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HE WOMEN'S COLLEGE • CLAREMONT

Financial Report 2006–2007

THE PARAMOUNT
OBLIGATION OF A COLLEGE
IS TO DEVELOP IN ITS STUDENTS
THE ABILITY TO THINK CLEARLY
AND INDEPENDENTLY,
AND THE ABILITY

SCRIPPS COLLEGE ANNUAL FINANCIAL REPORT

2007 and 2006

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October 16, 2007

Dear Members of the Board of Trustees and Friends of Scripps College:

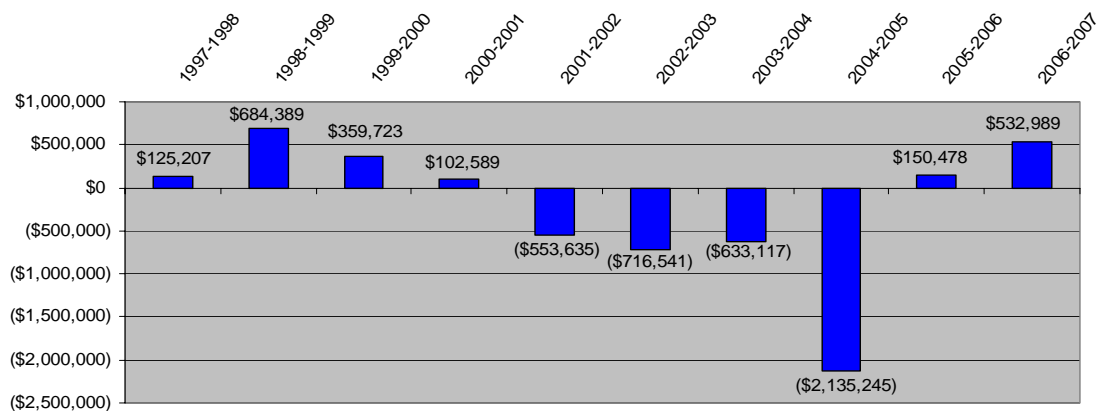
The following report presents the results of operations and other financial information for fiscal 2006-2007.

FINANCES:

Total assets increased by \$59 million to \$411 million, while net assets increased \$57 million to \$374 million. Endowment growth from gifts and investments provided much of the increase.

The Statement of Activities on page 7 shows over \$43 million in operating revenue and an operating surplus of \$533,000. This marks an improvement over fiscal 2005-2006 operating surplus of \$150,000 and the deficit of over \$2 million in fiscal 2004-2005. In the 1999 strategic plan, the College defined financial equilibrium as an operating surplus of \$500,000 after giving effect to depreciation expense and interest on debt. For this year, the goal has been achieved. The chart below shows the 10 year results of operations history.

**STATEMENT OF ACTIVITIES
OPERATING SURPLUS/ (DEFICIT)
1998-2007**



The Statement of Changes in Endowed Equity (page 10) shows an increase in the endowment of over \$53 million after giving effect to almost \$10 million of endowment income distributed to operations and other purposes.

SCRIPPS COLLEGE
STATEMENTS OF FINANCIAL POSITION

June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets		
Cash	\$ 282,053	\$ 177,336
Accounts Receivable (Note 2)	397,113	482,396
Notes receivable, net (Note 2)	448,367	561,216
Contributions receivable (Note 3)	3,546,557	1,017,484
Prepaid expenses, deposits, and other	742,557	473,653
Investments (Note 4)	10,405,190	8,403,401
Assets whose use is limited (Note 4)	-	3,410,817
Total current assets	<u>15,821,837</u>	<u>14,526,303</u>
Non current assets		
Notes receivable, net (Note 2)	4,259,994	4,115,580
Contributions receivable, net (Note 3)	14,054,976	7,867,518
Investments (Note 4)	292,057,246	244,316,901
Investments held as a reserve for depreciation (Note 4)	1,943,753	1,613,257
Collections (Note 1)	16,586,170	16,501,166
Plant facilities		
Land and land improvements	4,573,872	5,172,382
Buildings	78,091,886	77,527,263
Equipment and furnishings	5,559,069	9,286,203
Property held for future use	1,274,368	1,274,368
Construction in progress	6,457,716	1,724,879
Accumulated depreciation	(29,554,878)	(31,903,338)
Net plant facilities	<u>66,402,033</u>	<u>63,081,757</u>
Total assets	<u>\$ 411,126,009</u>	<u>\$ 352,022,482</u>

The accompanying notes are an integral part of these statements.

SCRIPPS COLLEGE
STATEMENTS OF FINANCIAL POSITION

June 30, 2007 and 2006

	2007	2006
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,843,515	\$ 2,438,935
Current portion of bonds payable (Note 6)	460,000	435,000
Deposits and deferred revenue	1,721,109	1,051,605
Total current liabilities	6,024,624	3,925,540
 Non current liabilities		
Life income and annuities payable (Note 5)	5,381,030	4,989,261
Payable to Claremont University Consortium	28,096	37,529
Liability for staff retirement plan	291,411	243,471
Bonds payable (Note 6)	22,819,634	23,245,363

SCRIPPS COLLEGE

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2007 and 2006

	2007	2006
Unrestricted Net Assets		
Revenues and releases of net assets:		
Tuition, room and board	\$ 37,538,611	\$ 35,521,964
Less financial aid	9,156,545	9,169,822
Net student revenues (Note 10)	28,382,066	26,352,142
Contributions to operations	2,454,109	2,503,990
Federal gifts and contracts	337,279	349,159
Spending policy income	8,427,774	7,768,695
Other investment income, net	949,841	919,043
Other revenue	667,674	717,247
Gifts and endowment payout for non-budgetary items	702,397	657,224

SCRIPPS COLLEGE

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2007 and 2006

	2007	2006
Temporarily Restricted Net Assets		
Revenues:		
Contributions	\$ 2,119,929	\$ 1,283,177
Spending policy income	584,636	528,692
Other investment income, net	(3,066)	67,684
Adjustments on contributions receivable	(7,253)	(8,841)
Total revenues	2,694,246	1,870,712
Other changes in temporarily restricted net assets:		
Actuarial adjustment of annuity and life income liabilities	598,293	408,369
Other	295,151	216,395
Release of temporarily restricted net assets:		
Operations	(1,303,426)	(1,178,808)
Annuity and life income	-	(811,436)
Plant	(410,942)	(332,385)
Redesignation of net assets	(38,101)	82,880
Change in temporarily restricted net assets	1,835,221	255,727
Temporarily restricted net assets, beginning of year	22,071,374	21,815,647
Temporarily restricted net assets, end of year	\$ 23,906,595	\$ 22,071,374
 Permanently Restricted Net Assets		
Revenues:		
Contributions	\$ 16,725,012	\$ 1,467,588
Spending policy income	-	19,217
Other investment income, net	114,817	74,631
Adjustments on contributions receivable	(593,955)	-
Other revenue	13,748	5,533
Total revenues	16,259,622	1,566,969
Other changes in permanently restricted net assets:		
Actuarial adjustment of annuity and life income liabilities	1,047,463	606,590
Redesignation of net assets	10,792	125,720
Net (loss) on investments	-	-
Change in permanently restricted net assets	17,317,877	2,299,279
Permanently restricted net assets, beginning of year	80,614,730	78,315,451
Permanently restricted net assets, end of year	\$ 97,932,607	\$ 80,614,730
 Total change in net assets:		
Total net assets, beginning of year	\$ 317,235,138	\$ 287,405,582
Total year to date change in net assets	57,003,523	29,829,556
Total net assets, end of year	\$ 374,238,661	\$ 317,235,138

SCRIPPS COLLEGE

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2007 and 2006

	2007	2006
Cash flows from operating activities:		
Tuition, room and board, net of financial aid	\$ 29,031,792	\$ 26,758,013
Gifts, grants and contracts	3,421,436	3,472,899
Investment income	4,433,529	3,651,814
Other revenue	953,286	1,189,839
Payments for interest on debt	(1,284,014)	(1,308,982)
Payments to employees and suppliers	(37,699,035)	(37,311,974)
Net cash (used in) operating activities (Notes 13 and 14)	<u>(1,143,006)</u>	<u>(3,548,391)</u>
Cash flows from investing activities:		
Purchase of plant facilities	(6,120,447)	(1,048,240)
Proceeds from sale of investments	267,358,169	77,008,132
Purchase of investments	(269,502,122)	(75,249,182)
Loans made to students and faculty	(513,194)	(385,328)
Collection of student and faculty loans	470,075	352,203
Net cash (used in) provided by investing activities	<u>(8,307,519)</u>	<u>677,585</u>
Cash flows from financing activities:		
Payments to life income beneficiaries	(616,773)	(624,453)
Investment income on life income investments	937,082	400,855
Principal payments on debt	(435,000)	(418,000)
Contributions restricted for loans	9,881	50
Contributions restricted for endowment	7,273,353	1,080,663
Contributions restricted for life income contracts	361,310	1,045,687
Contributions restricted for plant expenditures	1,683,593	615,446
Contributions for other restricted purposes	373,967	738,587
Change in advances for student loans	(32,171)	(26,003)
Net cash provided by financing activities	<u>9,555,242</u>	<u>2,812,832</u>
Net increase (decrease) in cash	104,717	(57,974)
Cash at beginning of year	177,336	235,310
Cash at end of year	<u>\$ 282,053</u>	<u>\$ 177,336</u>

The accompanying notes are an integral part of these statements.

SCRIPPS COLLEGE
 SUPPLEMENTAL SCHEDULE
 STATEMENTS OF CHANGES IN ENDOWED EQUITY

For the years ended June 30, 2007 and 2006

	2007	2006
Pooled investment return:		
Earned income	\$ 3,484,916	\$ 2,760,208
Change in realized and unrealized net appreciation of investments	42,904,043	32,440,136
Net investment return	46,388,959	35,200,344
Endowment returns distributed for operations	(8,427,774)	(7,768,695)
Endowment returns distributed for non-budgetary items	(555,784)	(488,999)
Endowment returns distributed for temporarily restricted net assets	(584,636)	(528,692)
Endowment returns reinvested for permanently restricted net assets	-	(19,217)
Net investment returns reinvested	36,820,765	26,394,741
Other changes in endowed equity:		
Contributions	14,931,842	1,080,663
Other, net		

SCRIPPS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

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 has an enrollment of approximately 873 students. The campus is 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

SCRIPPS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Revenue and Expense Recognition, Continued:

Investment Return – Investment income and gains and losses on investments and changes in other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation.

Expenses - Expenses are generally reported as decreases in unrestricted net assets. The financial statements present expenses by functional classification in accordance with the overall educational and research mission of the College.

Operating Revenues and Expenses:

Operating revenues include charges for tuition, room and board, net of financial aid, gifts and grants, spending policy

SCRIPPS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

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 (SPIC).

Investments:

Cash Equivalents – Resources invested in money market funds are classified as cash equivalents, including any such investments held by external investment managers. Resources invested in money market funds for loan programs are classified as short term investments.

Marketable Securities - Marketable securities are reported at fair market value, except for trust deed loans, certain real estate investments, and other miscellaneous assets which are stated at cost. 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.

Alternative Investments - Venture capital investments are stated at fair value as of the most recent valuation date 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 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. Net realized and unrealized gains from alternative investments, on the statements of activities, for the years ended June 30, 2007 and 2006 is \$28,751,455 and \$31,110,372, respectively.

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 effect 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 5.00% to the average market

SCRIPPS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Assets Whose Use is Limited:

Indenture requirements of bond financing (see Note 6, "Note and Bonds Payable") provide for the establishment and maintenance of various accounts with trustees. The indenture terms limit the use of these funds to the construction of plant facilities and payment of principal and interest to bond holders. Assets whose use is limited are comprised of cash equivalents, government and corporate securities and are recorded at cost, which approximates fair value.

Collections:

The College capitalizes its collections of works of art and rare books at their appraised or estimated current market 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 market value was deemed to exceed the benefit, were not assigned value for the purpose of capitalization.

Plant Facilities:

Plant facilities consists of property, plant and equipment and is stated at cost, representing the original purchase price or fair market 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 \$50,000 for land improvements, \$100,000 for large buildings (10,000 square feet), \$50,000 for other buildings and \$25,000 for equipment are capitalized. Depreciation is computed on a straight-line basis over the estimated useful lives the assets, generally, 25 years for land improvements, 40 years for buildings, 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

Annuity and Life Income Contracts and Agreements:

SCRIPPS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

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

Fair Value 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.

Reclassifications:

Certain 2006 amounts have been reclassified to conform to 2007 presentation.

Change in Accounting Principle:

The College implemented Financial Accounting Standards Board Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations", an interpretation of FASB Statement No. 143 "Accounting for Asset Retirement Obligations" (FIN 47) as of June 30, 2006. FIN 47 clarified that conditional asset obligations meet the definition of liabilities and should be recognized when incurred if their fair values can be reasonable estimated. Upon implementation of FIN 47, the College recorded a cumulative effect of change in accounting principle of \$482,872.

SCRIPPS COLLEGE
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE 2 - ACCOUNTS AND NOTES RECEIVABLE:

Accounts receivable at June 30, 2007 and 2006 are as follows:

	2007	2006
Student accounts	\$ 51,606	\$ 119,401
Federal and private grants and contracts	10,620	142,521
Other Claremont Colleges	128,305	149,415
Due from broker	56,523	53,418
Travel advances	69,252	41,308
Other	93,292	11,017
	<u>409,598</u>	<u>517,080</u>
Less allowance for doubtful accounts	(12,485)	(34,684)
Total accounts receivable, net	<u>\$ 397,113</u>	<u>\$ 482,396</u>

Notes receivable at June 30, 2007 and 2006 are as follows:

	2007	2006
Student notes	\$ 4,740,133	\$ 4,734,698
Faculty loans	200,870	157,436
	<u>4,941,003</u>	<u>4,892,134</u>
Less allowance for doubtful student notes	(232,642)	(215,338)
Total notes receivable, net	4,708,361	4,676,796
Less current portion	(448,367)	(561,216)
Non current notes receivable	<u>\$ 4,259,994</u>	<u>\$ 4,115,580</u>

NOTE 3 - 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 recorded after discounting to the present value of future cash flows at rates ranging from 3.1 to 5.7%.

Unconditional promises to give at June 30, 2007 and 2006 are expected to be realized in the following periods:

	2007	2006
Within one year	\$ 3,571,012	\$ 1,051,003
Between one year and five years	4,026,712	842,899
More than five years	13,246,403	7,209,216
	<u>20,844,127</u>	<u>9,103,118</u>
Less discount	(1,038,483)	(218,116)
Less allowance for doubtful contributions receivable	(2,204,111)	-
	<u>17,601,533</u>	<u>8,885,002</u>
Less current portion, net of discount	(3,546,557)	(1,017,484)
Contributions receivable, net	<u>\$ 14,054,976</u>	<u>\$ 7,867,518</u>

Contributions receivable at June 30, 2007 and 2006 are intended for the following uses:

	2007	2006
Endowment	\$ 8,279,791	\$ 1,215,257
Non-trustee charitable remainder unitrusts	8,739,278	6,804,217
Other	582,464	865,528
Total	<u>\$ 17,601,533</u>	<u>\$ 8,885,002</u>

SCRIPPS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE 3 - CONTRIBUTIONS RECEIVABLE, CONTINUED:

The College has also received two conditional promises to give totaling \$200,000. These promises to give are contingent upon raising funds from other sources. Since these amounts are conditional, they are not recognized until the condition is met.

NOTE 4 - INVESTMENTS:

Where permitted by gift agreement and/or applicable government regulations, investments are pooled. Pooled investments and allocation of pooled investment income are accounted for on a unit value method. The following is a summary of data pertaining to this method for the years ended June 30, 2007 and 2006:

	2007	2006
Unit market value at end of year	<u>\$ 572.14</u>	<u>\$ 493.96</u>
Units owned:		
Unrestricted	54,017	50,396
Temporarily restricted	23,338	24,172
Permanently restricted	418,000	402,632
Total	<u>495,355</u>	<u>477,200</u>

Investment income related to College investments, net of management and custody fees of \$1,153,769 and \$982,924 for the years ended June 30, 2007 and 2006, respectively, is as follows:

Pooled investments income	\$ 3,690,103	\$ 2,959,449
Pooled investments gains appropriated	6,162,336	6,135,975
Total spending policy income and gains	<u>9,852,439</u>	<u>9,095,424</u>
Less amounts allocated to annuity and life income contracts/agreements and for non-budgetary items	<u>(840,056)</u>	<u>(778,820)</u>
Total spending policy income	<u>9,012,410</u>	<u>8,316,604</u>
Other investment income	1,183,848	1,145,757
Other investment gains	31,108	48,148
Less amounts allocated to annuity and life income contracts/agreements and for non-budgetary items	<u>(153,364)</u>	<u>(132,547)</u>
Total other investment income	<u>1,061,592</u>	<u>1,061,358</u>
Realized gains on pooled investments	32,959,222	10,438,032
Unrealized gains on pooled investments	10,334,260	22,258,258
Pooled investment gains appropriated	<u>(6,162,336)</u>	<u>(6,135,975)</u>
Net realized and unrealized losses on investments net of allocation to operations	<u>37,131,146</u>	<u>26,560,315</u>
Total investment return	<u>\$ 47,205,148</u>	<u>\$ 35,938,277</u>

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:

	2007		2006	
	Cost	Fair Value	Cost	Fair Value
Investment pool	\$ 210,510,169	\$ 283,411,285	\$ 175,199,546	\$ 236,871,266
Separate investments	19,831,103	20,994,904	20,053,863	20,873,110
Total by program	<u>\$ 230,341,272</u>	<u>\$ 304,406,189</u>	<u>\$ 195,253,409</u>	<u>\$ 257,744,376</u>

SCRIPPS COLLEGE

SCRIPPS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE 6 - NOTE AND BONDS PAYABLE, CONTINUED:

The CEFA Series 1997C bonds are due in 2015. Annual installments range from \$231,100 in March 2008 to \$327,400 in March 2015. Interest is payable semi-annually at rates ranging from 5.0% to 5.5%. Bonds maturing after March 1, 2007 with principal balances totaling \$2,197,000 are subject to redemption at prices ranging from 102% to 100%. The CEFA Series 1997C bonds are collateralized by a CEFA Series 1990 loan agreement, due in annual installments ranging from \$200,000 in March 2007 to \$320,000 in March 2015 at a rate of 7.0%. The total principal and interest payments made by the College under the CEFA Series 1990 loan agreement fund the CEFA Series 1997C bond payments.

The CEFA Series 1999 bonds are due in 2030. Annual installments range from \$235,000 in February 2008 to \$685,000 in February 2030. Interest is payable semi-annually at rates ranging from 4.4% to 5.1%. Bonds maturing after February

The CEFA Series 2001 bonds are due in 2031. Annual installments range from \$25,000 in August 2007 to \$1,675,000 in August 2031, and bear interest at rates ranging from 5.00% to 5.25%. Bonds maturing after August 1, 2011 with principal balances totaling \$12,070,000 are subject to optional redemption at a price equal to the principal amount redeemed.

Interest expense was \$1,305,963 and \$1,330,023 for the years ended June 30, 2007 and 2006, respectively, and includes amortized discount (premium) and cost of issuance of \$34,271.

At June 30, 2007, the bond maturities were as follows:

Fiscal Year Ending June 30,	
2008	\$ 460,000
2009	485,000
2010	515,000
2011	545,000
2012	575,000
Thereafter	21,300,000
	\$ 23,880,000

The College has an unsecured \$3,000,000 line of credit with Wells Fargo Bank. Any borrowings on the line would bear interest at the bank's prime rate. There were no borrowings outstanding on the line at June 30, 2007 and 2006.

The estimated fair value of the College's bonds payable was approximately \$24,363,000 and \$24,831,000 at June 30, 2007 and 2006, respectively. The fair value was estimated based upon the discounted amount of future cash outflows based on current rates available to the College for debt of the same remaining maturities.

NOTE 7 - FUNDS HELD IN TRUST FOR OTHERS:

SCRIPPS COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE 11 - FUND RAISING EXPENSE:

NOTE 12 - OPERATING LEASES:

Fiscal Years Ending June 30,	Lease Payments
2008	\$ 52,860
2009	45,742
2010	21,166
2011	18,481
2012	18,080
Thereafter	1,139
	\$ 157,468

NOTE 13 - CASH USED IN OPERATING ACTIVITIES:

	2007	2006
Net cash used in operations	\$ (1,143,006)	\$ (3,548,391)
Depreciation expense	(2,800,171)	(2,660,742)
Pooled investment gains appropriated	6,162,336	6,135,975
Gains on separate investments	39,656	492
Temporarily and permanently restricted spending policy income	(584,636)	(547,909)
Temporarily and permanently restricted other investment income, net	(120,299)	(94,659)
Temporarily and permanently restricted other income	(308,899)	(221,928)
Release of temporarily restricted net assets to operations	1,303,426	1,990,244
Non-operating payments	167,687	
Transfer to Claremont University Consortium	4,888	72,737
Expensed gifts in kind	(1,288)	(2,823)
Decrease in unrestricted receivables, prepaid expenses, 4,888		

SCRIPPS COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE 14 - CASH FLOW RECONCILIATION:

	2007	2006
Change in net assets	\$ 57,003,523	\$ 29,829,556
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	2,800,171	2,660,742
Gifts in kind	(85,004)	(443,325)
Realized gains on sale of investments	(32,990,333)	(10,477,339)
Unrealized gains on investments	(10,334,260)	(22,258,258)
Amortization of bond discount and cost of issuance	34,271	34,271
Amortization of asset retirement obligation	28,544	27,247
Comprehensive pension (income) expense	(165,678)	(334,050)
Adjustment of actuarial liability for life income agreements	(1,645,756)	(1,014,959)
Adjustment on contributions receivable	601,208	8,841
Decrease (increase) in accounts and notes receivable	97,104	180,372
Decrease in contributions receivable	338,180	490,554
Increase in prepaid expenses and deposits	(257,300)	(19,736)
(Decrease) increase in accounts payable and other accrued liabilities	1,395,147	(113,539)
Increase in deposits and deferred revenue	669,504	391,917
Defined benefit plan contributions (over)/under expense	213,618	10,759
Cumulative effect of change in accounting principle	-	482,872
Contributions for long-term investment		

SCRIPPS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE 17 - 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. Claremont University Consortium, a member of this group, is the

NOTE 18 - COMMITMENTS AND CONTINGENCIES:

Contracts

The College has made investment commitments to thirty-four limited partnerships totaling \$162,400,000. At June 30, 2007, the College has contributed capital of approximately \$91,102,000 and has a remaining outstanding commitment of approximately \$71,298,000.

Litigation

Federal Funding

NOTE 19 - SUBSEQUENT EVENT:

