SANTA CLARA UNIVERSITY

Consolidated Financial Statements

June 30, 2025
(With Summarized Comparative Financial Information as of
and for the year ended June 30, 2024)

(With Independent Auditors' Report Thereon)

SANTA CLARA UNIVERSITY

Consolidated Financial Statements

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KPMG LLP
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Independent Auditors' Report

The Board of Trustees
Santa Clara University:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Santa Clara University and affiliates (the University), which comprise the consolidated balance sheet as of June 30, 2025, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated balance sheet of the University as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University'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.

Report on Summarized Comparative Information

We have previously audited the University's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 21, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

Santa Clara, California
October 27, 2025

SANTA CLARA UNIVERSITY

Consolidated Balance Sheet

June 30, 2025
(With comparative financial information as of June 30, 2024)

(In thousands of dollars)

Assets		**2025**	**2024**
Cash and cash equivalents	$	95,380	59,952
Contributions receivable, net		51,925	55,736
Student and other receivables, net		13,047	15,829
Investments		1,916,736	1,800,696
Other assets		16,095	12,726
Right of use assets		24,655	28,414
Property, plant and equipment, net		1,002,255	1,022,643
Total assets	$	3,120,093	2,995,996
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	74,468	67,216
Deposits and deferred revenue		25,343	24,264
Amounts held on behalf of others		110,278	98,898
Annuity and trust obligations		11,553	11,373
Asset retirement obligations		3,728	3,546
Bonds and notes payable		272,834	297,182
Lease liabilities		37,864	41,798
U.S. government loan advances		765	1,179
Total liabilities		536,833	545,456
Net assets:			
Without donor restrictions		1,078,850	1,045,656
With donor restrictions		1,504,410	1,404,884
Total net assets		2,583,260	2,450,540
Total liabilities and net assets	$	3,120,093	2,995,996

See accompanying notes to consolidated financial statements.

SANTA CLARA UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2025
(With summarized financial information for the year ended June 30, 2024)

(In thousands of dollars)

	2025			
	Without donor Restrictions	**With donor Restrictions**	**Total**	**2024**
Operating:				
Revenues:				
Net tuition and fees (includes student financial aid of $156,383 and $138,205 in 2025 and 2024, respectively)	$ 359,539	—	359,539	339,187
Grant revenues	10,770	—	10,770	15,524
Contributions to annual funds	3,869	—	3,869	4,627
Net return on operating investments	12,148	—	12,148	8,817
Other revenues	15,014	—	15,014	13,883
Auxiliary activities	55,799	—	55,799	55,109
Nonoperating net assets used in operations:				
Endowment appropriations used in operations	60,174	—	60,174	54,519
Released contributions used in operations	16,903	—	16,903	18,687
Total operating revenues and other support	534,216	—	534,216	510,353
Expenses:				
Academic related salaries and wages	152,424	—	152,424	143,618
Nonacademic salaries and wages	99,350	—	99,350	92,685
Benefits	84,670	—	84,670	76,707
Professional fees and contracted services	35,028	—	35,028	35,229
General operating expenses	94,525	—	94,525	90,764
Interest	12,997	—	12,997	15,265
Depreciation and amortization	53,346	—	53,346	53,354
Total expenses	532,340	—	532,340	507,622
Increase in net assets from operations	1,876	—	1,876	2,731
Nonoperating:				
Contributions	358	53,117	53,475	66,495
Net return on nonoperating long-term investments	27,140	121,707	148,847	101,183
Gain/(Loss) on disposal of assets	507	—	507	(226)
Gain on defeasance of debt	9,978	—	9,978	—
Endowment appropriations used in operations	(60,174)	—	(60,174)	(54,519)
Released contributions used in operations	(16,903)	—	(16,903)	(18,687)
Net assets released from restrictions	78,228	(78,228)	—	—
Other changes, net	(7,816)	2,930	(4,886)	3,158
Change in net assets	33,194	99,526	132,720	100,135
Net assets at beginning of year	1,045,656	1,404,884	2,450,540	2,350,405
Net assets at end of year	$ 1,078,850	1,504,410	2,583,260	2,450,540

See accompanying notes to consolidated financial statements.

SANTA CLARA UNIVERSITY

Consolidated Statement of Cash Flows

Year ended June 30, 2025
(With comparative financial information for the year ended June 30, 2024)

(In thousands of dollars)

		2025	2024
Cash flows from operating activities:			
Change in net assets	$	132,720	100,135
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation and amortization		53,346	53,354
Accrued interest on zero coupon bonds		380	361
Amortization of original bond issue discount/premium and issuance costs		(958)	(972)
Gain on defeasance of debt		(9,978)	—
(Gain)/Loss on disposal of assets		(507)	226
Noncash gifts		(11,724)	(12,582)
Proceeds from sale of donated securities		101	631
Net realized and unrealized gains on investments		(138,792)	(116,024)
Contributions restricted for long-term investment		(29,055)	(36,508)
Changes in operating assets and liabilities:			
Contributions receivable		3,811	(3,959)
Student and other receivables		2,782	(5,650)
Other assets		(3,313)	4,753
Accounts payable and accrued expenses		7,049	7,458
Deposits and deferred revenue		1,079	(4,362)
Amounts held on behalf of others		11,380	8,212
Annuity and trust obligations		180	3,807
Asset retirement obligations		182	173
Net cash provided by (used in) in operating activities		18,683	(947)
Cash flows from investing activities:			
Purchase of investments		(421,467)	(186,894)
Proceeds from sale of investments		444,219	202,856
Purchase of property, plant and equipment		(28,224)	(40,417)
Net cash used in investing activities		(5,472)	(24,455)
Cash flows from financing activities:			
Proceeds from issuance of debt		85,594	—
Payoff of debt		(89,172)	—
Debt issuance costs		(681)	—
Payments on bonds and notes payable		(9,531)	(15,320)
Draw downs from bond trustee for qualified expenditures		(56)	(4)
Principal payments on lease obligations		(3,934)	(2,696)
Change in U.S. government loan advances, net		(414)	(783)
Proceeds from sale of donated securities and real estate		11,356	10,513
Contributions restricted for long-term investment		29,055	36,508
Net cash provided by financing activities		22,217	28,218
Net increase in cash and cash equivalents		35,428	2,816
Cash and cash equivalents at beginning of year		59,952	57,136
Cash and cash equivalents at end of year	$	95,380	59,952
Supplemental disclosures of cash flow information:			
Cash paid during the year for interest	$	14,465	15,997
The University received noncash gifts of:			
Marketable and non-marketable securities	$	5,689	11,145
Real estate		5,769	1,100
Equipment		266	337
Noncash investing activities:			
Change in plant and equipment related payables	$	203	1,138

See accompanying notes to consolidated financial statements.

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

The President and Board of Trustees of Santa Clara College (dba Santa Clara University) is an independent, coeducational institution of higher learning offering undergraduate and graduate degrees in more than 50 fields of study. Santa Clara University was founded in 1851 by the Society of Jesus on the site of Mission Santa Clara de Asis in Northern California. The Jesuit School of Theology of Santa Clara University and the Bronco Bench Foundation are affiliated entities and their financial information has been consolidated with Santa Clara University (collectively referred to as the University) and all interaffiliate transactions have been eliminated.

The University's primary source of revenue is tuition and fees from undergraduate, graduate, and law programs through the College of Arts & Sciences, Leavey School of Business, and the schools of Engineering, Education and Counseling Psychology, and Law as well as the Jesuit School of Theology. Other sources of revenue include room and board, contributions, grants, return on investments, and other sales and services.

(b) Basis of Presentation

The University's consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The University displays its net assets and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University and changes therein are classified and reported as net assets without donor restrictions and net assets with donor restrictions. Refer to note 2 for further information regarding net asset classifications.

(c) Cash and Cash Equivalents

Cash and cash equivalents consist primarily of operating cash, money market funds, and treasury instruments with original maturities of three months or less. Assets with characteristics of cash and cash equivalents that are held in endowment funds are reported as investments and not included in cash and cash equivalents within the statement of cash flows.

(d) Contributions

Unconditional promises to give are initially recorded at fair value. In subsequent periods, unconditional promises to give are recorded at the estimated net present value, net of an allowance for uncollectible amounts, and are classified in the appropriate net asset category. The University records contributions of land, buildings, or equipment as revenue without donor restriction unless the donor places restrictions on their use.

(e) Investments

In accordance with U.S. generally accepted accounting principles, the University reports investments at fair value based upon a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs of other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Level 3 – Inputs are unobservable for the asset or liability. Unobservable inputs reflect the University's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The majority of the University's investments are held through limited partnerships and commingled funds for which fair value is estimated using net asset value (NAV) reported by fund managers as a practical expedient. Such assets are not classified in the fair value hierarchy.

(f) Collections

The University's collections are made up of artifacts of historical significance and art objects that are held for educational, research, and curatorial purposes. The collections, which have been acquired through contributions since the University's inception, are not recognized as assets in the accompanying consolidated balance sheet.

(g) Property, Plant and Equipment

Property, plant and equipment assets are stated at cost at the date of acquisition, or fair value at the date of donation in the case of gifts in kind. Depreciation of property, plant, and equipment assets is computed using the straight-line method over estimated useful lives of 3 to 50 years. Amortization of right of use assets is provided over the estimated useful lives of the assets or over the life of the lease, as applicable, using the straight-line method.

(h) Deposits and Deferred Revenue

Deposits and deferred revenue consist of deposits and tuition and fees collected for not yet completed summer and fall terms and other miscellaneous deferred revenue. Deposits and deferred revenue relating to tuition and fee revenue, less any refunds issued, will be recognized as revenue as services are rendered over the academic terms occurring in the year ending June 30, 2025. Also included in deposits and deferred revenue is $3,779,000 which relates to the funding of capital improvements by a third party that is periodically recognized as revenue in accordance with contract terms. Revenue for this contract will be recognized each year over the life of the contract which expires in June 2030.

(i) Annuity and Trust Obligations

The University has a variety of gift agreements, including charitable gift annuities and charitable remainder trusts, for which the University is the trustee. An estimated liability has been recorded for charitable gift annuities based upon Internal Revenue Service (IRS) actuarial tables. For charitable remainder trusts, the difference between the fair value of trust investments and the estimated University's remainder interests has been recorded as a liability.

(j) Bond Premiums and Issuance Costs

Bond premiums and issuance costs are amortized using a method that approximates the effective interest method over the life of the associated bond issue. Unamortized bond premiums are included in bonds and notes payable, and unamortized issuance costs are netted against bonds and notes payable in the accompanying consolidated balance sheet.

(k) Revenue Recognition

In connection with contracts for student tuition, fees, and room and board, the University has an obligation to provide instruction, access to various student facilities and dining services. Tuition and fees and auxiliary activities are generally collected in advance or over the course of the respective term with the revenue earned over the same term as the University's performance obligations are satisfied. Scholarship allowance represents a reduction in the consideration collected from students reflective of discounts as well as the use of donor contributions designated to reduce the amounts collected directly from students. "Net tuition and fees" and auxiliary activities represent the cumulative transaction price. Student tuition and fees and auxiliary activities received in advance of the corresponding revenue recognition are reported as customer contract liabilities in "Deposits and deferred revenue".

Contributions, including unconditional promises to give, are recognized in the period received and are reported as increases in the appropriate category of net assets. Conditional contributions are not recorded as revenue until the conditions on which they depend have been substantially met. Return on investments are recorded on the accrual basis of accounting. Other sources of revenue are recognized in the fiscal year in which they are earned.

(l) Credit Concentration

Financial instruments that potentially subject the University to concentration of credit risk are cash, cash equivalents, investments, and receivables. The University's cash, cash equivalents, and investments are held by recognized financial institutions. The University deposits its cash with several financial institutions and its deposits, at times, exceed insured amounts. The University requires its investment managers to follow the University's investment policy, and the investment managers are subject to periodic review by the University's investment committee. The University's investments are comprised primarily of a diversified portfolio of marketable equity securities, investment-grade debt and alternative assets. The credit risk with respect to student receivables is considered minimal due primarily to the wide dispersion of the receivables. Of the $69,625,000 of gross contributions receivable at June 30, 2025, $51,831,000 is due from ten donors.

(m) Operations

Operating activities in the accompanying consolidated statements of activities include all revenues earned without donor restrictions and all expenses incurred by the University except nonoperating contributions, net return on nonoperating long-term investments underlying board designated endowments, and certain nonrecurring activities.

(n) Use of Estimates

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

(o) Prior Year Summarized Comparative Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

(2) Net Assets

Net assets are reported in two categories based on the existence or absence of donor-imposed restrictions, as follows:

- Net assets without donor restrictions represent net assets that are not subject to donor-imposed restrictions and are available for use in general operations or invested in property, plant and equipment. Net assets without donor restrictions may be designated for specific purposes by action of the board.
- Net assets with donor restrictions represent net assets that are subject to the following donor-imposed restrictions:
  - Net assets with donor restrictions for time and purpose represent net assets with donor-imposed restrictions that will be met either by actions of the University or the passage of time. When restrictions expire or assets are expended according to donor restrictions, net assets are reclassified to net assets without restrictions and are reported in the consolidated statement of activities as net assets released from restrictions.
  - Net assets with donor-imposed restrictions in perpetuity represent net assets subject to donor-imposed restrictions that are to be permanently maintained by the University. These consist of assets donated with stipulations that they be invested to provide a permanent source of income. It is the policy of the University to maintain the historic dollar value of these gifts in perpetuity. Generally, donors of these assets permit the University to use all or part of the income earned on related investments for general or specific purposes.

Net assets consisted of the following as of June 30, 2025 (in thousands):

	Without donor restrictions	With donor restrictions	Total net assets
Without donor restrictions:			
Operations, scholarship support, other	$ 203,725	—	203,725
Invested in property, plant, and equipment	606,395	—	606,395
Board-designated quasi-endowments	268,730	—	268,730
With donor restrictions for time and/or purpose:			
Donor-restricted quasi-endowment funds and unappropriated endowment earnings	—	936,022	936,022
Capital construction	—	9,304	9,304
Education and other program support	—	17,641	17,641
Financial aid and student loan program	—	10,021	10,021
Pledges	—	41,291	41,291
Annuity and life income funds	—	5,576	5,576
With donor restrictions in perpetuity:			
Financial aid endowments	—	250,759	250,759
Education and other program support endowments	—	145,007	145,007
Academic chair endowments	—	68,104	68,104
Pledges	—	10,634	10,634
Annuity and life income funds	—	10,051	10,051
	$ 1,078,850	1,504,410	2,583,260

(Continued)

Net assets consisted of the following as of June 30, 2024 (in thousands):

		Without donor restrictions	With donor restrictions	Total net assets
Without donor restrictions:				
Operations, scholarship support, other	$	194,511	—	194,511
Invested in property, plant, and equipment		597,370	—	597,370
Board-designated quasi-endowments		253,775	—	253,775
With donor restrictions for time and/or purpose:				
Donor-restricted quasi-endowment funds and unappropriated endowment earnings		—	854,261	854,261
Capital construction		—	12,872	12,872
Education and other program support		—	11,977	11,977
Financial aid and student loan program		—	9,229	9,229
Pledges		—	44,941	44,941
Annuity and life income funds		—	4,952	4,952
With donor restrictions in perpetuity:				
Financial aid endowments		—	237,033	237,033
Education and other program support endowments		—	144,486	144,486
Academic chair endowments		—	65,695	65,695
Pledges		—	10,334	10,334
Annuity and life income funds		—	9,104	9,104
	$	1,045,656	1,404,884	2,450,540

(3) Contributions Receivable

Contributions receivable consisted of the following as of June 30, 2025 and 2024 (in thousands):

		2025	2024
Unconditional promises to be collected in:			
Less than one year	$	18,786	18,474
One to five years		25,365	25,020
More than five years		25,474	29,099
		69,625	72,593
Less allowance for uncollectible contributions		(10,639)	(8,789)
Less discount to present value		(7,061)	(8,068)
Total contributions receivable, net	$	51,925	55,736

The discount rate utilized for purposes of calculating the present value of contributions receivable ranges from 1.85% – 5.08% based on the year the unconditional promise to give is received. The discount rate is determined at the time the unconditional promise to give is initially recognized and is not revised subsequently.

(4) Student and Other Receivables

Student and other receivables consisted of the following as of June 30, 2025 and 2024 (in thousands):

		2025	2024
Government grants	$	1,516	709
Notes, loans, and other receivables		9,505	12,789
Student receivables		3,569	3,854
Accrued interest receivable		—	4
		14,590	17,356
Less allowance for doubtful accounts		(1,543)	(1,527)
Total student and other receivables, net	$	13,047	15,829

(5) Investments

Investments as of June 30, 2025 and 2024 are summarized as follows (in thousands):

		2025	2024
Pooled cash and cash equivalents	$	115,008	142,797
Mutual funds		200,971	185,938
Equity holdings		56,697	26,376
Fixed income holdings		138,399	151,396
Commingled funds		152,081	188,224
Hedge funds		552,057	505,954
Private equity		165,277	146,375
Real assets		59,670	64,078
Venture capital		381,053	336,012
Real estate		39,779	39,779
Beneficial interest in funds held by others		9,881	9,538
Notes and other		3,970	4,229
Net pending trades		41,893	—
Total investments	$	1,916,736	1,800,696

The following tables summarize investment values by category of investment as of June 30, 2025 and 2024 (in thousands). Investments measured at net asset value (NAV) are not classified in the fair value hierarchy:

	2025				
	Investments measured at NAV	Investments classified in the fair value hierarchy			Total fair value
		Level 1	Level 2	Level 3	
			(in thousands)		
Pooled cash and cash equivalents	$ —	115,008	—	—	115,008
Mutual funds:					
Bonds	—	90,214	—	—	90,214
Equity	—	107,498	—	—	107,498
Real estate	—	3,259	—	—	3,259
Equity holdings:					
Domestic	—	478	—	—	478
Global	—	56,219	—	—	56,219
Fixed income holdings:					
Corporate bonds	—	—	79,438	—	79,438
U.S. treasury bonds	—	—	58,961	—	58,961
Commingled funds:					
International equity	110,593	—	—	—	110,593
Corporate bonds	12,925	87	—	—	13,012
U.S. Equities	28,476	—	—	—	28,476
Hedge funds:					
Equity	83,721	—	—	—	83,721
Distressed debt	21,242	—	—	—	21,242
Fund of funds	422,952	—	—	—	422,952
Global opportunistic	4,164	—	—	—	4,164
Public Real Estate	19,978	—	—	—	19,978
Private equity	165,252	—	—	25	165,277
Real assets	55,489	—	—	4,181	59,670
Venture capital	376,377	—	—	4,676	381,053
Real estate	—	—	39,779	—	39,779
Beneficial interest in funds held by others	—	—	—	9,881	9,881
Notes and other	—	1,914	1,614	442	3,970
Net Pending Trades	—	41,893	—	—	41,893
Total investments	$ 1,301,169	416,570	179,792	19,205	1,916,736

	2024				
	Investments measured at NAV	Investments classified in the fair value hierarchy Level 1	Level 2	Level 3	Total fair value
			(in thousands)		
Pooled cash and cash equivalents	$ —	142,797	—	—	142,797
Mutual funds:					
Bonds	—	65,724	—	—	65,724
Equity	—	116,421	—	—	116,421
Real estate	—	3,793	—	—	3,793
Equity holdings:					
Domestic	—	26,376	—	—	26,376
Fixed income holdings:					
Corporate bonds	—	—	76,773	—	76,773
U.S. treasury bonds	—	—	74,623	—	74,623
Commingled funds:					
International equity	148,904	—	—	—	148,904
Corporate bonds	11,976	77	—	—	12,053
U.S. Equities	27,267	—	—	—	27,267
Hedge funds:					
Equity	86,197	—	—	—	86,197
Distressed debt	22,228	—	—	—	22,228
Fund of funds	378,628	—	—	—	378,628
Global opportunistic	3,985	—	—	—	3,985
Public Real Estate	14,916	—	—	—	14,916
Private equity	146,350	—	—	25	146,375
Real assets	59,897	—	—	4,181	64,078
Venture capital	331,351	—	—	4,661	336,012
Real estate	—	—	39,779	—	39,779
Beneficial interest in funds held by others	—	—	—	9,538	9,538
Notes and other	—	1,926	1,861	442	4,229
Total investments	$ 1,231,699	357,114	193,036	18,847	1,800,696

The following methods and assumptions were used to estimate the fair value for each class of financial instrument included in the fair value hierarchy:

Pooled cash and cash equivalents – Pooled cash and cash equivalents consist of cash and cash equivalents held in the investment pool for capital contributions, manager related fees and expenses, and funding of new investments. Inflows to cash and cash equivalents include investment activities from partner distributions, manager redemptions, and income received. Cash and cash equivalents are recorded at fair value using quoted market prices and are classified as Level 1.

***Mutual funds* –** Mutual funds consist of several distinct funds with varying portfolio compositions and objectives. These investments are traded on an active exchange, are priced using unadjusted market quotes for identical assets, and are classified as Level 1.

***Equity holdings* –** Investments in equity holdings are measured at fair value using quoted market prices. They are classified as Level 1 and are traded in an active market for which closing stock prices are readily available.

***Fixed income holdings* –** Investments in fixed income holdings include corporate bonds, municipal bonds, and U.S. treasury bonds. Fixed income holdings are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for similar assets in active markets.

***Real estate* –** Investments in real estate include commercial and residential property holdings. Real estate investments are classified as Level 2 based on multiple sources of information such as appraisals and market comparables.

Alternative investments include commingled funds, hedge funds, private equity, real assets, and venture capital. These investments have unobservable inputs and limited market activity which inherently place limitations on determining fair value from independent sources. Those that meet criteria to be recorded at NAV as a practical expedient are reflected as such in the fair value hierarchy, otherwise they are classified as Level 3. Realized and unrealized gains and losses are reported in the consolidated statement of activities under the line item entitled “Net return on operating investments” and under nonoperating activities under the line item entitled “Net return on nonoperating long-term investments".

While the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

There were no transfers between Level 1 and Level 2 investments, or between Level 2 and Level 3, for the years ended June 30, 2025 and 2024, for assets classified in the fair value hierarchy.

The following table presents information for applicable investments regarding their funding commitments, redemption, and restrictions as of June 30, 2025 (in thousands):

	Fair value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Commingled funds:				
International equity	$ 110,593	—	weekly, monthly, n/a	6–10 days
Corporate bonds	12,925	—	monthly	5–7 days
U. S. equities	28,476	—	annually, see below	60 days
Hedge funds:				
Equity	83,721	—	quarterly	90-135 days
Distressed debt	21,242	1,300	monthly, annually, n/a	90 days, n/a
Fund of funds	422,952	—	monthly, annually	95–365 days
Global opportunistic	4,164	—	quarterly, n/a	90 days, n/a
Public Real Estate	19,978	—	quarterly, n/a	95 days, n/a
Private equity	165,252	86,412	see below	see below
Real assets	55,489	27,476	quarterly, n/a, see below	30-90 days, n/a
Venture capital	376,377	59,055	semi-annually, n/a, see below	120 days, n/a
	$ 1,301,169	174,243		

The University holds investments in private equity, real assets, and venture capital in the amounts of $165,252,000, $55,489,000, and $376,377,000, respectively. The majority of these investments do not allow for periodic redemption, but rather distributions are received through the liquidation of the underlying assets. At June 30, 2025, they had estimated termination dates that range from 2025 to 2035. The University holds investments in public equity and commingled funds that are subject to soft lock-up periods and gates that may limit and effect the University’s ability to redeem.

The following schedule summarizes investment returns during 2025 and 2024, presented in “Net return on operating investments” and “Net return on nonoperating long-term investments” in the consolidated statement of activities (in thousands):

	2025	2024
Interest, dividends and other income	$ 30,431	27,753
Net realized gains	44,913	26,957
Net unrealized gains	93,879	67,447
Direct management fees and other	(8,228)	(12,157)
Net return on investments	$ 160,995	110,000

(6) Endowment

The University's endowment consists of 1,035 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the governing board to function as endowments. Net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Interpretation of Relevant Law

The University's governing board has interpreted UPMIFA enacted in the State of California as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as net assets with donor restrictions (a) the original value of the gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. Together, these amounts become the perpetual value of the funds. Net endowment return on investments that have not been appropriated for expenditure are classified as net assets with donor restrictions for time and/or purpose.

In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the University and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the University
7. The investment policies of the University

(b) Return Objectives and Risk Parameters

The University's governing board has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets to create intergenerational equity. Endowment assets include those assets of donor-restricted funds that the University must hold in perpetuity or for a donor-specified period as well as board-designated funds.

(c) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current equities, fixed income, and alternative investments. Targeted asset allocation percentages for each of these components are reviewed periodically throughout the year for potential adjustment of asset mix while evaluating the relative risk of each component.

(d) Spending Policy

Endowment spending is determined using a weighted average calculation of two components. The first component is the prior year spending allocated for each endowment increased by an inflationary factor weighted by 40%. The second component is a 12-quarter rolling market value average times an established spending rate of 4.5% weighted by 60%. The combination of these two calculations is the endowment spending allocation.

Changes in endowment net assets and net asset composition for the year ended June 30, 2025, not including contributions receivable of $10,874,000 are as follows (in thousands):

		2025		
		Without donor restrictions	**With donor restrictions**	**Total**
Endowment net assets, June 30, 2024	$	253,775	1,301,475	1,555,250
Investment return:				
Investment income		2,745	18,564	21,309
Net realized and unrealized gains on investments		21,966	105,883	127,849
Total investment return		24,711	124,447	149,158
Contributions		283	22,814	23,097
Appropriation of endowment assets for expenditure		(11,038)	(49,136)	(60,174)
Reclassifications and other changes		999	292	1,291
Endowment net assets, June 30, 2025	$	268,730	1,399,892	1,668,622
Composition of endowment net assets:				
Donor-restricted endowment funds	$	—	1,399,892	1,399,892
Board-designated endowment funds		268,730	—	268,730
Total endowment net assets	$	268,730	1,399,892	1,668,622

Changes in endowment net assets and net asset composition for the year ended June 30, 2024, not including contributions receivable of $10,640,000, are as follows (in thousands):

		2024		
		Without donor restrictions	**With donor restrictions**	**Total**
Endowment net assets, June 30, 2023	$	246,407	1,231,867	1,478,274
Investment return:				
Investment income		1,572	20,846	22,418
Net realized and unrealized gains on investments		15,451	65,468	80,919
Total investment return		17,023	86,314	103,337
Contributions		169	25,042	25,211
Appropriation of endowment assets for expenditure		(8,890)	(45,629)	(54,519)
Reclassifications and other changes		(934)	3,881	2,947
Endowment net assets, June 30, 2024	$	253,775	1,301,475	1,555,250
Composition of endowment net assets:				
Donor-restricted endowment funds	$	(684)	1,301,475	1,300,791
Board-designated endowment funds		254,459	—	254,459
Total endowment net assets	$	253,775	1,301,475	1,555,250

(e) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. As of June 30, 2025, there were no funds with deficiencies of this nature. As of June 30, 2024, there were 3 funds with deficiencies of this nature that totaled $11,823,000 in market value compared to original donor contributed value of $12,508,000, representing a total deficiency of $685,000.

(7) Property, Plant and Equipment

Property, plant and equipment, net as of June 30, 2025 and 2024 are as follows (in thousands):

	2025	2024
Land	$ 89,583	89,583
Buildings	1,210,189	1,195,025
Improvements other than buildings	129,207	123,676
Equipment	207,392	193,095
Library books	52,021	54,393
	1,688,392	1,655,772
Accumulated depreciation and amortization	(695,635)	(645,314)
	992,757	1,010,458
Construction in progress	9,498	12,185
Total property, plant and equipment, net	$ 1,002,255	1,022,643

(8) Bonds and Notes Payable

Bonds and notes payable as of June 30, 2025 and 2024 are as follows (in thousands):

		2025	2024
5% CEFA Revenue Refunding Bonds Series 2025A maturing serially through April 1, 2045 secured by the full faith and credit of the University	$	75,685	—
4% to 5% California Educational Facilities Authority (CEFA) Revenue Bonds Series 2017C maturing serially through April 1, 2037 and CEFA term bonds maturing April 1, 2042, 2046 and 2048, secured by the full faith and credit of the University		48,350	49,460
2.914% to 5% CEFA Revenue Bonds Series 2017A&B maturing serially through April 1, 2037 and CEFA term bonds maturing April 1, 2037, 2040, and 2047, secured by the full faith and credit of the University		115,000	117,610
3% to 5% CEFA Revenue Bonds Series 2015 maturing serially serially through April 1, 2036 and CEFA term bonds maturing April 1, 2039 and 2045, secured by the full faith and credit of the University		—	87,770
5.25% CEFA Series 1999 term bonds maturing September 1, 2026, fully insured as to principal and interest, secured by the full faith and credit of the University		12,962	18,953
1.94% Bank of America Revenue Bonds maturing serially through July 1, 2025, secured by the full faith and credit of the University		875	1,675
		252,872	275,468
Unamortized premium and bond issuance costs, net		19,962	21,714
Total bonds and notes payable	$	272,834	297,182

The University's policy is to capitalize interest cost incurred on debt during the construction of major projects exceeding one year. No such capitalized interest was recorded for the fiscal years ended June 30, 2025 and 2024. For the years ended June 30, 2025 and 2024, total interest expense, net of amounts capitalized, was $12,997,000 and $15,265,000, respectively. During the years ended June 30, 2025 and 2024, $2,499,000 and $2,716,000, respectively, represents interest expense associated with the University's lease obligations.

The annual debt service requirements subsequent to June 30, 2025 are as follows (in thousands):

		Principal maturities	Interest	Total
Year ending June 30:				
2026	$	13,111	11,773	24,884
2027		13,495	10,505	24,000
2028		9,795	10,042	19,837
2029		8,810	9,628	18,438
2030		9,180	9,261	18,441
Thereafter		198,550	84,474	283,024
		252,941	135,683	388,624
Unamortized premium and bond issuance costs, net		19,962	—	19,962
	$	272,903	135,683	408,586

The University has $40,000,000 available under an unsecured revolving credit agreement that matures in January 2026. As of June 30, 2025 and 2024, no amounts were outstanding on this line of credit.

(9) Lease Liabilities

The following information applies to lease liabilities as of June 30, 2025:

In September 2011, the University entered into a non-cancellable lease for a student residential housing facility. Two former members of the University's Board of Trustees and their families have material financial interests in the entities that developed and are leasing the facility to the University. The lease term is for 234 months ending February 2031. At the end of the lease term, the University has two successive options to extend the lease for additional eight-year terms. The gross amount of buildings recorded under this finance lease was $45,553,000, which is the present value of future lease payments, discounted using the implicit rate of 8%. The net amount recorded as right of use assets under this lease at June 30, 2025 was $13,238,000. The amortization expense for the lease is calculated on a straight-line basis over the useful life of 234 months included within the University's depreciation and amortization expense. This amount was $2,336,000 for the year ended June 30, 2025.

In November 2014, the University entered into a noncancelable lease for commercial office building, which was remodeled to be used as office and classroom space. A former member of the University's Board of Trustees and their family has material financial interests in the entities that developed and are leasing the facility to the University. The lease term is for 234 months ending April 2034. At the end of the lease term, the University has two successive options to extend the lease for additional ten-year terms. The gross amount of buildings recorded under this finance lease was $23,800,000, which is the present value of future lease payments, discounted using the implicit rate of 5%. The net amount recorded as right of use assets under this lease at June 30, 2025 was $10,874,000. The amortization expense for this lease is calculated on a straight-line basis over the useful life of 234 months and included within the University's depreciation and amortization expense. This amount was $1,231,000 for the year ended June 30, 2025. Lease costs associated with these two leases was reported in the statement of activities as interest was $2,475,000 and depreciation and amortization was $3,567,000.

Under ASC 842, the University has elected to not apply the recognition requirements to leases of less than twelve months. These leases are expensed on a straight-line basis and are not included within the University's lease asset or liability.

Maturities of lease liabilities under non-cancellable leases as of June 30, 2025 are as follows (in thousands):

		Finance leases
Year ending June 30:		
2026	$	6,515
2027		6,599
2028		6,654
2029		6,570
2030		6,649
Thereafter		15,310
Total undiscounted lease payments		48,297
Less imputed interest		(10,433)
Total lease liabilities	$	37,864

(10) Availability of Financial Assets for General Expenditures

Resources available to the University to fund general expenditures, such as operating expenses, scheduled principal and interest payments on bonds and leases, and capital construction costs have seasonal variations related to the timing of tuition payments, receipts of gifts and pledge payments, and transfers from the endowment. The University actively monitors liquidity required to meet general expenditures, while also maximizing the investment of funds in excess of daily requirements utilizing a combination of short and long-term operating investment strategies. In addition, management monitors the timing and availability of its financial assets in order to align cash inflows with anticipated outflows. The University's financial assets are included in cash and cash equivalents, contributions receivable, student and other receivables, and investments. At June 30, 2025 and 2024, existing financial assets and liquidity resources available for general expenditures within one year were as follows (in thousands):

		2025	2024
Financial assets:			
Cash and cash equivalents	$	89,791	53,912
Student and other receivables		5,085	4,567
Contributions receivable for operations and capital projects		3,242	1,193
Investments – operating		155,348	167,795
Investments – appropriated endowment spending payout		63,500	60,000
Total financial assets available within one year		316,966	287,467
Liquidity resources available:			
Bank line of credit		40,000	40,000
Total financial assets and liquid resources available within one year	$	356,966	327,467

In addition to financial assets and liquid resources available to meet general expenditures over the next year, the University seeks to operate within a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statements of cash flows, which identified the sources and uses of the University's cash generated by operating activities for the year ending June 30, 2025.

The University also had board-designated endowments of $268,730,000 and $254,459,000 as of June 30, 2025 and June 30, 2024, respectively. Although the University does not routinely spend from its board-designated endowment funds other than amounts appropriated for general expenditures, amounts from these endowments could be made available if deemed necessary and approved by the University Board of Trustees. However, both the board-designated and donor-restricted endowment funds contain investments that are subject to market fluctuations and have lock-up provisions that reduce the total that could be made available (see note 5 for disclosures pertaining to investments).

(11) Defined Contribution Plan

The University provides retirement benefits for eligible faculty, staff, and administrative employees through Internal Revenue Code (IRC), Section 401(a) and 403(b) plans. During 2025 and 2024, the University contributed approximately $20,703,000 and $19,191,000, respectively, to the defined contribution 401(a) retirement plan on behalf of its faculty, staff, and administrative employees. The University does not contribute to the 403(b) plan.

(12) Expenses by Natural and Functional Classification

The University's primary program activity is instruction, academic support and research. Facilities operation and maintenance, interest, and depreciation are allocated among functional classifications based on usage of space, square footage, building costs, and debt proceeds usage. Information technology costs are allocated based on software usage and the overall number of employees in the various functional categories. All other costs are charged directly to the appropriate functional category. Research expenses of $11,468,000 and $9,736,000 in 2025 and 2024, respectively, are included in instruction, academic support and research. Expenses associated with fundraising activities of the University were $18,289,000 and $18,411,000 in 2025 and 2024, respectively, are included in administrative support.

Expenses by natural and functional classification for the year ended June 30, 2025, were as follows (in thousands):

		Program activities				Supporting activities		
		Instruction, academic support and research	Public service	Student services	Auxiliaries	Administrative support	Facilities operation and maintenance	Total
Academic related salaries and wages	$	151,703	721	—	—	—	—	152,424
Nonacademic salaries and wages		—	8,606	37,170	2,961	39,371	11,242	99,350
Benefits expense		48,813	3,218	12,766	1,226	14,520	4,127	84,670
Professional fees and contracted services		19,885	1,501	4,626	1,200	6,502	1,314	35,028
General operating expenses		19,352	1,920	25,430	12,082	17,978	17,763	94,525
Allocated expenses:								
Interest expense		6,760	—	406	5,221	610	—	12,997
Depreciation and amortization expense		25,649	369	7,466	13,365	2,688	3,809	53,346
Facilities and maintenance of plant		22,413	275	8,071	3,745	3,751	(38,255)	—
Total expenses	$	294,575	16,610	95,935	39,800	85,420	—	532,340

Expenses by natural and functional classification for the year ended June 30, 2024, were as follows (in thousands):

		Program activities				Supporting activities		
		Instruction, academic support and research	Public service	Student services	Auxiliaries	Administrative support	Facilities operation and maintenance	Total
Academic related salaries and wages	$	142,572	1,046	—	—	—	—	143,618
Nonacademic salaries and wages		—	8,324	34,078	2,841	37,103	10,339	92,685
Benefits expense		44,780	2,913	11,377	1,152	12,603	3,882	76,707
Professional fees and contracted services		18,283	2,949	5,226	999	6,623	1,149	35,229
General operating expenses		19,378	1,974	25,082	11,171	18,197	14,962	90,764
Allocated expenses:								
Interest expense		7,768	—	685	5,852	519	441	15,265
Depreciation and amortization expense		25,753	410	7,582	13,566	2,624	3,419	53,354
Facilities and maintenance of plant		20,502	251	7,316	2,688	3,435	(34,192)	—
Total expenses	$	279,036	17,867	91,346	38,269	81,104	—	507,622

(13) Income Taxes

The University is recognized by the Internal Revenue Service as an organization exempt from income taxes on related income under Section 501(c)(3) of the Internal Revenue Code and is also exempt under California Revenue and Taxation Code Section 23701d. However, the University is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purpose for which it is granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the consolidated financial statements taken as a whole.

(14) Related-Party Transactions and Amounts Held on Behalf of Others

The Jesuit Community is a separate entity and provides the University with teaching and administrative services. Compensation paid to the Jesuit Community for those services approximated $2,602,000 and $1,526,000 in 2025 and 2024, respectively, which is included in academic related salaries and wages and nonacademic salaries and wages in the accompanying consolidated statement of activities.

As of June 30, 2025, and 2024, $6,780,000 and $7,887,000, respectively, of gross contributions receivable are due from members of the Board of Trustees.

During 2006, the University entered into an agreement with the Mission Cemetery, owned by the Jesuit Community, to participate in the University's investment activity by transferring cash into the University's endowment investment portfolio. The Mission Cemetery's investment at fair value is reflected in Amounts Held on Behalf of Others in the University's consolidated balance sheet. The fair value of the investment at June 30, 2025 is $109,763,000. The remaining balance of $515,000 as of June 30, 2025 in Amounts Held on Behalf of Others is held by the University on behalf of various other outside agencies.

As discussed in note 9, former members of the University's Board of Trustees and their family have material financial interests in the entities that developed and are leasing facilities to the University.

(15) Commitments and Contingencies

As of June 30, 2025, the University has contractual obligations of approximately $10,773,000 for completion of capital projects under construction. These obligations are expected to be payable over the next one and a half years and will be financed with debt proceeds, unexpended funds, and gifts. The University self-insures unemployment benefits. It is management's opinion that the amount provided in accrued expenses to cover expected claims is adequate.

The University is subject to audits for amounts received under federal government student financial aid awards and research grants from the federal government. Management believes such audits will not result in any material liabilities against the University.

The University is a defendant in various legal actions. While the outcome of these actions is not currently determinable, management is of the opinion that any uninsured liability from such actions will not have a material effect on the University's financial position.

(16) Subsequent Events

The University has evaluated subsequent events from the date of the consolidated balance sheet through October 27, 2025, the date on which the consolidated financial statements were issued. There are no subsequent events that require disclosure.