SCRIPPS

THE WOMEN'S COLLEGE • CLAREMONT

Financial Report | 2023–2024

THE PARAMOUNT
OBLIGATION OF A COLLEGE
IS TO DEVELOP IN ITS STUDENTS
THE ABILITY TO THINK CLEARLY
AND INDEPENDENTLY,
AND THE ABILITY
TO LIVE CONFIDENTLY,
COURAGEOUSLY, AND
HOPEFULLY.

ELLEN BROWNING SCRIPPS

Cover: Eleanor Joy Toll Hall

SCRIPPS COLLEGE
ANNUAL FINANCIAL REPORT

June 30, 2024 and 2023

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MOSSADAMS

Report of Independent Auditors

The Board of Trustees
Scripps College

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Scripps College, which comprise the statements of financial position as of June 30, 2024 and 2023, 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 Scripps College 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 (GAAS). 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 Scripps College 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 Scripps College'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 GAAS 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, 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 Scripps College'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 Scripps College'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.

Moss Adams LLP

Los Angeles, California
October 31, 2024

SCRIPPS COLLEGE
STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash	$ 289,382	$ 349,082
Accounts receivable, net (Note 2)	1,335,083	3,407,809
Prepaid expenses, deposits, and other	973,718	578,432
Notes receivable, net (Note 3)	2,344,711	2,499,542
Contributions receivable, net (Note 4)	12,708,328	3,095,846
Finance right of use assets	619,407	721,361
Investments (Note 6)	562,359,214	543,126,195
Collections	21,640,858	21,611,563
Plant facilities, net (Note 8)	178,461,796	141,699,005
Total assets	$ 780,732,497	$ 717,088,835
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	$ 11,174,666	$ 5,941,145
Deposits and deferred revenue (Note 10)	1,550,121	2,897,699
Finance lease obligation (Note 11)	634,604	730,138
Life income and annuities payable (Note 9)	3,156,445	3,073,761
Note payable, net (Note 12)	113,708,791	93,112,167
Government advances for student loans	66,399	85,884
Funds held in trust for others	113,592	108,465
Asset retirement obligation (Note 13)	1,379,679	1,339,705
Total liabilities	131,784,297	107,288,964
Net assets (Note 14)		
Without donor restrictions	148,409,394	140,571,257
With donor restrictions	500,538,806	469,228,614
Total net assets	648,948,200	609,799,871
Total liabilities and net assets	$ 780,732,497	$ 717,088,835

The accompanying notes are an integral part of these statements.

SCRIPPS COLLEGE
STATEMENT OF ACTIVITIES

For the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total 2024
Revenues and releases of net assets:			
Net student revenues (Note 16)	$ 65,023,185	$ -	$ 65,023,185
Contributions	4,778,554	15,323,662	20,102,216
Federal grants and contracts	4,121,563	-	4,121,563
Spending policy income	17,644,758	2,294,926	19,939,684
Other investment income, net	1,058,568	71,328	1,129,896
Other revenue	3,060,875	1,785	3,062,660
Release of restricted net assets:			
Operations	4,039,229	(4,039,229)	-
Total revenues and release of net assets	99,726,732	13,652,472	113,379,204
Expenses: (Note 18)			
Academic program	43,617,127	-	43,617,127
Co-curricular program	31,520,593	-	31,520,593
Marketing	10,174,080	-	10,174,080
Administrative and general	12,901,029	-	12,901,029
Total expenses	98,212,829	-	98,212,829
Operating income	1,513,903	13,652,472	15,166,375
Other changes in net assets:			
Redesignation and reclassification of net assets	455,984	(455,984)	-
Gain on disposal of plant facilities	4,109,318	-	4,109,318
Release of restricted net assets - plant facilities	50,000	(50,000)	-
Gain on contribution receivable	-	424,378	424,378
Net realized and unrealized gain on investments net of allocation to operations	1,855,287	17,121,648	18,976,935
Actuarial adjustment	82,903	617,678	700,581
Transfer from other Colleges	(229,258)	-	(229,258)
Total other changes in net assets	6,324,234	17,657,720	23,981,954
Change in net assets	7,838,137	31,310,192	39,148,329
Net assets, beginning of year	140,571,257	469,228,614	609,799,871
Net assets, end of year	$ 148,409,394	$ 500,538,806	$ 648,948,200

The accompanying notes are an integral part of these statements.

SCRIPPS COLLEGE
STATEMENT OF ACTIVITIES

For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total 2023
Revenues and releases of net assets:			
Net student revenues (Note 16)	$ 62,844,987	$ -	$ 62,844,987
Contributions	2,460,852	5,572,607	8,033,459
Federal grants and contracts	779,003	-	779,003
Spending policy income	16,900,594	1,910,671	18,811,265
Other investment income (loss), net	471,304	(12,624)	458,680
Other revenue	2,506,763	14,328	2,521,091
Release of restricted net assets:			
Operations	2,053,959	(2,053,959)	-
Annuity and life income	112,735	(112,735)	-
Total revenues and release of net assets	88,130,197	5,318,288	93,448,485
Expenses: (Note 18)			
Academic program	39,764,461	-	39,764,461
Co-curricular program	31,869,655	-	31,869,655
Marketing	9,404,790	-	9,404,790
Administrative and general	11,511,417	-	11,511,417
Total expenses	92,550,323	-	92,550,323
Operating income (loss)	(4,420,126)	5,318,288	898,162
Other changes in net assets:			
Redesignation and reclassification of net assets	455,886	(455,886)	-
Gain on disposal of plant facilities	-	296,217	296,217
Net realized and unrealized gain on investments net of allocation to operations	1,327,723	11,964,707	13,292,430
Actuarial adjustment	131,674	429,805	561,479
Transfer to other Colleges	643,551	-	643,551
Total other changes in net assets	2,558,834	12,234,843	14,793,677
Change in net assets	(1,861,292)	17,553,131	15,691,839
Net assets, beginning of year	142,432,549	451,675,483	594,108,032
Net assets, end of year	$ 140,571,257	$ 469,228,614	$ 609,799,871

The accompanying notes are an integral part of these statements.

SCRIPPS COLLEGE
STATEMENTS OF CASH FLOWS

For the years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Tuition, housing and food, net of financial aid	$ 64,801,695	$ 63,765,095
Gifts, grants and contracts	7,709,241	3,233,957
Investment income (loss)	7,184,572	(494,995)
Other revenue	1,963,210	2,176,814
Payments for interest on debt	(2,824,827)	(2,506,130)
Payments to employees and suppliers	(80,288,311)	(82,191,077)
Net cash (used in) operating activities	(1,454,420)	(16,016,336)
Cash flows from investing activities:		
Purchase of collections	(680)	(74,140)
Purchase of plant facilities	(47,468,031)	(4,174,517)
Proceeds from sale of investments	62,486,206	367,377,237
Purchase of investments	(41,639,934)	(351,454,929)
Loans made to students and faculty	(266,345)	(394,211)
Collection of student and faculty loans	421,176	459,378
Net cash (used in) provided by investing activities	(26,467,608)	11,738,818
Cash flows from financing activities:		
Payments to life income beneficiaries	(252,377)	(258,689)
Investment income on life income contracts	302,135	288,551
Proceeds from borrowings	22,948,276	-
Payments on finance lease obligation	(112,698)	(112,698)
Principal payments on note	(2,376,921)	(2,321,681)
Contributions restricted for endowment	5,096,781	4,617,577
Contributions restricted for plant expenditures	999,278	851,205
Contributions for other long-term restricted purposes	1,277,339	1,269,940
Changes in government advances for student loans	(19,485)	(18,227)
Net cash provided by financing activities	27,862,328	4,315,978
Net increase (decrease) in cash	(59,700)	38,460
Cash at beginning of year	349,082	310,622
Cash at end of year	$ 289,382	$ 349,082
Supplemental disclosure of non-cash financing activities		
Capital asset contribution to Scripps-Pitzer Property Holdings, LLC	$ 5,510,000	$ 36,360

The accompanying notes are an integral part of these statements.

June 30, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Founded in 1926, Scripps College (the College) is an independent, liberal arts college for women with a distinctive interdisciplinary core curriculum offering instruction in the humanities, fine arts, and the natural and social sciences. The College had an enrollment of approximately 1,070 students as of June 30, 2024. The campus is listed on the National Register of Historic Places.

Its mission is to educate women to develop their intellect and talents through active participation in a community of scholars, so that as graduates they may contribute to society through public and private lives of leadership, service, integrity and creativity, educational and research mission of the College.

Scripps College is a nonprofit corporation, exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. The following accounting policies of the College are in accordance with those generally accepted for colleges and universities.

Basis of Presentation:

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Asset Categories:

The accompanying financial statements present information regarding the College's financial position and activities according to two categories of net assets: without and with donor restrictions. The two categories are differentiated by donor restrictions.

Net assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed restrictions that either lapse from the passage of time or can be satisfied by actions of the College or subject to donor-imposed restrictions that they be maintained in perpetuity by the College. Generally, the donors permit the College to use all or part of the earnings on these assets for general or specific purposes.

Revenue and Expense Recognition:

Net Student Revenues – Student tuition, housing, food and fees are recognized pro-rata over the applicable period of instruction. A contract is entered into with a student and covers a semester. Revenue recognition occurs once a student starts attending a semester. Student tuition and fees received in advance of services to be rendered are recorded as deferred revenues.

Contributions – Unconditional contributions, including unconditional promises to give, are recognized as revenue in the period received and are reported as increases in the appropriate category of net assets. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received in future periods are discounted to net present value at an appropriate discount rate. Individual uncollectible accounts are written off against the allowance when collection of the individual contributions receivable appears doubtful.

Federal Grants and Contracts - Revenue from grants and contracts have been evaluated and determined to be nonreciprocal, meaning the granting entity has not received a direct benefit of commensurate value in exchange for the resources provided. The revenue is recognized like a conditional contribution when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant or contract are determined to be allowable and all other significant conditions of the grant or contract are met. The transactions are then recognized as unconditional and recorded as increases in net assets without donor restrictions, as allowable expenditures under such agreements are incurred.

Investment Return – Investment income, expense, and gains and losses on investments and changes in other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

Other Revenue - The College receives revenue from the rental of its real properties and facilities, catering, and programing activities from outside organization for educational purposes. Revenue is recognized in the period the activity occurs or is completed.

Expenses – Expenses are reported as decreases in net assets without donor restrictions. The financial statements present expenses by functional classification in accordance with the overall educational and research mission of the College.

June 30, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Operating Revenues and Expenses:

The College reports operating revenues and expenses in the net assets without donor restrictions section of the Statements of Activities. Operations are those annual activities which support the core mission of the College.

Operating revenues include charges for tuition, housing and food, net of financial aid, gifts and grants, spending policy income, other net investment income, releases of net assets with donor restrictions for operations and annuity and life income, and other revenues.

Contributions and bequests without donor restrictions and bequests in excess of $500,000 each are considered non-operating, as are gifts in kind. Gifts in kind, due to their non-cash nature, are not available to pay for operating expenses.

Operating expenses (for which the operating revenues are used) include salaries and benefits, departmental expenses, depreciation, amortization and interest. These expenses are classified into four functional categories: Academic Program, Co-curricular Program, Marketing, and Administrative and General. Academic Program includes expenses for instruction and related academic support departments such as libraries, the Dean of Faculty and Registrar's offices. Co-curricular Program includes expenses associated with the residential life operation of the College and related support departments such as Dean of Students Office and Career Planning and Research. Marketing includes expenses for revenue development for College departments such as Admission/Financial Aid, Public Relations, Alumnae Relations and the Advancement Office. Administrative and General includes expenses such as planning, institutional research, liability insurance, legal and audit fees, and the President and Treasurer's Offices.

Allocation of Certain Expenses:

Depreciation, interest expense and the cost for the operation and maintenance of plant are allocated to the four functional categories based on building square footage dedicated to that specific function. Computing costs are allocated based upon estimated use. Other expenses are recorded to their respective functional category based on their relative direct cost.

Expiration of Donor-Imposed Restrictions:

The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction substantially expires. At that time, the related resources are reclassified to net assets without donor restrictions. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The College follows the policy to recognize the fulfillment of the restrictions on contributions of cash or other assets received for the acquisitions of long-lived assets when the long-lived assets are placed into service. In addition, there is a simultaneous release of endowment spend when a restricted gift is received and is expected to be spent and released in the same year.

Cash:

For the purposes of reporting cash flows, cash includes demand deposit bank accounts.

Concentration of Credit Risk:

Financial instruments that potentially subject the College to concentrations of credit risk consists principally of cash deposits at financial institutions and investments in marketable securities. At times, balances in the College's cash and investment accounts exceed the Federal Deposit Insurance Corporation (FDIC) or Securities Investors Protection Corporation (SIPC) limits.

Accounts Receivable:

Accounts receivables are primarily related to unsecured student accounts and affiliated institutions (see Note 20) and no interest is charged. Student accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The College separates student accounts receivable into risk pools based on aging. To determine the allowance as of the statement of financial position date, the College develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience and adjusted for current and future economic conditions. As of June 30, 2024, the College did not modify its historical loss rates for each aging category due to decreased inflation, stable unemployment rates and other economic factors.

June 30, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Notes Receivable:

Notes receivable consists of uncollateralized federal and institutional student loans and faculty mortgage loans. The College participates in the federal Perkins revolving loan program that has expired and no longer permits disbursements of any kind after June 30, 2018. Loan repayments are distributed to the federal government and the College based on their relative contributions to the program. Loans in default more than two years are assigned to the Department of Education for collection and results in a decrease to notes receivable and liability to the government.

Loans made under the institutional loan programs have a 10 year repayment period, with rates between 3.00% and 9.00%. Interest is charged on student loans receivable after the student is no longer enrolled and recognized as payments are received. Student may be granted a deferment, forbearance, or cancellation based on eligibility requirements defined by the U.S. Department of Education or, in the case of institutional loan funds, based on the respective loan program.

The College follows federal guidelines for determining when student loans are delinquent or past due for both federal and institutional loans. Federal guarantees subject to the federal loan programs are not subject to credit risk and are excluded from the estimates for allowance for credit losses. Institutional loan programs are assessed for credit risk using the basis measurement principles outlined above (see Accounts Receivable section above). Faculty mortgage loans are assessed for credit risk on an ongoing basis and reported by management to the sub-committee on investments of the Board of Trustees' Financial Stewardship Committee. Allowances for credit losses have been established and balances deemed uncollectible are written off through a charge to credit losses or the provision for doubtful accounts and a credit

Right of Use Assets and Lease:

The College recognizes a Right-of-Use (ROU) asset and lease obligation for leases with an expected term greater than twelve months and with a discounted value greater than $100,000 on it's statements of financial position at commencement date, which is the date the College gains access to the property or underlying asset. The ROU asset is determined based on the lease obligation adjusted for lease incentives received. The lease obligation is determined based on the present value of future minimum rental payments using a risk-free incremental borrowing rate in effect at the time of the lease commencement. Operating cost is recognized on a straight-line basis over the lease term. Certain renewal periods were not included in the determination of the ROU asset and lease obligation if management determined it was not reasonably certain that the lease would be extended.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Investments:
Investments are measured at fair value except for certain real estate investments held at original appraisal values and not revalued on a recurring basis, investments held at carrying amounts using the equity method, and other miscellaneous assets held at cost. Earnings on investments are presented in the Statements of Activities net of investment expenses.

Cash Equivalents - Cash equivalents classified within investments represent cash held with investment custodians or managers that is available for reinvestment by the College.

Marketable Securities and Other Investments – Marketable securities are reported at fair value. The cost of securities sold is determined by the average cost method and is used to compute realized gains and losses. Unrealized gains and losses reflect the changes in the market values of investments from the prior year. The date of record for investments is the trade date.

Marketable Alternative Investments - Diversifying and growth-oriented hedge funds are valued by using the Net Asset Value (NAV) provided by the funds' managers, calculated in accordance with valuation policies provided in their audited financial statements. The College reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. The College has the ability to liquidate on a periodic basis in accordance with the provisions of the respective investment fund agreement.

Alternative Investments – Venture capital investments are stated at fair value as of the most recent valuation date at, or prior to, year-end. Diversified limited partnership interests are invested in both publicly and privately owned securities. The fair values of private investments are based on estimates and assumptions of the general partners or partnership valuation committees in the absence of readily determinable market values. Such valuations generally reflect discounts for illiquidity and consider variables such as financial performance of investments, recent sales prices of similar investments and other pertinent information. The private investments have a high concentration of pre-initial public offering securities, subjecting these investments to market value volatility. The College reviews and evaluates values provided by the investment managers and believes the valuation methods and assumptions used in determining the fair value of the alternative investments are appropriate.

Management of Pooled Investments:
The College follows an investment policy which anticipates a greater long-term return through investing for capital appreciation and accepts lower current yields from dividends and interest. In order to offset the effect of lower current yields for current operations, the Board of Trustees has adopted a spending policy for pooled investments whereby the amount of investment return available for current operations is determined by applying 4.50% to the trailing twenty-quarter average fair value of pooled investments for the years ended June 30, 2024 and 2023. If ordinary income of pooled investments is insufficient to provide the full amount of investment return specified, the balance may be appropriated from the available cumulative realized gains of the pooled investments. Cumulative net realized gains and transfers of ordinary income in excess of the spending policy ("cumulative gains") are held in their respective net asset categories and are available for appropriation under the College's spending policy.

Funds with Deficiencies:
From time to time, declines in the market value of the investment pool have created a situation where the fair value of certain perpetual endowments is less than the historical cost basis of the original gift(s). Deficiencies of this nature have been recorded as decreases in net assets with donor restrictions (Note 14). These deficiencies, which the College believes are temporary, results from unfavorable market fluctuations and has determined that continued appropriation to these endowments is prudent.

Endowment Funds:
The Board of Trustees of the College interprets the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) to state that the College, in the absence of explicit donor stipulations to the contrary, may appropriate for expenditure or accumulate so much of an endowment as the College determines prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. The College classifies perpetual endowment funds as net assets with donor restrictions, the original value of gifts to the endowment and the accumulations made in accordance with the donor intent until those amounts are appropriated for expenditure by the college in a manner consistent with the standard of prudence prescribed by California UPMIFA which includes the:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

(1) Duration and preservation of the fund
(2) Mission of the College and purpose endowment fund
(3) General economic conditions
(4) Possible effects of inflation and deflation
(5) Expected total return from income and appreciation and depreciation of investments
(6) Other resources of the College
(7) Investment policy of the College

Fair Value Measurement of Financial Instruments:
A financial instrument is defined as a contractual obligation that ultimately ends with the delivery of cash or an ownership interest in an entity. Disclosures included in these notes regarding the fair value of financial instruments have been derived using external market sources, estimates using present value or other valuation techniques. Determination of the fair value of loan fund receivables, which are primarily federally sponsored student loans with U.S. government mandated interest rates and repayment terms and subject to significant restrictions as to their transfer or disposition, could not be made without incurring excessive costs.

The College carries most investments and its beneficial interest in trusts held by third parties at fair value in accordance with applicable standards. Fair value is defined as the price that would be received to sell an asset (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. The standard 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 unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are as follows:

Fair Value Measurement of Financial Instruments, continued:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the College has the ability to access at the measurement date.
Level 2 – Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
Level 3 – In uts that are unobservable.

Inputs are used in applying the valuation techniques and broadly refer to the assumptions that the College uses to make valuation decisions, including assumptions about risk. Inputs may include quoted market prices, recent transactions, manager statements, periodicals, newspapers, provisions within agreements with investment managers and other factors. An investment’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the College’s perceived risk of that investment.

The investments in cash equivalents, money market, mutual funds, certain domestic and international equities, other assets and certain domestic fixed income funds are valued based on quoted market prices and classified within Level 1.

The investments in certain domestic fixed income, certain real properties, and other assets are valued based on quoted market prices of comparable assets and classified within Level 2.

Beneficial interest in trusts held by third parties are valued based on the discounted present value of future cash flows utilizing current Internal Revenue Service yield rates plus a 2.0% risk adjustment and over estimated lives according to current available mortality tables, which approximates fair value and classified within Level 3.

The investment in certain equity securities, fixed income funds, hedge funds and private equity are measured at net asset value (NAV), and are, therefore, classified under NAV per share (or equivalent). For these investments, the College has determined, through its monitoring activities, to rely on the fair value as determined by the investment managers. The College's determination of fair value is based upon the best available information provided by the investment manager and may incorporate management assumptions and best estimates after considering a variety of internal and external factors. Such value generally represents the College's proportionate share of the capital of the investment as reported by their general partners and hedge fund. The balance of unfunded commitments, remaining life of finite investments and the terms for redeeming from investment funds including any restrictions are disclosed in Note 7.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

The general partners and managers of the underlying investments generally value investments at fair value in accordance with appropriate standards. Investments with non-readily available market are generally valued at estimated fair value by referring to meaningful third-party transactions, comparable public market valuations and/or the income approach. Consideration is given to financial condition and operating results of the investment, the amount the investment partnerships can reasonably expect to realize upon the sale of securities, and any other factors deemed relevant. An investment can be carried at acquisition price (cost) if little has changed since the initial investment of the company and is most representative of fair value. Investments with a readily available market (listed on a securities exchange or traded in the over-the-counter market) are valued at quoted market prices or at an appropriate discount from such price if marketability of the securities is restricted.

Although the College uses its best judgment in determining the fair value, there are inherent limitations in any methodology. Therefore, the values presented herein are not necessarily indicative of the amount that the College could realize in a current transaction. Future confirming events could affect the estimates of fair value and could be material to the financial statements. These events could also affect the amount realized upon liquidation of the investments.

Collections:

The College capitalizes its collections of works of art and rare books at their appraised or estimated fair value upon date of gift. In some cases, collection items held solely for their potential educational value or historic significance, or where the cost to establish the current fair value was deemed to exceed the benefit, were not assigned value for the purpose of capitalization. Purchased collections are valued at cost. If the College decides to sell collections, proceeds from sales of will be used to acquire other items for the collection or support the direct care of existing collections.

Plant Facilities:

Plant facilities consists of property, plant and equipment and are stated at cost, representing the original purchase price or fair value at the date of the gift, less accumulated depreciation. Plant purchases with a useful life of five years or more and a cost equal to or greater than $25,000 for land improvements, $50,000 for large buildings (10,000 square feet) and major building renovations, $25,000 for other buildings, $15,000 for non-computing equipment and $10,000 for computing equipment are capitalized. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, generally 25 years for land improvements, 60 years for buildings, 30 years for major renovations, 15 years for infrastructure equipment, 4 years for computing equipment and 7 years for other equipment. Depreciation expense is funded through operations and contributions. The cost and accumulated depreciation of assets sold or retired are removed from the accounts and the related gains or losses are included in the Statements of Activities. Asset retirement obligations are recorded based on estimated settlement dates and methods.

The College reviews long-lived assets, which include: collections and plant facilities for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. There were no such losses for the years ended June 30, 2024 and 2023.

During the years ended June 30, 2024 and 2023, no equipment or property was acquired with restricted assets where title may revert to another party, and there were no disposals of equipment or property purchased with federal funds.

Annuity and Life Income Contracts and Agreements:

The College has legal title to annuity and life income contracts and agreements subject to life interests of beneficiaries. No significant financial benefit is now being or can be realized until the contractual obligations are met. However, the costs of managing these contracts and agreements are included in operating expenditures.

The College uses the actuarial method of recording annuity and life income contracts and agreements. Under this method, the asset is recorded at fair value when a gift is received. The present value of the aggregate annuity payable is recorded as a liability, based upon life expectancy tables, and the remainder is recorded as a contribution in the appropriate net assets category. Investment income and gains are credited, and annuity payments and investment losses are charged, to the liability accounts, with periodic adjustments made between the liability and the net assets to record actuarial gains or losses. The actuarial liability is based on the present value of future payments discounted at rates ranging from 0.6% to 7.5% and 3.4% to 7.5% over estimated lives according to the 2012 Unisex Mortality Tables at June 30, 2024 and 2023, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

On December 2, 1998, the Insurance Commission Chief Counsel granted the College permission to invest its reserves for California annuities pursuant to Insurance Code Section 11521.2(b). This approval is subject to the following conditions: (1) maintain a Nationally Recognized Statistical Rating Organization (NRSRO) bond rating of "A" or better and (2) maintain an endowment to gift annuity reserve ratio of at least 10:1. As of June 30, 2024 and 2023, reserve requirements were approximately $1,212,000 and $1,347,000, respectively.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Income Taxes:

The objective of the College is to maintain and conduct a 501(c)(3) nonprofit educational institution. The primary purpose of accounting and reporting is the recording of resources received and applied rather than the determination of net income. The College had no uncertain tax positions and/or obligations at June 30, 2024 and 2023. The College has no unrecognized tax benefits as of June 30, 2024 and 2023.

Accounting Pronouncements:

Effective July 1, 2023, the College adopted FASB ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326), which required the use of the current expected credit losses (CECL) impairment model for a broad scope of financial instruments, including financial assets measured at amortized cost (which includes loans, held-to-maturity debt securities and trade receivables), net investments in leases, and certain off balance sheet credit exposures. The CECL model required the immediate recognition of estimated expected credit losses over the life of the financial instrument. Under this 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. The College adopted this standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new or enhanced disclosures only.

Reclassifications:

Certain 2023 amounts have been reclassified to conform to 2024 presentation. Such reclassifications had no impact on previously reported change in net assets or total assets.

NOTE 2 - ACCOUNTS RECEIVABLE:

Accounts receivable at June 30, 2024 and 2023 are as follows:

	2024	2023
Student accounts	$ 120,966	$ 147,695
Other Claremont Colleges	886,463	1,558,169
Other	394,947	1,768,220
Less: allowance for doubtful accounts	(67,293)	(66,275)
Total accounts receivable	$ 1,335,083	$ 3,407,809

Changes in the allowance for credit losses for the years ended June 30, 2024 and 2023 were as follows:

	2024	2023
Balance, beginning of the year	$ 66,275	$ 67,527
Impact of the adoption of ASC 2016-13	-	-
Provisions (Adjustment)	1,018	(8,247)
Write off, net of recoveries	-	6,995
Balance, end of the year of the year	$ 67,293	$ 66,275

June 30, 2024 and 2023

NOTE 3 - NOTES RECEIVABLE:

Notes receivable at June 30, 2024 and 2023 are as follows:

	2024	2023
Student notes	$ 2,521,835	$ 2,725,158
Faculty loans	264,225	216,428
	2,786,060	2,941,586
Less allowance for doubtful student notes	(441,349)	(442,044)
Total notes receivable, net	$ 2,344,711	$ 2,499,542

Changes in the allowance for credit losses for the years ended June 30, 2024 and 2023 were as follows:

Balance, beginning of the year	$ 442,044	$ 382,938
Impact of the adoption of ASC 2016-13	-	-
Provisions (Adjustments)	(695)	59,106
Balance, end of the year of the year	$ 441,349	$ 442,044

NOTE 4 - CONTRIBUTIONS RECEIVABLE:

Unconditional promises to give are included in the financial statements as contributions receivable and revenue of the appropriate net asset category. Promises to give are initially recorded at fair value, by discounting to the present value of future cash flows at rates ranging from 2.2% to 6.7%.

Unconditional promises to give at June 30, 2024 and 2023 are expected to be realized in the following periods:

	2024	2023
Within one year	$ 4,124,129	$ 651,996
Between one year and five years	7,672,414	550,981
More than five years	2,151,827	2,426,009
	13,948,370	3,628,986
Less discount	(1,221,292)	(124,640)
Less allowance for doubtful contributions receivable	(18,750)	(408,500)
Contributions receivable, net	$ 12,708,328	$ 3,095,846

Contributions receivable at June 30, 2024 and 2023 are intended for the following uses:

	2024	2023
Endowment	$ 5,484,732	$ 1,078,052
Beneficial interest in trusts held by third parties	1,651,827	1,609,009
Other	5,571,769	408,785
Total	$ 12,708,328	$ 3,095,846

At June 30, 2024 and 2023, 63% and 35% of net contributions receivable were due from three donors and one donor.

NOTE 5 - BENEFICIAL INTEREST IN TRUSTS AT FAIR VALUE MEASUREMENT:

Beneficial interests in trusts are carried at fair value within contributions receivable on the Statements of Financial Position and are classified as Level 3 in the fair value hierarchy. The following table includes the roll forward of the amounts for the years ended June 30, 2024 and 2023:

	Balance at June 30, 2023	Additions/ Maturities	Actuarial Adjustment	Balance at June 30, 2024
Beneficial interest in trusts held by third parties	$ 1,609,009	$ -	$ 42,818	$ 1,651,827

	Balance at June 30, 2022	Additions/ Maturities	Actuarial Adjustment	Balance at June 30, 2023
Beneficial interest in trusts held by third parties	$ 1,596,853	$ -	$ 12,156	$ 1,609,009

June 30, 2024 and 2023

NOTE 6 - INVESTMENTS:

It is the College's policy to invest and maintain a diversified investment portfolio. The following schedule summarizes investments at June 30:

Investment by program:	2024	2023
Investment pool	$515,035,644	$ 490,635,305
Separate investments	47,323,570	52,490,890
Total by program	$562,359,214	$ 543,126,195

Investment by asset type:	2024	2023
Cash equivalents	$ 14,718,913	$ 17,483,815
Money market	10,748,890	19,031,660
Mutual funds	1,904,019	1,600,836
Domestic equities	45,618,090	37,530,448
Global/international equities	155,486,671	146,581,440
Private equity	191,776,241	186,646,174
Private equity - real estate	472,754	431,385
Domestic fixed income	26,097,309	25,128,195
Global/international fixed income funds	13,988,297	13,017,499
Real properties	965,827	930,417
Diversifying hedge funds	56,703,309	55,369,315
Growth-oriented hedge funds	11,720,347	12,774,440
Other assets	32,158,547	26,600,571
Total by asset type	$562,359,214	$ 543,126,195

Investments by category:	2024	2023
Endowment and funds functioning as endowment	$503,038,388	$ 478,732,014
Annuity and life income funds	8,993,376	8,567,379
Investment for plant facilities	30,480,959	29,221,046
Other	19,846,491	26,605,756
Total by category	$562,359,214	$ 543,126,195

Investments held at cost or carrying amount were $31,435,433 and $25,931,881 at June 30, 2024 and 2023, respectively.

NOTE 7 - INVESTMENTS AT FAIR VALUE MEASUREMENT:

The following tables present the investments carried at fair value on the Statements of Financial Position by level within the valuation hierarchy as of June 30 2024 and 2023:

	Level 1	Level 2	Level 3	Assets Measured Using NAV	2024
Cash equivalents	$ 14,718,913	$ -	$ -	$ -	$ 14,718,913
Money market	10,748,890	-	-	-	10,748,890
Mutual funds	1,904,019	-	-	-	1,904,019
Domestic equities	2,451,605	-	-	43,166,485	45,618,090
Global/international equities	23,457,644	-	-	132,029,027	155,486,671
Private equity	-	-	-	191,776,241	191,776,241
Private equity - real estate	-	-	-	472,754	472,754
Domestic fixed income	605,289	25,492,020	-	-	26,097,309
Global/international fixed income funds	-	-	-	13,988,297	13,988,297
Real properties	-	959,330	-	-	959,330
Diversifying hedge funds	-	-	-	56,703,309	56,703,309
Growth-oriented hedge funds	-	-	-	11,720,347	11,720,347
Other assets	134,077	595,534	-	-	729,611
Total investments at fair value	$ 54,020,437	$ 27,046,884	$ -	$449,856,460	$ 530,923,781

	Level 1	Level 2	Level 3	Assets Measured Using NAV	2023
Cash equivalents	$ 17,483,815	$ -	$ -	$ -	$ 17,483,815
Money market	19,031,660	-	-	-	19,031,660
Mutual funds	1,600,836	-	-	-	1,600,836
Domestic equities	2,209,084	-	-	35,321,364	37,530,448
Global/international equities	21,454,450	-	-	125,126,990	146,581,440
Private equity	-	-	-	186,646,174	186,646,174
Private equity - real estate	-	-	-	431,385	431,385
Domestic fixed income	552,850	24,575,345	-	-	25,128,195
Global/international fixed income funds	-	-	-	13,017,499	13,017,499
Real properties	-	923,920	-	-	923,920
Diversifying hedge funds	-	-	-	55,369,315	55,369,315
Growth-oriented hedge funds	-	-	-	12,774,440	12,774,440
Other assets	79,653	595,534	-	-	675,187
Total investments at fair value	$ 62,412,348	$ 26,094,799	$ -	$428,687,167	$ 517,194,314

The following table presents fair value measurements of investments that calculate NAV per share (or its equivalent) as of June 30, 2024:

Investments:	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Domestic equities (j)	$ 43,166,485	$ -	Monthly	31-90 days
Global/international equities (k)(b)	132,029,027	-	Weekly, monthly, quarterly	5-60 days
Private equity:				
Real properties (d)(g)	472,754	78,886	n/a	n/a
All others (d)(h)	191,776,241	59,437,419	n/a	n/a
Global/international fixed income (i)	13,988,297		Monthly	10 days
Hedge funds:				
Diversifying (a)(b)(c)(e)(m)	56,703,309	-	Quarterly	45-90 days
Growth-oriented (b)(f)(l)(n)	11,720,347	-	Quarterly, annually	60-90 days
Total	$449,856,460	$ 59,516,305		

NOTE 7 - INVESTMENTS AT FAIR VALUE MEASUREMENT, Continued:

(a) Includes side pockets which are illiquid and redeemed when the underlying investments are liquidated.
(b) Includes a fund(s) which are subject to a gate of 25% per quarter.
(c) Includes a fund(s) that has a 10% fund level gate.
(d) Redemption terms do not apply as distributions are received when the underlying investments are liquidated.
(e) Absolute return strategy seeks to achieve capital appreciation employing event driven investment strategies that generate attractive risk adjusted returns.
(f) A long/short equity strategy seeks to outperform the broader market averages while minimizing volatility and risk by investing in businesses trading at attractive valuations and short selling stocks in poorly performing, overvalued.
(g) Private equity real properties - opportunistic strategy targets office redevelopments, residential land developments, hotels and resorts, involving some level of repositioning, refinancing or use change.
(h) Private equity others - diversified investments in various portfolio companies at different stages, industries or regions, providing venture capital and/or restructuring expertise and subsequently selling the company to generate returns.
(i) A broadly diversified closed-end fund that invests in Closed End Funds trading at a discount to NAV.
(j) Includes a U.S. micro-cap strategy that aims to invest in high quality companies as well as a U.S. quantitative driven.
(k) Includes bottom-up benchmark agnostic, discounted closed-end fund, and quantitative data driven strategies.
(l) Includes a fund(s) that have a 33.3% fund level gate.
(m) Includes fund(s) with audit holdbacks which are illiquid until completion of the annual audit.
(n) Includes a fund with illiquid assets that is in the process of liquidation.

Private equity and growth oriented funds' unfunded commitments are estimated to be callable as follows:

Fiscal Years Ending June 30,	Amount
2025	$ 34,252,710
2026	10,817,638
2027	8,712,974
2028	4,288,932
2029	1,444,051
	$ 59,516,305

NOTE 8 - PLANT FACILITIES:

At June 30, 2024 and 2023, plant facilities consists of the following:

	2024	2023
Land and land improvements	$ 23,755,899	$ 22,809,382
Buildings	219,915,352	189,054,099
Equipment	31,497,822	29,451,554
Property held for future use	8,649,300	8,105,553
Construction in progress	14,918,595	3,249,032
	298,736,968	252,669,620
Less accumulated depreciation	(120,275,172)	(110,970,615)
Net plant facilities	$178,461,796	$ 141,699,005

Depreciation expense was $9,304,559 and $8,835,558 for the years ended June 30, 2024 and 2023, respectively.

June 30, 2024 and 2023

NOTE 9 - LIFE INCOME AND ANNUITIES PAYABLE:

Life income and annuities payable of $3,156,445 and $3,073,761 at June 30, 2024 and 2023, respectively, represent actuarially determined liabilities for contractual obligations under gift annuities, unitrusts, and pooled income funds.

NOTE 10 - DEPOSITS AND DEFERRED REVENUE

Deposits and deferred revenue of $1,550,121 and $2,897,699 at June 30, 2024 and 2023, respectively, represent unearned grant revenue, tuition prepayments, deposits related to rental properties and dining program incentives.

	2024	2023
Grants	$ 14,704	$ -
Tuition	1,356,042	517,971
Others	179,375	2,379,728
Total Deposits and Deferred Revenue	$ 1,550,121	$ 2,897,699

NOTE 11 - LEASE OBLIGATION

The College has entered into a finance lease obligation related to its dining services operation. The corresponding obligations are due in monthly installments with maturities through July 2030.

	2024	2023
Finance lease costs	$ 112,698	$ 112,698
Amortization of finance right of use	$ 101,954	$ 101,954
Interest expense	$ 17,164	$ 19,520

The annual lease obligation at June 30, 2024 is as follows:

Fiscal Years Ending June 30:	Amount
2025	$ 112,698
2026	112,698
2027	112,698
2028	112,698
2029	112,698
Thereafter	121,188
	$ 684,676
Less: interest present value/discount	(50,073)
Total lease obligation	$ 634,604

	2024	2023
Weighted average remaining lease term in years	5.99	6.99
Weighted average discount rate	2.50%	2.50%

There were no new financial leases initiated during the current year, resulting in the weighted average remaining lease term decreasing to 5.99 in the current year from 6.99 in the previous year.

NOTE 12 - NOTES PAYABLE:

At June 30, 2024 and 2023, notes payable were comprised of the following:

	2024	2023
California Municipal Finance Authority (CMFA) 2020 Tax-exempt Loan	$ 91,425,932	$ 93,802,853
Promissory Note to Claremont Graduate University	22,948,276	-
	114,374,208	93,802,853
Less unamortized cost of issuance	(226,528)	(235,130)
Less unamortized discount	(438,889)	(455,556)
Note payable, net	$113,708,791	$ 93,112,167

In October 2020, the College entered into a tax-exempt loan agreement through CMFA for $100,000,000 to refund the existing CMFA 2017 Tax-Exempt Loan and for the purchase and renovation of various College buildings. The loan was issued at a discount with an interest rate of 2.6% with monthly payments of approximately $402,000 through maturity on October 1, 2050. The loan is collateralized by all types of bank accounts the College holds at JP Morgan Chase (the bank) and any other property or assets of the College identified as collateral by the College and the bank. The loan contains various restrictive covenants

In January 2024, the College entered into an agreement for the purchase of real property from another member of The Claremont Colleges (Note 19) for $30,831,997 with a cash deposit of $7,8883,721 and a promissory note of $22,948,276 that is secured by a deed of trust. The note was issued at par value with interest payable monthly at a 4.89% rate, per annum, equal to the January Applicable Federal Rate (AFR). Principal payments are scheduled as follows: $8,000,000 due on October 1, 2024, $12,000,000 on January 1, 2025, and the remaining $2,948,276 on April 1, 2025.

Interest expense was $2,819,797 and $2,501,101 for the years ended June 30, 2024 and 2023, respectively. Amortization of the discount and cost of issuance were $25,269 and $25,269 for the years ended June 30, 2024 and 2023, respectively.

At June 30, 2024 the principal loan maturities were as follows:

Fiscal Years Ending June 30,	Principal
2025	$ 25,395,324
2026	2,512,340
2027	2,579,374
2028	2,642,225
2029	2,718,697
Thereafter	78,526,248
	$ 114,374,208

The College has a secured a $5,000,000 line of credit with JP Morgan Chase that matures on January 1, 2026. Any borrowings on the line bear interest at either a fluctuating rate per annum equal to the Prime Rate less 1% or, if the Prime Rate is not available, a Substituted Index comparable to the Prime Rate. There were no borrowings outstanding on the line at June 30, 2024 and 2023.

NOTE 13 - ASSET RETIREMENT OBLIGATION:

The College has recorded an asset retirement obligation related to plant facilities, primarily for disposal of regulated materials upon eventual retirement of the assets.

The following schedule summarizes asset retirement obligation activity for the years ended June 30, 2024 and 2023:

	2024	2023
Beginning balance	$ 1,339,705	$ 1,301,540
Accretion expense	39,974	38,165
Ending balance	$ 1,379,679	$ 1,339,705

NOTE 14 - NET ASSETS:

At June 30, 2024 and 2023, net assets consists of the following:

	2024	2023
Net assets without donor restrictions:		
For operations	$ 15,852,872	$ 26,483,152
For designated purposes	25,201,397	20,078,288
Board-designated endowment	51,027,096	47,736,510
Plant facilities	56,328,029	46,273,307
Total net assets without donor restrictions	$148,409,394	$ 140,571,257
Net assets with donor restrictions:		
Restricted for specific purposes	$ 14,692,342	$ 14,915,759
Plant facilities	14,271,727	8,669,705
Loans	6,644,852	6,576,483
Annuity and life income contracts and agreements	7,433,861	6,993,111
Endowment	457,496,024	432,073,556
Total net assets with donor restrictions	$500,538,806	$ 469,228,614

At June 30, 2024 and 2023, endowment net assets consists of the following:

	2024	2023
Endowment net assets without donor restrictions		
Board-designated endowment	$ 51,027,096	$ 47,736,510
Total endowment net assets without donor restrictions	51,027,096	47,736,510
Endowment net assets with donor restrictions		
Term endowment	$ 352,846	$ 346,381
Board-designated endowment	3,360,722	3,260,722
Perpetual endowments	191,443,351	183,155,772
Portion of endowment funds subject to a time restriction under California UPMIFA		
Without purpose restriction	67,495,872	63,673,286
With purpose restriction	194,843,233	181,637,395
Total endowment net assets with donor restrictions	457,496,024	432,073,556
Total endowment net assets	$508,523,120	$ 479,810,066

NOTE 15 - ENDOWMENT:

The endowment net assets of the College include term, perpetual, and Board-designated endowments. Perpetual endowments are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and the income only be utilized as provided for under the California Uniform Prudent Management of Institutional Funds Act. While Board-designated endowments have been established by the Board of Trustees to function as endowment, any portion of such funds may be expended.

June 30, 2024 and 2023

NOTE 15 - ENDOWMENT, CONTINUED:

Changes in the College's endowment for the year ended June 30, 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions	2024
Investment returns	$ 23,095,296	$ 17,169,766	$ 40,265,062
Amounts appropriated for expenditure	(20,979,444)	-	(20,979,444)
Contributions	1,195,000	7,883,711	9,078,711
Annuity and life income releases	-	124,339	124,339
Transfers and redesignation of assets	(20,266)	(180,098)	(200,364)
Other changes	-	424,750	424,750
Net chan e in endowed e uit	3,290,586	25,422,468	28,713,054
Endowed equity, beginning year	47,736,510	432,073,556	479,810,066
Endowed equity, ending year	$ 51,027,096	$457,496,024	$ 508,523,120

	Without Donor Restrictions	With Donor Restrictions	2024
Endowed equity is composed of the following assets at June 30, 2024:			
Contributions receivable, net	$ -	$ 5,484,732	$ 5,484,732
Investments	51,027,096	452,011,292	503,038,388
Total endowed equity	$ 51,027,096	$457,496,024	$ 508,523,120

Changes in the College's endowment for the year ended June 30, 2023 were as follows:

	Without Donor Restrictions	With Donor Restrictions	2023
Investment returns	$ 20,164,335	$ 12,004,400	$ 32,168,735
Amounts appropriated for expenditure	(18,670,532)	-	(18,670,532)
Contributions	70,001	4,259,198	4,329,199
Other changes	-	(2,318)	(2,318)
Net change in endowed equity	1,563,804	16,261,280	17,825,084
Endowed equity, beginning year	46,172,706	415,812,276	461,984,982
Endowed equity, ending year	$ 47,736,510	$432,073,556	$ 479,810,066

	Without Donor Restrictions	With Donor Restrictions	2023
Endowed equity is composed of the following assets at June 30, 2023:			
Contributions receivable, net	$ -	$ 1,078,052	$ 1,078,052
Investments	47,736,510	430,995,504	478,732,014
Total endowed equity	$ 47,736,510	$432,073,556	$ 479,810,066

As of June 30, 2024 and 2023, the amount by which the College's donor restricted endowments funds were underwater was calculated as follows:

Aggregate original gift amount	$ 810,000	$ 1,478,747
Aggregate fair value	738,732	1,357,111
Aggregate deficiency	$ 71,268	$ 121,636

June 30, 2024 and 2023

NOTE 16 - NET STUDENT REVENUES:

Student revenues for the years ended June 30, 2024 and 2023 consist of the following:

	2024	2023
Tuition and fees	$ 69,290,778	$ 65,191,422
Housing and food	19,320,379	18,831,498
	88,611,157	84,022,920
Less student aid	(23,587,972)	(21,177,933)
Net student revenues	$ 65,023,185	$ 62,844,987

NOTE 17 - FUNDRAISING EXPENSE:

Included in marketing expense in the Statements of Activities are approximately $4,351,000 and $3,827,000 of fundraising expenses for the years ended June 30, 2024 and 2023, respectively.

NOTE 18 - FUNCTIONAL CLASSIFICATION OF EXPENSES:

Expenses by functional classification for the years ended June 30, 2024 and 2023 consist of the following:

	Academic Program	Co-Curricular Program	Marketing	Administrative and General	2024 Total
Salaries and benefits	$ 22,001,753	$ 10,850,394	$ 7,253,930	$ 6,020,990	$ 46,127,067
Facilities	4,970,173	10,285,110	457,194	1,646,610	17,359,087
Services	9,131,635	5,612,656	1,496,947	5,144,195	21,385,433
Supplies, travel and other	7,513,566	4,772,433	966,009	89,234	13,341,242
	$ 43,617,127	$ 31,520,593	$ 10,174,080	$ 12,901,029	$ 98,212,829

	Academic Program	Co-Curricular Program	Marketing	Administrative and General	2023 Total
Salaries and benefits	$ 20,715,223	$ 9,070,716	$ 6,864,655	$ 5,345,812	$ 41,996,406
Facilities	6,468,524	12,004,002	316,023	3,032,511	21,821,060
Services	10,613,130	6,080,768	1,595,303	3,025,200	21,314,401
Supplies, travel and other	1,967,584	4,714,169	628,809	107,894	7,418,456
	$ 39,764,461	$ 31,869,655	$ 9,404,790	$ 11,511,417	$ 92,550,323

NOTE 19 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES:

As of June 30, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditure were:

	2024	2023
Financial Assets:		
Cash	$ 289,382	$ 349,082
Accounts receivable, net	1,335,083	3,407,809
Short-term investments	25,467,803	36,515,475
Funds functioning as endowment	51,027,096	47,736,510
Total financial assets available within one year	78,119,364	88,008,876
Liquidity resources:		
Subsequent year's endowment payout	19,262,013	17,672,440
Bank line of credit	5,000,000	5,000,000
Total financial assets available within one year	$102,381,377	$ 110,681,316

The College's cash flows have seasonal variations during the year to manage liquidity. The College maintains a line of credit that may be drawn upon as needed during the year.

NOTE 20 - RELATED PARTIES:

Trustees support the College with contributions. Total contributions from trustees during fiscal years ended June 30, 2024 and 2023 totaled approximately $2,956,000 and $1,326,000, respectively. At June 30, 2024 and 2023, trustee contributions receivable, net of discount, totaled approximately $1,444,000 and $248,000, respectively.

The College holds an investment strategy in which a spouse of a member of the Board of Trustees serves as the portfolio manager, which represents approximately 2% of the College's pooled investments. Investment in this strategy at June 30, 2024 and 2023 totaled approximately $11,000,000 and $10,400,000, respectively. There are no outstanding commitments associated with this investment strategy.

During the fiscal year ended June 30, 2020, Scripps College and Pitzer College formed Scripps-Pitzer Property Holdings, LLC ("SPPH"), a California limited liability corporation to own, develop, construct, and manage the real assets and debt associated with the new science center, The Nucleus. In March 2022, the College executed the limited liability company agreement of Scripps-Pitzer Property Holdings and established a fifty percent ownership in SPPH. The College contributed approximately $32,246,000 of cash and capital assets to SPPH. The College uses the equity method to determine the value of the College's interest in SPPH as an investment. As of June 30, 2024 and 2023 the College's investment in SPPH was approximately $31,361,000 and $25,925,000, respectively. Summarized financial information for SPPH is as follows:

	2024
Cash and cash equivalents	$ 14,457,425
Real estate, net	12,302,335
Real estate under development	78,902,853
Total assets	$ 105,662,613
Accounts payable and accrued expenses	3,644,768
Retention payable	4,725,697
Debt, net	49,500,854
Total liabilities	57,871,319
Members Equity	47,791,294
Total liabilities and net assets	$ 105,662,613

In July 2022, SPPH entered into a master loan agreement with advances up to $50,000,000. On July 1, 2024, the outstanding balance was converted into a non-revolving term loan that bears interest at 3.25% per annum. In January 2024, SPPH entered into a master loan agreement with advances up to $10,000,000. On July 1, 2025, the outstanding balance will be converted into a non-revolving term loan that bears interest at 5.75%. The College is obligated to make additional monthly contributions up to 50% of the debt service payments plus 50% of the Facilities management costs and capital expenditures during such period until the SPPH Loan Facility is repaid in full. The College made additional equity contributions of $5,510,000 and $36,360 in fiscal years ended June 30, 2024 and 2023, respectively.

At June 30, 2024 the debt service payments were as follows:

Fiscal Years Ending June 30,	Principal
2025	$ 1,106,362
2026	1,143,374
2027	1,181,624
2028	1,216,988
2029	1,261,866
Thereafter	44,250,178
	$ 50,160,392
Less: discount, net	(233,333)
Less: debt issuance costs, net	(426,205)
	$ 49,500,854

June 30, 2024 and 2023

Note 21 - EMPLOYEE BENEFIT PLANS:

The College participates in a defined contribution retirement plan which provides retirement benefits for academic employees and certain administrative personnel through Teachers Insurance and Annuity Association, The College Retirement Equity Fund, and Fidelity and Vanguard Mutual Funds. Under this defined contribution plan, College and participant contributions are used to purchase individual annuity contracts and investments equivalent to retirement benefits earned. Vesting provisions are full and immediate. Benefits commence upon retirement, and pre-retirement survivor death benefits are provided. In fiscal year 2021, due to the global pandemic, the College reduced employer contributions and in fiscal year 2022 the College returned to the normal amount of employer contributions plus an amount had contributions not been reduced in fiscal year 2021. College contributions to the plan for the years ended June 30, 2024 and 2023 totaled approximately $4,220,000 and $3,858,000, respectively.

NOTE 22 - AFFILIATED INSTITUTIONS:

The College is a member of an affiliated group of colleges known as The Claremont Colleges. Each College is a separate corporate entity governed by its own board of trustees. The Claremont Colleges, Inc., a member of this group, is the central coordinating institution that provides common student and administrative services, including certain central facilities utilized by all The Claremont Colleges. The members of the group share the costs of these services and facilities. Amounts paid by the College for such services and use of facilities for the years ended June 30, 2024 and 2023 totaled approximately $6,034,000 and $5,951,000, respectively. See Note 2 for receivables from affiliates.

NOTE 23 - COMMITMENTS AND CONTINGENCIES:

Contracts

The College has remaining commitments on contracts for various construction and landscaping projects and totaling approximately $7,568,000 at June 30, 2024.

Litigation

Occasionally, the College is involved in lawsuits arising in the ordinary course of its operations. In the opinion of management, the ultimate resolution of these lawsuits is not expected to have a material effect on the College’s financial position or change in net assets.

Federal

Certain federal grants, including financial aid, which the College administers and for which it receives reimbursements, are subject to audit and final acceptance by federal granting agencies. Current and prior year costs of such grants are subject to adjustment upon audit. The amount of expenditures that may be disallowed by the grantor, if any, cannot be determined at this time, although the College expects such amounts, if any, would not have a significant impact on the financial position of the College.

Federally sponsored loans are funded by advances to the College under the Federal Perkins Loan Program. As of October 1, 2017, under Federal law, the College may no longer award new Perkins Loans to undergraduate students and may not make subsequent disbursements to undergraduate students after June 30, 2018.

NOTE 24 - SUBSEQUENT EVENTS:

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. The College recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The College’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position, but arose after the statement of financial position date, and before financial statements are available to be issued.

On September 19, 2024, Scripps College entered into an agreement with the California Municipal Finance Authority (CMFA) for a tax-exempt loan with a principal sum of $33,200,000. The purpose of the tax-exempt loan was primarily to pay off an outstanding promissory note with another member of The Claremont Colleges. The funds were drawn in full at close and the term of the loan is three years from the issuance date, interest on the loan is based on a variable rate equal to 80% of the adjusted 1-month term Secured Overnight Financing Rate (SOFR) plus 100 basis points (bps). An issuance fee equal to 50 bps of the loan commitment equivalent to $166,000 was paid at closing.

The College has evaluated subsequent events through October 31, 2024, which is the date the financial statements are available to be issued and concluded that there were no additional events or transactions that need to be disclosed.


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