

# SCRIPPS

THE WOMEN'S COLLEGE • CLAREMONT

FINANCIAL REPORT | 2024-2025





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

# SCRIPPS COLLEGE ANNUAL FINANCIAL REPORT

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June 30, 2025 and 2024

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## **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, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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.

*Baker Tilly US, LLP*

Los Angeles, California  
October 30, 2025

# SCRIPPS COLLEGE

## STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Cash	\$ 102,193	\$ 289,382
Assets held for sale (Notes 1, 24)	28,270,462	-
Accounts receivable, net (Note 2)	4,159,875	1,335,083
Prepaid expenses, deposits, and other	1,154,151	973,718
Notes receivable, net (Note 3)	2,388,023	2,344,711
Contributions receivable, net (Note 4)	13,728,592	12,708,328
Finance right of use assets, net	517,452	619,407
Investments (Note 6)	591,798,679	562,359,214
Collections	22,504,597	21,640,858
Plant facilities, net (Note 8)	154,168,679	178,461,796
Total assets	<u>\$ 818,792,703</u>	<u>\$ 780,732,497</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 7,937,341	\$ 11,174,666
Deposits and deferred revenue (Note 9)	1,344,268	1,550,121
Finance lease obligation, net (Note 10)	536,654	634,604
Life income and annuities payable (Note 11)	3,143,701	3,156,445
Notes payable, net (Note 12)	121,204,573	113,708,791
Government advances for student loans	57,635	66,399
Funds held in trust for others	54,896	113,592
Asset retirement obligation (Note 13)	1,417,282	1,379,679
Total liabilities	<u>135,696,350</u>	<u>131,784,297</u>
<b>Net assets (Note 14)</b>		
Without donor restrictions	159,957,489	148,409,394
With donor restrictions	523,138,864	500,538,806
Total net assets	<u>683,096,353</u>	<u>648,948,200</u>
Total liabilities and net assets	<u>\$ 818,792,703</u>	<u>\$ 780,732,497</u>

# SCRIPPS COLLEGE

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total 2025
Revenues and releases of net assets:			
Net student revenues (Note 16)	\$ 69,511,817	\$ -	\$ 69,511,817
Contributions	12,039,900	5,995,027	18,034,927
Contribution of non-financial assets	2,122,869	-	2,122,869
Federal grants and contracts	1,254,190	-	1,254,190
Spending policy income	18,460,310	2,370,635	20,830,945
Other investment income, net	1,384,003	74,226	1,458,229
Other revenue	2,827,156	1,448	2,828,604
Release of restricted net assets:			
Operations	2,773,688	(2,773,688)	-
Total revenues and release of net assets	110,373,933	5,667,648	116,041,581
Expenses: (Note 18)			
Academic program	46,613,977	-	46,613,977
Co-curricular program	33,420,505	-	33,420,505
Marketing	10,803,319	-	10,803,319
Administrative and general	13,268,354	-	13,268,354
Total expenses	104,106,155	-	104,106,155
Operating income	6,267,778	5,667,648	11,935,426
Other changes in net assets:			
Redesignation and reclassification of net assets	(106,499)	106,499	-
Release of restricted net assets - plant facilities	5,301,953	(5,301,953)	-
Loss on contribution receivable	-	(19,362)	(19,362)
Net realized and unrealized gain on investments net of allocation to operations	503,104	21,538,005	22,041,109
Actuarial adjustment	(1,471)	609,221	607,750
Transfer to other Colleges	(416,770)	-	(416,770)
Total other changes in net assets	5,280,317	16,932,410	22,212,727
Change in net assets	11,548,095	22,600,058	34,148,153
Net assets, beginning of year	148,409,394	500,538,806	648,948,200
Net assets, end of year	\$ 159,957,489	\$ 523,138,864	\$ 683,096,353



# 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	<u>99,726,732</u>	<u>13,652,472</u>	<u>113,379,204</u>
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	<u>98,212,829</u>	<u>-</u>	<u>98,212,829</u>
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)	-
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 to other Colleges	(229,258)	-	(229,258)
Gain on disposal of plant facilities	4,109,318	-	4,109,318
Total other changes in net assets	<u>6,324,234</u>	<u>17,657,720</u>	<u>23,981,954</u>
Change in net assets	7,838,137	31,310,192	39,148,329
Net assets, beginning of year	<u>140,571,257</u>	<u>469,228,614</u>	<u>609,799,871</u>
Net assets, end of year	<u>\$ 148,409,394</u>	<u>\$ 500,538,806</u>	<u>\$ 648,948,200</u>

# SCRIPPS COLLEGE

## STATEMENTS OF CASH FLOWS

For the years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Tuition, housing and food, net of financial aid	\$ 69,352,286	\$ 64,801,695
Gifts, grants and contracts	13,599,797	7,709,241
Investment (loss) income	(2,781,456)	7,184,572
Other revenue	3,030,846	1,963,210
Payments for interest on debt	(3,828,701)	(2,824,827)
Payments to employees and suppliers	(93,118,631)	(80,288,311)
Net cash (used in) operating activities	<u>(13,745,859)</u>	<u>(1,454,420)</u>
Cash flows from investing activities:		
Purchase of collections	(122,792)	(680)
Purchase of plant facilities	(13,679,514)	(47,468,031)
Proceeds from sale of investments	187,083,550	62,486,206
Purchase of investments	(171,670,449)	(41,639,934)
Loans made to students and Faculty	(376,000)	(266,345)
Collection of student and Faculty loans	332,688	421,176
Net cash provided by (used in) investing activities	<u>1,567,483</u>	<u>(26,467,608)</u>
Cash flows from financing activities:		
Proceeds from and payments to life income beneficiaries	237,141	(252,377)
Investment income on life income contracts	-	302,135
Proceeds from borrowings	32,860,222	22,948,276
Payments on finance lease obligation	(112,698)	(112,698)
Principal payments on note	(25,389,709)	(2,376,921)
Contributions restricted for endowment	4,456,201	5,096,781
Contributions restricted for life income contracts	9,738	-
Contributions restricted for plant expenditures	(1,102,142)	999,278
Contributions for other long-term restricted purposes	1,041,198	1,277,339
Changes in government advances for student loans	(8,764)	(19,485)
Net cash provided by financing activities	<u>11,991,187</u>	<u>27,862,328</u>
Net increase (decrease) in cash	(187,189)	(59,700)
Cash at beginning of year	<u>289,382</u>	<u>349,082</u>
Cash at end of year	<u>\$ 102,193</u>	<u>\$ 289,382</u>
<b>Supplemental disclosure of non-cash financing activities</b>		
Capital asset contribution to Scripps-Pitzer Property Holdings, LLC	<u>\$ -</u>	<u>\$ 5,510,000</u>

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

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June 30, 2025 and 2024

### **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 1,120 students as of June 30, 2025. 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.

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.

#### **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, 2025, the College did not modify its historical loss rates for each aging category due to decreased inflation, stable unemployment rates, and other economic factors.

#### **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 to notes receivable.

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

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June 30, 2025 and 2024

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

#### **Assets Held for Sale:**

The College classifies a long-lived asset as "held for sale" when management commits to a sale plan, the asset is ready for immediate sale in its current state, and the College expects to complete the sale within one year. Once the asset is classified as held for sale, the College measures its value (following ASC 360-10-45) by choosing the lower amount between its current book value (carrying amount) and its fair value minus the costs to sell. The College initiated and subsequent to year-end completed a sale/leaseback of one its properties beginning May 2025 (see Note 24). This property's book value totaled \$28,270,461 as of June 30, 2025. As of June 30, 2024, the College did not classify any assets as held for sale.

When assets are classified as held for sale, the College stops taking depreciation on them. The College then presents these assets separately on the statement of financial position. If the assets' value needs to be remeasured and this results in a loss, the College records that loss in the statement of activities as part of other changes in net assets.

The College periodically checks the status and worth of its assets held for sale. These evaluations happen on each reporting date, and the College makes required valuation or classification adjustments if market conditions or the sale's progression changes.

#### **Right of Use Assets and Lease Obligation:**

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 its 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.

#### **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 fund 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.

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

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June 30, 2025 and 2024

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

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.

Due to the risks associated with certain investments and the level of uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the Statements of Financial Position.

#### **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, 2025 and 2024. 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 15). These deficiencies, which the College believes are temporary, result 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:

- (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



# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

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June 30, 2025 and 2024

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

#### **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:

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 – Inputs 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.

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

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June 30, 2025 and 2024

### **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, 2025 and 2024.

During the years ended June 30, 2025 and 2024, 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.

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

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June 30, 2025 and 2024

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

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% over estimated lives according to the 2012 Unisex Mortality Tables at June 30, 2025 and 2024.

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, 2025 and 2024, reserve requirements were approximately \$1,237,000 and \$1,212,000, respectively.

#### **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 a barrier to entitlement is overcome and a right of return or release has occurred. 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 uncollectable 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.

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

---

June 30, 2025 and 2024

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:**

#### **Revenue and Expense Recognition, Continued:**

Other Revenue - The College receives revenue from the rental of its real properties and facilities, catering, and programming activities from outside organizations 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.

#### **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.

#### **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, 2025 and 2024. The College has no unrecognized tax benefits as of June 30, 2025 and 2024.

#### **Reclassifications**

Certain 2024 amounts have been reclassified to conform to 2025 presentation.

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

### NOTE 2 - ACCOUNTS RECEIVABLE:

Accounts receivable at June 30, 2025 and 2024 are as follows:

	2025	2024
Student accounts	\$ 63,684	\$ 120,966
Other Claremont Colleges	926,381	886,463
Federal and private grants and contracts	115,810	-
Other	3,054,101	394,947
	<u>4,159,976</u>	<u>1,402,376</u>
Less: allowance for doubtful accounts	(101)	(67,293)
Total accounts receivable	<u>\$ 4,159,875</u>	<u>\$ 1,335,083</u>

Changes in the allowance for credit losses for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Balance, beginning of the year	\$ 67,293	\$ 66,275
Provisions (Adjustment)	708	1,018
Write off, net of recoveries	(67,900)	-
Balance, end of the year of the year	<u>\$ 101</u>	<u>\$ 67,293</u>

### NOTE 3 - NOTES RECEIVABLE:

Notes receivable at June 30, 2025 and 2024 are as follows:

	2025	2024
Student notes	\$ 2,411,435	\$ 2,521,835
Faculty loans	410,394	264,225
	<u>2,821,829</u>	<u>2,786,060</u>
Less allowance for doubtful student notes	(433,806)	(441,349)
Total notes receivable, net	<u>\$ 2,388,023</u>	<u>\$ 2,344,711</u>

Changes in the allowance for credit losses for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Balance, beginning of the year	\$ 441,349	\$ 442,044
Provisions (Adjustments)	(7,543)	(695)
Balance, end of the year	<u>\$ 433,806</u>	<u>\$ 441,349</u>

### 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, 2025 and 2024 are expected to be realized in the following periods:

	2025	2024
Within one year	\$ 4,858,254	\$ 4,124,129
Between one year and five years	9,437,822	7,672,414
More than five years	500,000	2,151,827
	<u>14,796,076</u>	<u>13,948,370</u>
Less discount	(1,029,984)	(1,221,292)
Less allowance for doubtful contributions receivable	(37,500)	(18,750)
Contributions receivable, net	<u>\$ 13,728,592</u>	<u>\$ 12,708,328</u>



# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

### NOTE 4 - CONTRIBUTIONS RECEIVABLE, CONTINUED:

Contributions receivable at June 30, 2025 and 2024 are intended for the following uses:

	2025	2024
Endowment	\$ 5,544,633	\$ 5,484,732
Beneficial interest in trusts held by third parties	1,711,640	1,651,827
Other	6,472,319	5,571,769
Total	<u>\$ 13,728,592</u>	<u>\$ 12,708,328</u>

At June 30, 2025 and 2024, 66% and 63% of net contributions receivable were due from four and three donors, respectively.

### 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, 2025 and 2024:

	Balance at June 30, 2024	Additions/ Maturities	Actuarial Adjustment	Balance at June 30, 2025
Beneficial interest in trusts held by third parties	\$ 1,651,827	\$ -	\$ 59,813	\$ 1,711,640

  

	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

### 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:

	2025	2024
Investment by program:		
Investment pool	\$ 542,781,942	\$ 515,035,644
Separate investments	49,016,737	47,323,570
Total by program	<u>\$ 591,798,679</u>	<u>\$ 562,359,214</u>

  

	2025	2024
Investments by category:		
Endowment and funds functioning as endowment	\$ 536,115,233	\$ 503,038,388
Annuity and life income funds	9,406,013	8,993,376
Investment for plant facilities	34,483,454	38,278,642
Other	11,793,979	12,048,808
Total by category	<u>\$ 591,798,679</u>	<u>\$ 562,359,214</u>

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

### NOTE 6 - INVESTMENTS, CONTINUED:

Investment by asset type:	2025	2024
Cash equivalents	\$ 4,093,440	\$ 14,718,913
Money market	42,991,633	10,748,890
Mutual funds	2,274,673	1,904,019
Domestic equities	52,100,802	45,618,090
Global/international equities	181,135,548	155,486,671
Private equity	159,884,967	191,776,241
Private equity - real estate	306,961	472,754
Domestic fixed income	33,656,342	26,097,309
Global/international fixed income funds	15,053,576	13,988,297
Real properties	1,078,223	965,827
Diversifying hedge funds	54,747,710	56,703,309
Growth-oriented hedge funds	11,843,394	11,720,347
Other assets	32,631,410	32,158,547
Total by asset type	<u>\$ 591,798,679</u>	<u>\$ 562,359,214</u>

Investments held at cost or carrying amount were \$31,761,402 and \$31,435,433 at June 30, 2025 and 2024, 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 2025 and 2024:

	Level 1	Level 2	Assets Measured Using NAV	2025
Cash equivalents	\$ 4,093,440	\$ -	\$ -	\$ 4,093,440
Money market	42,991,633	-	-	42,991,633
Mutual funds	2,274,673	-	-	2,274,673
Domestic equities	2,575,944	-	49,524,858	52,100,802
Global/international equities	27,044,831	-	154,090,717	181,135,548
Private equity	-	-	159,884,967	159,884,967
Private equity - real estate	-	-	306,961	306,961
Domestic fixed income	643,822	33,012,520	-	33,656,342
Global/international fixed income funds	-	-	15,053,576	15,053,576
Real properties	11,736	1,059,990	-	1,071,726
Diversifying hedge funds	-	-	54,747,710	54,747,710
Growth-oriented hedge funds	-	-	11,843,394	11,843,394
Other assets	280,971	595,534	-	876,505
Total investments at fair value	<u>\$ 79,917,050</u>	<u>\$ 34,668,044</u>	<u>\$ 445,452,183</u>	<u>\$ 560,037,277</u>

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

### NOTE 7 - INVESTMENTS AT FAIR VALUE MEASUREMENT, CONTINUED:

	Level 1	Level 2	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	<u>\$ 54,020,437</u>	<u>\$ 27,046,884</u>	<u>\$ 449,856,460</u>	<u>\$ 530,923,781</u>

The following table presents fair value measurements of investments that calculate NAV per share (or its equivalent) as of June 30, 2025:

Investments:	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Domestic equities (j)	\$ 49,524,858	\$ -	Monthly	31-90 days
Global/international equities (k)(b)	154,090,717	-	Weekly	5-60 days
			Monthly	
			Quarterly	
Private equity:				
Real properties (d)(g)	306,961	8,886	n/a	n/a
All others (d)(h)	159,884,967	63,491,401	n/a	n/a
Global/international fixed income (i)	15,053,576		Monthly	10 days
Hedge funds:				
Diversifying (a)(b)(c)(e)	54,747,710	-	Quarterly	45-90 days
Growth-oriented (b)(f)(l)(m)	11,843,394	-	Quarterly	60-90 days
			Annually	
Total	<u>\$ 445,452,183</u>	<u>\$ 63,500,287</u>		

(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 businesses.

(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 strategy.

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

### NOTE 7 - INVESTMENTS AT FAIR VALUE MEASUREMENT, CONTINUED:

(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 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
2026	\$ 34,582,611
2027	14,081,096
2028	7,628,985
2029	4,607,595
2030	2,600,000
Total unfunded commitments	<u>\$ 63,500,287</u>

### NOTE 8 - PLANT FACILITIES:

At June 30, 2025 and 2024, plant facilities consists of the following:

	2025	2024
Land and land improvements	\$ 23,755,899	\$ 23,755,899
Buildings	209,043,596	219,915,352
Equipment	23,197,989	31,497,822
Property held for future use	8,649,300	8,649,300
Construction in progress	9,914,828	14,918,595
	<u>274,561,612</u>	<u>298,736,968</u>
Less accumulated depreciation	<u>(120,392,933)</u>	<u>(120,275,172)</u>
Net plant facilities	<u>\$ 154,168,679</u>	<u>\$ 178,461,796</u>

Depreciation expense was \$9,702,169 and \$9,304,559 for the years ended June 30, 2025 and 2024, respectively.

### NOTE 9 - DEPOSITS AND DEFERRED REVENUE

Deposits and deferred revenue represent unearned grant revenue, tuition prepayments, and deposits related to rental properties. \$1,344,268 and \$1,550,121 at June 30, 2025 and 2024, respectively, represent unearned grant revenue, tuition prepayments, and deposits related to rental properties.

	2025	2024
Unearned grant revenue	\$ 215,953	\$ 14,704
Prepaid tuition and fees	1,121,815	1,356,042
Other deposits	6,500	179,375
Total deposits and deferred revenue	<u>\$ 1,344,268</u>	<u>\$ 1,550,121</u>

### NOTE 10 - 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.

	2025	2024
Finance lease costs	\$ 112,698	\$ 112,698
Amortization of finance right of use asset	\$ 101,954	\$ 101,954
Interest expense	\$ 14,748	\$ 17,164

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

### NOTE 10 - LEASE OBLIGATION, CONTINUED:

The annual lease obligation at June 30, 2025 is as follows:

Fiscal Years Ending June 30:

	Amount
2026	\$ 112,698
2027	112,698
2028	112,698
2029	112,698
2030	112,698
Thereafter	8,489
	571,979
Less: interest present value/discount	(35,325)
Total lease obligation	<u>\$ 536,654</u>

	2025	2024
Weighted average remaining lease term in years	4.99	5.99
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 4.99 in the current year from 5.99 in the previous year.

### NOTE 11 - LIFE INCOME AND ANNUITIES PAYABLE:

Life income and annuities payable of \$3,143,701 and \$3,156,445 at June 30, 2025 and 2024, respectively, represent actuarially determined liabilities for contractual obligations under gift annuities, unitrusts, and pooled income funds.

### NOTE 12 - NOTES PAYABLE:

At June 30, 2025 and 2024, notes payable were comprised of the following:

	2025	2024
California Municipal Finance Authority (CMFA) 2020 Tax-exempt Loan	\$ 88,985,499	\$ 91,425,932
Promissory Note to Claremont Graduate University		\$ 22,948,276
California Municipal Finance Authority (CMFA) 2024 Tax-exempt Loan	33,200,000	-
	122,185,499	114,374,208
Less unamortized cost of issuance	(558,704)	(226,528)
Less unamortized discount	(422,222)	(438,889)
Note payable, net	<u>\$ 121,204,573</u>	<u>\$ 113,708,791</u>

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 \$7,883,721 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 were 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. The note was repaid in its entirety in September 2024 from proceeds from CMFA 2024 (see below).



# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

### NOTE 12 - NOTES PAYABLE, CONTINUED:

In September 2024, the College entered into a tax-exempt loan agreement through CMFA for \$33,200,000 to: (a) refund the promissory note of \$22,948,276 described above; (b) reimburse the College for the cash deposit of \$7,883,721 issued in connection with the purchase of real property described above; (c) pay loan issuance fees and expenses; and (d) provide additional working capital. The loan had a three-year maturity with a variable interest rate equal to (i) 80%, times (ii) the Secured Overnight Financing Rate plus 100 basis points. The loan was collateralized by all types of bank accounts the College holds at 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. The CMFA 2024 loan was repaid in its entirety in August 2025 from proceeds from the sale of the building at 251 E. 10th Street (see Note 24).

Interest expense was \$3,938,388 and \$2,819,797 for the years ended June 30, 2025 and 2024, respectively. Amortization of the discount and cost of issuance were \$25,269 for the years ended June 30, 2025 and 2024.

At June 30, 2025 the principal loan maturities were as follows:

Fiscal Years Ending June 30,	Principal
2026	\$ 35,712,164
2027	2,579,193
2028	2,642,039
2029	2,718,506
2030	2,791,040
Thereafter	75,742,557
Total	<u>\$ 122,185,499</u>

The College has a secured \$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, 2025 and 2024.

### 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, 2025 and 2024:

	2025	2024
Beginning balance	\$ 1,379,679	\$ 1,339,705
Accretion expense	37,603	39,974
Ending balance	<u>\$ 1,417,282</u>	<u>\$ 1,379,679</u>

### NOTE 14 - NET ASSETS:

At June 30, 2025 and 2024, net assets consists of the following:

	2025	2024
Net assets without donor restrictions:		
For operations	\$ 11,622,760	\$ 15,852,872
For designated purposes	26,825,155	25,201,397
Board-designated endowment	57,944,006	51,027,096
Plant facilities	63,565,568	56,328,029
Total net assets without donor restrictions	<u>\$ 159,957,489</u>	<u>\$ 148,409,394</u>

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

### NOTE 14 - NET ASSETS, CONTINUED:

	2025	2024
Net assets with donor restrictions:		
Restricted for specific purposes	\$ 15,414,921	\$ 14,692,342
Plant facilities	9,381,659	14,271,727
Loans	6,707,367	6,644,852
Annuity and life income contracts and agreements	7,919,057	7,433,861
Endowment	483,715,860	457,496,024
Total net assets with donor restrictions	<u>\$ 523,138,864</u>	<u>\$ 500,538,806</u>

At June 30, 2025 and 2024, endowment net assets consists of the following:

	2025	2024
Endowment net assets without donor restrictions:		
Board-designated endowment	\$ 57,944,006	\$ 51,027,096
Total endowment net assets without donor restrictions	<u>57,944,006</u>	<u>51,027,096</u>
Endowment net assets with donor restrictions:		
Term endowment	\$ 358,789	\$ 352,846
Board-designated endowment	3,360,722	3,360,722
Perpetual endowments	196,139,552	191,443,351
Portion of endowment funds subject to a time restriction under California UPMIFA		
Without purpose restriction	72,285,640	67,495,872
With purpose restriction	211,571,157	194,843,233
Total endowment net assets with donor restrictions	<u>483,715,860</u>	<u>457,496,024</u>
Total endowment net assets	<u>\$ 541,659,866</u>	<u>\$ 508,523,120</u>

### 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.

Changes in the College's endowment for the year ended June 30, 2025 were as follows:

	Without Donor Restrictions	With Donor Restrictions	2025
Investment returns	\$ 24,104,408	\$ 21,603,393	\$ 45,707,801
Amounts appropriated for expenditure	(21,212,498)	-	(21,212,498)
Contributions	25,000	4,456,201	4,481,201
Annuity and life income releases	-	135,892	135,892
Transfers and redesignation of assets	4,000,000	24,350	4,024,350
Net change in endowed equity	6,916,910	26,219,836	33,136,746
Endowed equity, beginning year	51,027,096	457,496,024	508,523,120
Endowed equity, ending year	<u>\$ 57,944,006</u>	<u>\$ 483,715,860</u>	<u>\$ 541,659,866</u>

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

### NOTE 15 - ENDOWMENT, CONTINUED:

Endowed equity is composed of the following assets at June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	2025
Contributions receivable, net	\$ -	\$ 5,544,633	\$ 5,544,633
Investments	57,944,006	478,171,227	536,115,233
Total endowed equity	<u>\$ 57,944,006</u>	<u>\$ 483,715,860</u>	<u>\$ 541,659,866</u>

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 change in endowed equity	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	<u>\$ 51,027,096</u>	<u>\$ 457,496,024</u>	<u>\$ 508,523,120</u>

Endowed equity is composed of the following assets at June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	2024
Contributions receivable, net	\$ -	\$ 5,484,732	\$ 5,484,732
Investments	51,027,096	452,011,292	503,038,388
Total endowed equity	<u>\$ 51,027,096</u>	<u>\$ 457,496,024</u>	<u>\$ 508,523,120</u>

As of June 30, 2025 and 2024, the amount by which the College's donor restricted endowments funds were underwater was calculated as follows:

	2025	2024
Aggregate original gift amount	\$ 810,000	\$ 810,000
Aggregate fair value	773,634	738,732
Aggregate deficiency	<u>\$ 36,366</u>	<u>\$ 71,268</u>

### NOTE 16 - NET STUDENT REVENUES:

Student revenues for the years ended June 30, 2025 and 2024 consist of the following:

	2025	2024
Tuition and fees	\$ 75,110,327	\$ 69,290,778
Housing and food	21,356,706	19,320,379
	96,467,033	88,611,157
Less student aid	(26,955,216)	(23,587,972)
Net student revenues	<u>\$ 69,511,817</u>	<u>\$ 65,023,185</u>

### NOTE 17 - FUNDRAISING EXPENSE:

Included in marketing expense in the Statements of Activities are approximately \$4,363,000 and \$4,351,000 of fundraising expenses for the years ended June 30, 2025 and 2024, respectively.

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

### NOTE 18 - FUNCTIONAL CLASSIFICATION OF EXPENSES:

Expenses by functional classification for the years ended June 30, 2025 and 2024 consist of the following:

	Academic Program	Co-Curricular Program	Marketing	Administrative and General	2025 Total
Salaries and benefits	\$ 23,868,478	\$ 11,487,146	\$ 7,707,595	\$ 5,830,323	\$ 48,893,542
Facilities	5,540,263	10,954,957	482,779	1,815,534	18,793,533
Services	10,185,377	6,018,364	1,530,531	5,505,918	23,240,190
Supplies, travel and other	7,019,859	4,960,038	1,082,414	116,579	13,178,890
Total expenses	<u>\$ 46,613,977</u>	<u>\$ 33,420,505</u>	<u>\$ 10,803,319</u>	<u>\$ 13,268,354</u>	<u>\$ 104,106,155</u>

  

	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
Total expenses	<u>\$ 43,617,127</u>	<u>\$ 31,520,593</u>	<u>\$ 10,174,080</u>	<u>\$ 12,901,029</u>	<u>\$ 98,212,829</u>

### NOTE 19 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES:

As of June 30, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditure were:

	2025	2024
Financial Assets:		
Cash	\$ 102,193	\$ 289,382
Accounts receivable, net	4,159,875	1,335,083
Short-term investments	47,085,073	25,467,803
Funds functioning as endowment	57,944,006	51,027,096
Total financial assets available within one year	109,291,147	78,119,364
Liquidity resources:		
Subsequent year's endowment payout	19,610,811	19,262,013
Bank line of credit	5,000,000	5,000,000
Total liquidity resources available within one year	24,610,811	24,262,013
Total financial assets and liquidity resources available within one year	<u>\$ 133,901,958</u>	<u>\$ 102,381,377</u>

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 PARTY TRANSACTIONS:

The College enters into transactions in the normal course of operations with parties considered related under accounting standards for not-for-profit organizations. Related parties include trustees, staff, and other individuals or entities with a significant relationship to the College.

Trustees, staff, and other individuals or entities support the College with contributions. Total contributions from trustees, staff, and non-trustees during fiscal years ended June 30, 2025 and 2024 totaled approximately \$5,916,000 and \$2,956,000, respectively. Contributions receivable from related parties, net of discount, totalled approximately \$2,264,000 and \$1,444,000, as of June 30, 2025 and 2024, respectively.

# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

### NOTE 20 - RELATED PARTY TRANSACTIONS, CONTINUED:

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 June 30, 2025 and 2024 totaled approximately \$11,256,000 and \$11,000,000, respectively. There are no outstanding commitments associated with this investment strategy.

In addition, related party transactions during the year included tuition remission provided to certain disqualified persons and investments in limited liability corporations, some of which involved disqualified persons. In total, related party transactions resulted in a net increase to revenues of approximately \$0 and \$3,602,000 for the years ended June 30, 2025 and 2024, respectively. All such transactions are reviewed and approved in accordance with the College's conflict of interest policies.

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, 2025 and 2024, the College's investment in SPPH was approximately \$34,031,000 and \$31,361,000, respectively. Summarized financial information for SPPH is as follows:

	2025	2024
Cash and cash equivalents	\$ 8,353,755	\$ 14,457,425
Due from members, net	398,800	-
Real estate, net	100,532,621	12,302,335
Real estate under development	1,265,682	78,902,853
Total assets	<u>\$ 110,550,858</u>	<u>\$ 105,662,613</u>
Accounts payable and accrued expenses	2,137,774	3,644,768
Retention payable	834,503	4,725,697
Debt, net	58,363,686	49,500,854
Total liabilities	61,335,963	57,871,319
Members Equity	49,214,895	47,791,294
Total liabilities and members equity	<u>\$ 110,550,858</u>	<u>\$ 105,662,613</u>

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 was 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 \$1,424,000 and \$5,510,000 in fiscal years ended June 30, 2025 and 2024, respectively.



# SCRIPPS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

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June 30, 2025 and 2024

### **NOTE 23 - COMMITMENTS AND CONTINGENCIES, CONTINUED:**

#### **Federal and state grants**

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.

Grant awards require the fulfillment of certain conditions as set forth in the instrument of a grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The College deems this contingency remote since, by accepting the grants and their terms, it has accommodated the objectives of the College to the provisions of the grants. The College's management believes the College has complied with the terms of all grants. Reimbursable costs under government grants are subject to audit by the government agencies. Management believes that no material adjustments will result from subsequent audits of the reimbursable costs reflected in the consolidated financial statements. The College's grant and contract funding is subject to various risks, including changes in government policy and potential executive orders issued by the current federal administration. These recent executive orders may result in modifications, delays, or cancellations of such federal grants and contracts. The College has assessed these risks and believes that any potential impact from such executive orders is uncertain. The ultimate effect on the College's financial position and changes in net assets will depend on future governmental actions and the timing of their implementation. The College will continue to monitor developments related to these executive orders and will take appropriate actions as necessary.

### **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 August 1, 2025, the College executed agreements with a newly formed California limited liability company (the LLC) wholly owned by a Delaware nonprofit tax-exempt entity. These agreements provide for (a) the sale of the College's facility at 251 E. 10th Street to the LLC, (b) a ground lease of the underlying land to the LLC, (c) a leaseback of the facility from the LLC to the College following renovation and expansion, and (d) related cooperation and governance agreements.

Under the ground lease, the College sold the facility to the LLC for approximately \$33.2 million and leased the land to the LLC through June 30, 2070. Proceeds from the sale were used on August 21, 2025, to fully repay the College's CMFA 2024 tax-exempt loan. On that same date, the California Municipal Finance Authority issued \$97.7 million of Series 2025 Bonds, with proceeds loaned to the LLC to fund the acquisition, renovation, and expansion of the facility. The College has no obligation for the repayment of the Series 2025 Bonds.

The facility, upon renovation and expansion, will comprise approximately 69,267 square feet of classrooms, offices, laboratories, collaboration areas, and performance space. Under the facility lease agreement, the College will lease the renovated facility from the LLC beginning September 1, 2026, through August 31, 2031, with semi-annual lease payments ranging from approximately \$3,145,000 to \$3,173,000. The College is also responsible for taxes, insurance, operations, maintenance, and related costs during the lease term.

The College has evaluated subsequent events through October 30, 2025, 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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