;
- Recognition of revenues when, or as, the contractual obligations are satisfied.

Mandatory student fees are collected by the University from the students at each period of student registration and are transferred to ASUC for the support of authorized student government activities at the University. These mandatory student fees should have been recognized over the course of each semester, but ASUC recognizes them at the beginning of each semester and believes that it has no material impact on the financial statements.

Consulting, travel and service fees are recognized when the contractual obligations with outside unrelated parties are satisfied by the student groups.

Merchandising revenues are recognized when the related contractual obligations with the related party, UC Regent, to offer goods and services within ASUC commercial facilities are satisfied.

Commercial revenue is provided by the University in exchange of their right of operating the space previously owned by ASUC. Commercial revenue is recognized at the end of the fiscal year.

Other revenues are recognized when the related contractual obligations are satisfied. Other revenues of ASUC include the Blue & Gold income and the SUPERB income. Blue & Gold is the official yearbook for the University of California, Berkeley. Income from Blue & Gold is earned from book and advertising sales. SUPERB income is income earned by the Student Union Program, Entertainment, and Recreation Board (SUPERB), a student-run, non-profit branch of ASUC that is dedicated to providing entertainment for the campus and community. The program includes activities such as Friday Film Series, free Noon Concerts, Comedy Competitions, Poker Tournaments, and free Sneak Previews of upcoming movies.

In addition, other income is coming from student group activity sales.

Accounts receivable and contract balances from contracts with customers were as follows:

	Accounts and Related Party Receivables		Contract Assets		Contract Liabilities	
	2024	2023	2024	2023	2024	2023
Beginning of year	\$ 794,698	\$ 625,200	\$ -	\$ -	\$ 10,069,976	\$ 10,031,960
End of year	1,181,594	794,698	-	-	9,127,960	10,069,976

**Advertising** -- Advertising costs are expensed as incurred. Advertising costs were \$454,767 and \$368,696 during the years ended June 30, 2024 and 2023, respectively.

**Functional allocation of Expenses** - The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Costs directly associated with student activities are recorded as program expenses. Management and general expenses are based on direct costs which are allocated to their specified functions.

**Income Taxes** -- The Association has been granted tax-exempt status by the Internal Revenue Service under Section 501(c)(3) and the California Franchise Tax Board.

**Use of Estimates** -- The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, ASUC's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. ASUC's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

**Recently Adopted Accounting Pronouncement** -- The FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by ASUC that are subject to the guidance in FASB ASC 326 are accounts receivable. The Company adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

### **3. Investment with Berkeley Foundation Endowment Fund**

ASUC invests a portion of the Graduate Assembly's funds with the University of California, Berkeley Foundation Endowment Fund ("UCBF"). The Graduate Assembly ("GA") designated that the Endowment Fund hold the investments in two separate funds, the Restricted Operational Support Fund and the Operational Support Fund. Principal investments in the Restricted Operational Support Fund are board designated restricted funds while principal investments in the Operational Support Fund may be board designated with or without restrictions and any use is subject to the approval of the GA. The annual payout of the funds is without restriction and set by the UCBF policy to be 4.00% of a twelve-quarter (three year) moving average market value of the endowment pool. The Executive Committee may, at its discretion, recommend for approval by the Board an alternative payout percentage, within a range of 3.50% to 4.50% for a specific payout year. Prior to 2020, the payouts were 100% reinvested, however, effective in 2020, the payouts were paid 75% in cash and 25% reinvested.

ASUC invested in the Operational Support Fund the total principal amount of \$85,000 and invested in the Restricted Operational Support Fund the total principal amount of \$365,000 (which includes the \$300,000 granted by the GA officers in 2015). There has been no additional investment in UCBF since 2015.

The fair value of the investment at June 30, 2024 and 2023, including reinvested income, realized and unrealized gains and losses, was \$794,416 and \$765,283, respectively.

The stated investment objectives of the UCBF are to maintain the purchasing power of the current assets and all future contributions; maximize return within reasonable and prudent levels of risk; maintain an appropriate asset allocation policy that is compatible with the objectives of GEP (maintaining liquidity needed to support spending in prolonged down markets), while still having the potential to produce positive real returns; control costs of administering the GEP assets and managing the investments; provide investment results equal or superior to an appropriate peer universe; limit the risk of large losses by diversification among broad asset classes (e.g., domestic stocks, international stocks, fixed income) and among the various styles within individual asset classes (e.g., "growth" and "value" within domestic equity); achieve a rate of return which exceeds that of a target weighted composite index based on the target asset allocation policy adopted which includes a mix of Global Equity, Marketable Alternatives, Private Equity, Real Estate, Energy/Commodities/Other and Fixed Income; and produce a sufficient total fund return to provide for the payouts described above.

As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including funds designated by the GA to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Because the funds used for the endowment fund are that of the GA's and the absence of any donor-imposed restriction, the endowment fund is treated as net assets without donor restrictions on the statement of financial position.

Changes in ASUC's investment with Berkeley Foundation Endowment Fund during the years ended June 30, 2024 and 2023 are as follows:

	Without donor restrictions	
	2024	2023
Endowment net assets, beginning of year	\$ 765,283	\$ 725,924
Investment return (Realized and unrealized gains or losses)	49,349	59,233
Interest payout 2023 - 2024	(19,206)	(18,767)
Investment expense	(1,010)	(1,107)
Endowment net assets, end of year	<u>\$ 794,416</u>	<u>\$ 765,283</u>

#### 4. Other Long-Term Investments

Other long-term investments are stated at fair value and consist of money market funds and debt and equity securities (see Note 5). Fair values and unrealized appreciation (depreciation) at June 30, 2024 and 2023 are summarized as follows:

	2024			2023		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)	Cost	Fair Value	Unrealized Appreciation
Money market funds	\$ 165,730	\$ 165,730	\$ -	\$ 72,138	\$ 72,138	\$ -
U.S. government securities	385,169	334,325	(50,844)	409,365	367,696	(41,669)
U.S. corporate bonds	347,522	326,433	(21,089)	347,569	323,449	(24,120)
Fixed income funds	160,000	146,155	(13,845)	160,000	148,298	(11,702)
U.S. equity securities	1,343,243	2,561,977	1,218,734	1,280,635	2,312,887	1,032,252
Foreign equity securities	93,620	180,821	87,201	93,620	163,740	70,120
Total	<u>\$2,495,284</u>	<u>\$3,715,441</u>	<u>\$ 1,220,157</u>	<u>\$2,363,327</u>	<u>\$ 3,388,208</u>	<u>\$ 1,024,881</u>

The following schedule summarizes the investment income from other long-term investments and its classification in the statement of activities for the years ended June 30:

	2024		2023	
	Without Donor Restrictions	Total	Without Donor Restrictions	Total
Interest and dividends	\$ 71,494	\$ 71,494	\$ 66,015	\$ 66,015
Realized and unrealized gain (loss)	271,035	271,035	297,436	297,436
Investment expense	(18,353)	(18,353)	(16,778)	(16,778)
Total investment return, net	<u>\$ 324,176</u>	<u>\$ 324,176</u>	<u>\$ 346,673</u>	<u>\$ 346,673</u>

All other long-term investments were originally surplus funds made available to ASUC after the termination and distribution of its prior pension plan. The investments are private funds for the benefit of ASUC.

## 5. Fair Value Measurements

ASC 820, Fair Value Measurements and Disclosures, 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 measurement). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that ASUC has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and other inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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.

Net Asset Value (NAV) – Investments with Berkeley foundation endowment fund whose fair value is measured at NAV are excluded from the fair value hierarchy.

Not Leveled – Cash and cash equivalents are not measured at fair value and, thus, are not subject to the fair value disclosure requirements.

Following is a description of valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

*Money market funds:* Determined by the published net asset value per unit at the end of the last trading day of the year, which is the basis for transactions at that date.

*U.S. government securities:* Valued using pricing models maximizing the use of observable inputs for similar securities.

*Corporate bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*Equity securities traded on national securities exchanges:* Determined by the closing price on the last business day of the fiscal year.

*Equity securities traded on the over-the-counter market:* Determined by the last reported bid price, if actively traded.

Financial assets measured at fair value on a recurring basis are summarized below:

Description	June 30, 2024	Fair Value Measurement at Reporting Date Using			NAV	Not Levelled
		Quoted Prices in Active Markets Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable (Level 3)		
<b>Assets:</b>						
Berkeley foundation endowment fund	\$ 794,416	\$ -	\$ 37,635	\$ -	\$ 738,592	\$ 18,189
Short-term investments - U.S. government securities	6,654,487	-	6,654,487	-	-	-
Long-term investments:						
Money market funds	165,730	165,730	-	-	-	-
U.S. government securities	334,325	-	334,325	-	-	-
U.S. corporate bonds	326,433	-	326,433	-	-	-
Fixed income securities	146,155	-	146,155	-	-	-
U.S. equity securities	2,561,977	2,561,977	-	-	-	-
Foreign equity securities	180,821	180,821	-	-	-	-
	3,715,441	2,908,528	806,913	-	-	-
<b>Total assets</b>	<b>\$ 11,164,344</b>	<b>\$ 2,908,528</b>	<b>\$ 7,499,035</b>	<b>\$ -</b>	<b>\$ 738,592</b>	<b>\$ 18,189</b>

Description	June 30, 2023	Fair Value Measurement at Reporting Date Using			NAV	Not Levelled
		Quoted Prices in Active Markets Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable (Level 3)		
<b>Assets:</b>						
Berkeley foundation endowment fund	\$ 765,283	\$ -	\$ 33,910	\$ -	\$ 704,564	\$ 26,809
Short-term investments - U.S. government securities	4,331,065	-	4,331,065	-	-	-
Long-term investments:						
Money market funds	72,138	72,138	-	-	-	-
U.S. government securities	367,696	-	367,696	-	-	-
U.S. corporate bonds	323,449	-	323,449	-	-	-
Fixed income securities	148,298	-	148,298	-	-	-
U.S. equity securities	2,312,887	2,312,887	-	-	-	-
Foreign equity securities	163,740	163,740	-	-	-	-
	3,388,208	2,548,765	839,443	-	-	-
<b>Total assets</b>	<b>\$ 8,484,556</b>	<b>\$ 2,548,765</b>	<b>\$ 5,204,418</b>	<b>\$ -</b>	<b>\$ 704,564</b>	<b>\$ 26,809</b>

The following table presents significant terms of investments in Berkeley foundation endowment fund measured at NAV as of June 30, 2024:

Investment Type	Fair Value	Unfunded Commitments	Redemption terms and restrictions
Absolute return	\$ 156,948	\$ 3,283	Closed-end funds not eligible for redemption. For open-end funds, redemptions are available on a rolling basis and require 60 to 90 days' written notice.
Equity funds	335,266	989	Closed-end funds not eligible for redemption. For open-end funds, lock-up provisions ranging from 0 to 2 years. Generally, redemptions are available on a rolling basis and require at least 1 to 365 days' written notice
Private equities	202,902	26,663	Not eligible for redemption
Real estate investment trusts	28,213	6,113	Not eligible for redemption
Real assets	15,263	587	Not eligible for redemption
Total	\$ 738,592	\$ 37,635	

## 6. Risks and Uncertainties

Financial instruments, which potentially subject ASUC to concentration of credit risk, consist principally of securities greater than \$500,000 and cash deposits greater than \$250,000 with each financial institution that is a member of Securities Investor Protection Corporation ("SIPC"). ASUC had \$9,369,927 and \$6,719,273 of securities with a financial institution at June 30, 2024 and 2023, respectively, that exceeded the balance insured by SIPC.

Credit risk also exists for cash in bank deposit accounts and certificates of deposit greater than \$250,000 with each financial institution that is a member of Federal Deposit Insurance Corporation ("FDIC"). ASUC held \$6,270,518 and \$10,641,923 in cash balances on deposits at June 30, 2024 and 2023, respectively, that exceeded the balance insured by FDIC. The management of ASUC periodically reviews its cash policies and believes any potential accounting loss is minimal.

A significant portion, approximately 32 percent, of ASUC's annual revenue comes from the mandatory student fees.

The majority of ASUC's revenues and grants are received from within the activities of the University of California at Berkeley. As such, ASUC's ability to generate resources via fees and grants is dependent upon the economic health of the University and the State of California. An economic downturn could cause a decrease in revenues, fees and grants that coincides with an increase in demand for ASUC's services.

ASUC's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to ASUC's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes (see Notes 3 and 4) should mitigate the impact of changes in any one class.

## 7. Rights in Eshleman Hall

During the 1960's, ASUC transferred its rights in old Eshleman Hall in the amount of \$1,315,000 to the University for the rights in the new Eshleman Hall. The title to these rights is held by the University for the exclusive use of ASUC.

The value of ASUC's rights in Eshleman Hall presents the intangible value of the University's commitment to provide facilities for ASUC's student government activities and student groups. Management determined that there was no impairment to this intangible asset for the years ended June 30, 2024 and 2023 (see Note 2).

## 8. Property and Equipment

The following is a summary of property and equipment as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Office and computer equipment	\$ 233,859	\$ 216,617
Furniture and fixtures	<u>312,652</u>	<u>20,333</u>
	546,511	236,950
Less: accumulated depreciation	<u>(217,618)</u>	<u>(172,469)</u>
	<u>\$ 328,893</u>	<u>\$ 64,481</u>

Depreciation expenses were \$53,436 and \$28,053 during the years ended June 30, 2024 and 2023, respectively.

## 9. Liquidity

ASUC's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 5,583,816
Receivables from UC Berkeley	1,181,594
Prepaid expenses	45,813
Short-term investments	6,654,487
Other long-term investments	<u>3,715,441</u>
Financial assets, at year end	<u>\$ 17,181,151</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 17,181,151</u>

As part of ASUC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, ASUC invests cash in excess of daily requirements in short-term investments. Other long-term investments are funds from the previous pension plan and are unrestricted. These investments can be liquidated upon a vote by the ASUC Student Leaders and can be available for general expenditure when needed.

#### **10. Student Fund Liabilities**

ASUC held funds totaling \$9,127,960 and \$10,069,976 as of June 30, 2024 and 2023, respectively, on behalf of the students. The funds are unrestricted and available for the future use of the students.

Student fund liabilities are the surplus funds from the student organizations. Any excess or deficit of revenues over expenses from the student activities reported on the Statement of Activities during the current year are closed to the student fund liabilities at year-end.

#### **11. Related Party Transactions**

ASUC has a payable of \$477,209 and \$412,513 to the University as of June 30, 2024 and 2023, respectively, for various operating and program service expenses. ASUC also has a receivable of \$1,181,594 and \$683,228 from the University as of June 30, 2024 and 2023, respectively, for mandatory student fees and commercial revenues.

During the years ended June 30, 2024 and 2023, ASUC received \$3,741,842 and \$3,599,158, respectively, from the University for mandatory student fees and recruitment and retention programs and incurred expenses totaling \$1,436,325 and \$1,697,954, respectively, for operating and program services provided by the University.

#### **12. Subsequent Events**

On February 28, 2024, the ASUC Senates approved a Resolution to endorse Graduate Assembly separation from ASUC. The separation is subject to the final endorsement by the UC Regents during the year ending June 30, 2025. As of June 30, 2024, the Graduate Assembly had total assets, liabilities and net assets of about \$1,880,000, \$1,040,000, and \$840,000, respectively. The separation still awaits decision from University of California Office of The President. This event has no impact on current year financials.

ASUC evaluated subsequent events through April 14, 2025 the date on which the financial statements were available to be issued and except as discussed above, noted no other subsequent events that would require recognition in the financial statements or the notes thereto as of and for the year ended June 30, 2024.