MIDDLEBURY

Consolidated Financial Statements

June 30, 2026
(with summarized comparative information as of and
for the year ended June 30, 2025)

(With Independent Auditors' Report Thereon)

MIDDLEBURY

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Independent Auditors' Report

The President and Fellows of
Middlebury College:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Middlebury College (the College), which comprise the consolidated statement of financial position as of June 30, 2026, 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 financial position of the College as of June 30, 2026, 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). 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 College 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 College's ability to continue as a going concern for one year after the date that 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 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.

KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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 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 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Report on Summarized Comparative Information

We previously audited the College's consolidated financial statements as of and for the year ended June 30, 2025, and we expressed an unmodified opinion on those consolidated financial statements in our report dated October 27, 2025. 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.

KPMG LLP

Boston, Massachusetts
October 27, 2026

MIDDLEBURY

Consolidated Statements of Financial Position

June 30, 2026 and 2025

(Amounts in thousands)

Assets		2026	2025
Cash and cash equivalents	$	30,195	27,616
Restricted cash		40,108	23,891
Accounts receivable, net		4,712	10,393
Prepaid expenses, inventories and other assets		11,935	14,968
Contributions receivable, net		68,718	75,592
Student loans receivable, net		7,268	7,499
Assets held for sale		17,045	—
Investments		2,071,862	1,718,583
Beneficial interest in perpetual trusts		37,305	34,374
Finance lease right of use asset		39,127	40,682
Land, buildings, and equipment, net		423,839	430,580
Total assets	$	2,752,114	2,384,178
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	66,752	47,271
Deferred revenues		20,702	27,145
Funds held for others		10,438	10,740
Annuities and other split-interest obligations		28,927	28,210
Refundable government loan funds		1,540	1,924
Operating lease obligations		5,130	6,932
Finance lease obligations		44,269	44,872
Long-term debt, net		382,496	371,646
Total liabilities		560,254	538,740
Net assets:			
Without donor restrictions		239,842	196,247
With donor restrictions		1,952,018	1,649,191
Total net assets		2,191,860	1,845,438
Total liabilities and net assets	$	2,752,114	2,384,178

See accompanying notes to consolidated financial statements.

MIDDLEBURY

Consolidated Statement of Activities

Year ended June 30, 2026
(with summarized comparative information for the year ended June 30, 2025)

(Amounts in thousands)

	Without donor restrictions	With donor restrictions	Total 2026	Total 2025
Operating revenues and other support:				
Net comprehensive and other student fees	$ 189,863	—	189,863	185,588
Contributions	9,987	30,637	40,624	22,280
Sponsored activities	17,670	—	17,670	20,638
Investment return, net:				
Endowment distribution and investment income	12,636	76,556	89,192	78,508
Other sources	19,382	—	19,382	18,782
Net assets released from restrictions	90,348	(90,348)	—	—
Total operating revenues and other support	339,886	16,845	356,731	325,796
Operating expenses:				
Salaries	150,178	—	150,178	153,175
Benefits	60,277	—	60,277	62,060
Building and maintenance	19,047	—	19,047	18,160
Fees for services	25,125	—	25,125	24,476
Equipment and supplies	10,392	—	10,392	9,969
Travel and entertainment	10,721	—	10,721	10,215
Other expenses	26,469	—	26,469	25,820
Interest expense	14,745	—	14,745	10,993
Depreciation and amortization	24,703	—	24,703	23,624
Total operating expenses	341,657	—	341,657	338,492
Change in net assets from operations	(1,771)	16,845	15,074	(12,696)
Nonoperating activities:				
Endowment return, net of distribution	42,467	251,151	293,618	91,861
Change in value of other investments and deferred gifts	5,123	1,466	6,589	5,823
Contributions, net	—	33,261	33,261	57,284
Other	(2,224)	104	(2,120)	(3,273)
Total nonoperating activities, net	45,366	285,982	331,348	151,695
Change in total net assets	43,595	302,827	346,422	138,999
Net assets, beginning of year	196,247	1,649,191	1,845,438	1,706,439
Net assets, end of year	$ 239,842	1,952,018	2,191,860	1,845,438

See accompanying notes to consolidated financial statements.

MIDDLEBURY

Consolidated Statements of Cash Flows

Years ended June 30, 2026 and 2025

(Amounts in thousands)

		2026	2025
Cash flows from operating activities:			
Change in total net assets	$	346,422	138,999
Adjustments to reconcile change in total net assets to net cash used in operating activities:			
Depreciation and amortization		24,703	23,624
Contributions restricted for long-term investments		(50,715)	(50,716)
Real property and other in-kind contributions		(3)	(14)
Amortization of bond issuance costs and bond premium		(1,421)	(1,437)
Loss on disposal of buildings and equipment		505	651
Change in accounts receivable credit loss		(538)	(91)
Change in contributions receivable bad debt allowance		330	99
Change in value of split interest agreements		717	(2,068)
Realized and unrealized gain on investments		(386,868)	(162,600)
Unrealized gain on beneficial interest in perpetual trusts and remainder trusts		(3,289)	(1,473)
Changes in operating assets and liabilities:			
Accounts receivable, net		5,143	(1,844)
Contributions receivable		7,562	(20,560)
Prepaid expenses, inventories and other assets		1,684	(1,506)
Accounts payable and accrued expenses		2,416	1,229
Deferred revenues		(6,443)	7,570
Funds held for others		(302)	612
Other		(384)	(678)
Operating lease liability		(1,802)	(1,363)
Net cash used in operating activities		(62,283)	(71,566)
Cash flows from investing activities:			
Proceeds from sales of investments		332,961	350,881
Purchases of investments		(299,372)	(299,125)
Purchases of property and equipment		(34,700)	(39,472)
Student loans granted		(1,021)	(637)
Student loans repaid		886	720
Net cash (used in) provided by investing activities		(1,246)	12,367
Cash flows from financing activities:			
Contributions restricted for long-term investment		50,715	50,716
Proceeds from issuance of long-term debt, including premium		24,118	44,922
Payments on bonds and notes payable		(11,905)	(11,545)
Payments of finance lease liability		(603)	(526)
Advance from line of credit		25,000	46,000
Payment of advance from line of credit		(5,000)	(58,500)
Net cash provided by financing activities		82,325	71,067
Net change in cash and cash equivalents		18,796	11,868
Cash, cash equivalents and restricted cash:			
Beginning of year		51,507	39,639
End of year	$	70,303	51,507
Cash and cash equivalents as shown in the Statements of Financial Position	$	30,195	27,616
Restricted cash as shown in the Statements of Financial Position		40,108	23,891
Cash, cash equivalents, and restricted cash		70,303	51,507
Supplemental data:			
Interest paid	$	14,606	10,993
Change in amounts accrued for purchase of property and equipment		(2,935)	(21)

See accompanying notes to consolidated financial statements.

(1) Organization

The President and Fellows of Middlebury College (Middlebury) was founded in 1800 as a liberal arts college. The undergraduate institution, Middlebury College (the College), is a leading liberal arts college with an emphasis on literature, sciences, languages, international studies and environmental studies. The College has approximately 2,600 undergraduate students from all 50 states and nearly 70 countries. Approximately 70% of the students are from outside of New England. Over one-half of the students spend at least one semester off campus, primarily outside of the United States of America. The College has study abroad programs located in Argentina, Brazil, Cameroon, Chile, China, France, Germany, Italy, Japan, Jordan, Morocco, Puerto Rico, Russia (temporarily located in Kazakhstan), Spain, Taiwan, the United Kingdom, and Uruguay.

The Middlebury Schools are comprised of Schools Abroad, Language Schools, School of the Environment, and Bread Loaf Programs (collectively, the Schools). The Schools enroll approximately 2,400 students and offer undergraduate and graduate programs in a variety of programs.

- The Schools Abroad offer undergraduate and graduate students the opportunity to study in one of 16 schools worldwide across 32 sites. Students take courses in a variety of subjects, often with host country students, intern or engage in volunteer work, and live with a family or local students. Participants in the Middlebury Schools Abroad have a commitment to language and cultural immersion.
- The Language Schools, which began operations in 1915, focus on educating undergraduate and graduate language students from many disciplines at two sites in the United States and two sites abroad. There are programs in Abenaki, Arabic, Chinese, French, German, Hebrew, Italian, Japanese, Korean, Portuguese, Russian, and Spanish with a goal to improve language and intercultural skills. The Language Schools provide access to language education through an interactive, immersion environment by incorporating linguistics, literature, culture, and area studies.
- The School of the Environment is a six-week undergraduate program held in Monterey, California, offering leadership training, lab and field work, and interdisciplinary courses.
- Middlebury offers two Bread Loaf Programs, the Bread Loaf School of English and the Bread Loaf Writers' Conference. Beginning in 1920, the Bread Loaf School of English has offered graduate courses in literature, the teaching of writing, creative writing, and theater arts to students from across the United States and the world. The Bread Loaf School of English offers summer sessions in Vermont, California, and at Oxford in the United Kingdom. The Bread Loaf Writers' Conference is the oldest writers' conference in America, held each summer in June and August at Middlebury's Bread Loaf Mountain campus amid the Green Mountain National Forest in Ripton, Vermont.

The Middlebury graduate school, the Middlebury Institute of International Studies at Monterey, (the Institute), is located in Monterey, California. The Institute enrolls approximately 380 students and provides higher education in translation, interpretation and language education and international policy management. In addition, there are four research centers at the Institute, the James Martin Center for Nonproliferation Studies, the Center for the Blue Economy, the Center on Terrorism, Extremism and Counterterrorism and the Vienna Center for Disarmament and Nonproliferation in Vienna, Austria.

In August, 2025, Middlebury announced that it would conclude residential graduate programs and some online degree programs at the Institute. The closure of those programs and operations based in Monterey, California will be completed by June 30, 2027.

Delineation Corporation, an affiliated entity of Middlebury, is a nonprofit organization founded to hold certain property. Middlebury advances funds to Delineation Corporation for expenses incurred for maintenance of real property.

Tax-Exempt Status

Middlebury and its affiliates are tax-exempt organizations as described in Section 501(c)(3) of the Internal Revenue Code and they recognize the effect of income tax positions only if those positions are more likely than not of being sustained by a taxing authority. Middlebury and its affiliates believe they have no significant uncertain tax positions.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements include Middlebury and its affiliated entities. All inter-entity transactions have been eliminated in consolidation.

(b) Basis of Accounting

The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP), on the accrual basis of accounting and present net assets, revenues, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Without Donor Restrictions: Net assets not subject to donor-imposed stipulations. Net assets, without donor restrictions may be designated for specific purposes by the Board of Trustees.

With Donor Restrictions: Net assets subject to donor-imposed stipulations that expire through the passage of time or can be fulfilled by actions pursuant to the stipulations, or which may be perpetual.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless restricted by donor or by law. Expirations in subsequent years of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as releases from restrictions between the applicable classes of net assets.

Nonoperating activities include net return on investments, less amounts distributed for operating purposes, contributions for long-term investment such as endowment and capital, and the change in value of deferred gifts.

For comparison purposes, the 2026 statement of activities has been presented with 2025 summarized comparative information in total but not by net asset class. This summarized 2025 information is not intended to and does not include sufficient detail to constitute a complete presentation of changes in net assets in conformity with GAAP. Accordingly, such information should be read in conjunction with Middlebury's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

(c) Use of Estimates

The preparation of financial statements in conformity with GAAP 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(d) Student Tuition and Fee Revenue

The College charges undergraduate students attending the Vermont campus a comprehensive fee which includes the cost of tuition, room and board, and fees. The Institute charges its graduate students tuition and related fees.

Tuition, fees and auxiliary student revenues are presented in the statement of activities at the transaction price, (i.e., net of any institutional student aid). Revenue from student education, residence and dining services is recognized as the services are provided over the academic year, which generally aligns with Middlebury's fiscal year. For fiscal year 2026, comprehensive student fees were $283,234 and financial aid was $93,371. For fiscal year 2025, comprehensive student fees were $280,702 and financial aid was $95,114.

Auxiliary enterprises include the operations of the dining services, residential halls, bookstores, Snow Bowl, Carroll and Jane Rikert Nordic Center, and the Ralph Myhre Golf Course. Revenues from auxiliary enterprises, except for the revenue from residential and dining halls, are included in other sources of operating revenues in the statement of activities. The revenues derived from residential and dining halls are included in net comprehensive and other student fees.

(e) Cash and Cash Equivalents

Cash and cash equivalents include interest-bearing money market accounts not held for investment purposes. Cash equivalents have original maturities of three months or less. Cash equivalents held for investment purposes are not considered cash and cash equivalents on the statement of cash flows. Restricted cash represents cash held for construction projects.

(f) Contributions

Contributions, including interests in perpetual trusts held by others, unconditional promises to give and noncash assets, are recognized as revenue in the period received at fair value on the date of the contribution. A contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to the transferred assets. Conditional promises to give are not recognized until they become unconditional, that is, when the barriers on which they depend are met.

Contributions of land, buildings, and equipment without donor stipulations are reported as nonoperating revenue. Contributions of cash or other assets which a donor has stipulated be used as endowment or to acquire land, buildings, and equipment are reported as restricted nonoperating revenue. The restrictions are considered to be released when assets are placed in service.

(g) Contributions Receivable

Contributions receivable include pledges that are recorded at their present value using discount rates at the date of the contribution that range from 2.4% to 8.3%. The present value is calculated using a risk-free rate of return adjusted for the credit risk. An allowance is made for potentially uncollectible contributions based upon management's past collection experience and other relevant factors.

(h) Fair Value

The fair value accounting standard defines fair value and establishes a framework for measuring fair value. The framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under this principle are as follows:

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

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

Middlebury utilizes the net asset value (NAV) as a practical expedient to estimate the fair value of those funds whose values are determined by the appropriate manager or general partner. Such NAV-measured funds are not categorized in the fair value hierarchy.

Investments reported at NAV consist of shares or units in funds as opposed to direct interests in the funds' underlying securities, which may be readily marketable and not difficult to value. The majority of these fund managers are registered as required by the Securities and Exchange Commission.

Certain investments in funds contain lock-up provisions. Under such provisions, share classes of the investment are available for redemption at various times in accordance with the management agreement with the fund.

The fair value measurement level of the asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

These valuations may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Middlebury 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 fair value measurement at the reporting date.

Because of the inherent uncertainty of valuations, the estimated values as determined by the appropriate manager or general partners may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

(i) Beneficial Interest in Perpetual Trusts

Beneficial interest in perpetual trusts includes irrevocable trusts established for the benefit of Middlebury whereby the principal is held in perpetuity by others and the earnings are remitted to Middlebury. The interest in perpetual trusts is recorded at fair value, which is estimated to equal the fair value of the trust assets.

(j) Land, Buildings, and Equipment

Land, buildings, equipment, arts and antiques are recorded at cost at the date of acquisition or fair value at the date of gift. Depreciation is computed utilizing the straight-line method over the estimated lives of the depreciable assets, as follows (in years):

	Estimated useful lives
Category:	
Land improvements	20–30
Buildings and improvements	20–60
Equipment	4–10

Arts and antiques are maintained as collections and, accordingly, are not depreciated.

(k) Asset Held for Sale

In August 2026, Middlebury entered into an agreement to sell the Institute’s property in Monterey. The sale was completed in September 2026 for a total purchase price of $52,500. Accordingly, this property is recorded in assets held for sale in the June 30, 2026 statement of financial position.

(l) Leases

Middlebury determines if an arrangement is a lease at inception. The finance lease is included in right-of-use assets, and the related lease obligations on the statement of financial position. The operating lease right-of use-assets are included in prepaid expenses, inventories and other assets. Lease right-of-use assets represent Middlebury's right to use an underlying asset for the lease term. Lease obligations represent Middlebury's liability to make lease payments arising from the lease. Operating and finance lease right-of-use assets and related obligations are recognized at commencement date based on the present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The incremental borrowing rate is based on the information available at commencement date in determining the present value of lease payments.

(m) Asset Retirement Obligation

An asset retirement obligation (ARO) is a legal obligation associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, Middlebury records period-to-period changes in the ARO liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows. Middlebury ARO liabilities are reduced when the related obligation is settled. Middlebury has recorded an ARO liability in accounts payable and accrued expenses of $6,747 and $6,421 at June 30, 2026 and 2025, respectively.

(n) Deferred Revenues

Deferred revenues consist primarily of student fees related to Middlebury and its language schools, primarily related to payments for services that have not yet been rendered. This liability account also consists of the multi-year prepayment plan, summer school billing (net of financial aid), and sponsored activity. Deferred revenues are typically recognized as revenue within the subsequent fiscal year.

(o) Funds Held for Others

Middlebury acts as a custodian or fiscal agent for student organizations, certain long-term faculty professional development funds, and certain endowment funds for various organizations. These endowment funds are not included in Middlebury's endowment assets.

(p) Annuities and Other Split-Interest Obligations

Donors have made contributions with the stipulation that their contributions be invested and all or a portion of the resulting income be paid to beneficiaries during their lifetimes. Upon the death of the named beneficiaries, the assets become the property of Middlebury. These contributions are recorded in revenue at fair value with corresponding estimated liabilities for future amounts payable to other beneficiaries recorded in annuities and other split-interest obligations. The liabilities associated with these gifts are adjusted to fair value at each reporting period using the terms of the related gift instrument.

(q) Refundable Government Loan Funds

Refundable government loan funds represent Perkins loan funds provided to students by the federal government through Middlebury. Middlebury is required to collect the loans on behalf of the federal government. The amounts due from the students are included in the financial statements as student loans receivable. The amount due to the federal government, upon full liquidation of the program, is reported as refundable government loan funds on the statement of financial position. The Perkins Loan Extension Act of 2015 (the Act) ended the authority of participating institutions to make new Perkins Loans to students on September 30, 2017. The Act also requires each participating institution to refund to the federal government an amount calculated annually based on remaining outstanding loans and other factors.

(r) Sponsored Activities

Sponsored activities include various research and instructional programs funded by external parties including the federal government, foreign and state governments, and private foundations.

(s) Subsequent Events

Middlebury considers events or transactions that occur after the statement of financial position date but before the financial statements are issued to provide for additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements were issued on October 27, 2026, and subsequent events have been evaluated through that date.

(3) Liquidity and Availability

Resources available to Middlebury to fund general expenditures, including debt service payments and construction projects not financed with debt, have seasonal variations related to the timing of tuition and comprehensive fee payments, receipt of gifts and pledges, and transfers from the endowment. Middlebury actively monitors and manages these resources utilizing a combination of short and long term investment strategies to align cash inflows and expected outflows in accordance with policy. At June 30, 2026 and 2025, existing financial assets and liquidity resources available within one year were as follows:

		2026	2025
Financial assets available for general expenditure within one year:			
Cash and cash equivalents	$	30,195	27,616
Accounts receivable, net		4,712	10,393
Contributions receivable available for operations		7,247	6,819
Fiscal 2027 and 2026 budgeted endowment appropriation		82,717	85,480
	$	124,871	130,308

Additionally, Middlebury has $301,989 as of June 30, 2026, in board-designated endowment without donor restrictions and a line of credit availability of $50,000 as referenced in note 9. Although Middlebury does not intend to spend from its board-designated endowment funds, other than amounts appropriated for operations, amounts could be made available if necessary subject to liquidity as outlined in note 5.

(4) Receivables

(a) Accounts Receivable

Accounts receivable consists of receivables for annual comprehensive fees, graduate school tuition, schools abroad tuition, and summer school room, board, and tuition. The provision for credit losses was $539 and $497 as of June 30, 2026 and 2025, respectively.

(b) Contributions Receivable

Contributions receivable consists of the following at June 30, 2026 and 2025:

		2026	2025
Amounts due in:			
Less than one year	$	24,265	38,553
One to five years		49,811	48,422
More than five years		3,025	6,299
		77,101	93,274
Less discount and allowance		(12,352)	(21,292)
		64,749	71,982
Contributions receivable from remainder trusts		3,969	3,610
	$	68,718	75,592

(5) Investments

Middlebury has developed a diversified endowment investment portfolio with a strong orientation to equity investments and to strategies designed to take advantage of market inefficiencies. The investment objectives guide the asset allocation policy and are achieved in partnership with external investment managers operating through a variety of vehicles, including separate accounts, limited partnerships, and commingled funds. Investments in real estate and mortgages include investment in real estate partnerships.

Alternative equity managers seek to generate high returns regardless of the direction of the overall stock market and may use derivatives to exploit inefficiencies in securities markets. Accordingly, derivatives in the investment portfolio may include currency forward contracts, interest rate and currency swaps, call and put options, debt and equity futures contracts, equity swaps, and other vehicles that may be appropriate in certain circumstances. The risk in alternative equity funds is limited to the amount it currently has invested in the funds. The risk in private equity partnerships is limited to the amount it currently has invested in the funds, legally obligated uncalled capital commitments to the funds, and certain distributions previously received.

As of June 30, 2026 and 2025, Middlebury had outstanding commitments of $272,630 and $300,631, respectively, to fund private partnerships (private equity, hedge and other) over a multi-year period. These capital calls are expected to be funded with cash on hand or using proceeds of liquidated securities.

(Continued)

Included in investments are $58,059 and $53,180 at June 30, 2026 and 2025, respectively, for split-interest agreements.

The components of total investment return from all sources consist of the following for the years ended.

	2026	2025
Interest, dividends, and other income, net	$ 10,183	10,283
Realized gains	103,403	90,509
Unrealized gain, net	283,463	72,091
	$ 397,049	172,883

Direct external investment management fees were $8,487 and $6,596 in 2026 and 2025, respectively. These management fees are excluded from the components of total investment return in the table above. Purchase and sale transactions are recorded on a trade date basis.

The following table represents financial assets and liabilities by fair value hierarchy category as of June 30, 2026:

	Level 1	Level 2	Level 3	NAV	Total
Investments at fair value:					
Money market funds	$ 48,328	—	—	—	48,328
Equity securities	79,907	—	—	—	79,907
Debt securities	113,043	—	—	—	113,043
Real estate and mortgages	6,232	—	9,787	—	16,019
Private equity	—	—	10,184	—	10,184
Other investments	3,790	—	49	—	3,839
Total investments at fair value	251,300	—	20,020	—	271,320
Investments measured at net asset value:					
Equity securities	—	—	—	279,129	279,129
Alternative equities	—	—	—	496,816	496,816
Private equity partnerships	—	—	—	1,024,597	1,024,597
Total investments at net asset value	—	—	—	1,800,542	1,800,542
Total investments	$ 251,300	—	20,020	1,800,542	2,071,862

(Continued)

	Level 1	Level 2	Level 3	NAV	Total
Other assets:					
Remainder trusts	$ —	—	3,969	—	3,969
Perpetual trusts	—	—	37,305	—	37,305
Total other assets	$ —	—	41,274	—	41,274

The following table represents financial assets and liabilities by fair value hierarchy category as of June 30, 2025:

	Level 1	Level 2	Level 3	NAV	Total
Investments at fair value:					
Money market funds	$ 40,824	—	—	—	40,824
Equity securities	57,554	—	—	—	57,554
Debt securities	111,149	—	—	—	111,149
Real estate and mortgages	5,549	—	9,372	—	14,921
Private equity	—	—	9,644	—	9,644
Other investments	3,467	—	479	—	3,946
Total investments at fair value	218,543	—	19,495	—	238,038
Investments measured at net asset value:					
Equity securities	—	—	—	229,162	229,162
Alternative equities	—	—	—	431,824	431,824
Private equity partnerships	—	—	—	819,559	819,559
Total investments at net asset value	—	—	—	1,480,545	1,480,545
Total investments	$ 218,543	—	19,495	1,480,545	1,718,583

	Level 1	Level 2	Level 3	NAV	Total
Other assets:					
Remainder trusts	$ —	—	3,610	—	3,610
Perpetual trusts	—	—	34,374	—	34,374
Total other assets	$ —	—	37,984	—	37,984

Detailed liquidity of Middlebury's investments as of June 30, 2026 and June 30, 2025 is as follows:

	June 30, 2026					
	Daily	Monthly	Quarterly	Annually	Illiquid	Total
Money market funds	$ 48,328	—	—	—	—	48,328
Equity securities	79,907	279,129	—	—	—	359,036
Alternative equities	—	—	496,816	—	—	496,816
Debt securities	113,043	—	—	—	—	113,043
Real estate and mortgages	6,232	—	—	—	9,787	16,019
Private equity	—	—	—	—	1,034,781	1,034,781
Other investments	3,790	—	—	—	49	3,839
Total	$ 251,300	279,129	496,816	—	1,044,617	2,071,862

	June 30, 2025					
	Daily	Monthly	Quarterly	Annually	Illiquid	Total
Money market funds	$ 40,824	—	—	—	—	40,824
Equity securities	57,554	229,162	—	—	—	286,716
Alternative equities	—	—	431,824	—	—	431,824
Debt securities	111,149	—	—	—	—	111,149
Real estate and mortgages	5,549	—	—	—	9,372	14,921
Private equity	—	—	—	—	829,203	829,203
Other investments	3,467	—	—	—	479	3,946
Total	$ 218,543	229,162	431,824	—	839,054	1,718,583

The following table summarizes the Level 3 activity for the year ended June 30, 2026:

	Beginning balance at June 30, 2025	Realized gains	Change in unrealized gains	Additions	Deductions	Ending balance at June 30, 2026
Level 3 assets:						
Real estate and mortgages	$ 9,372	—	—	500	(85)	9,787
Private equity	9,644	—	540	—	—	10,184
Other investments	479	—	—	—	(430)	49
Total investments	19,495	—	540	500	(515)	20,020
Remainder trusts	3,610	—	359	—	—	3,969
Perpetual trusts	34,374	—	2,931	—	—	37,305
Total investments and other assets	$ 57,479	—	3,830	500	(515)	61,294

(Continued)

The following table summarizes the Level 3 activity for the year ended June 30, 2025:

	Beginning balance at June 30, 2024	Realized gains	Change in unrealized gains (losses)	Additions	Deductions	Ending balance at June 30, 2025
Level 3 assets:						
Real estate and mortgages	$ 8,658	—	(38)	1,500	(748)	9,372
Private equity	9,756	—	(112)	—	—	9,644
Other investments	49	—	—	430	—	479
Total investments	18,463	—	(150)	1,930	(748)	19,495
Remainder trusts	3,734	—	(124)	—	—	3,610
Perpetual trusts	32,778	—	1,596	—	—	34,374
Total investments and other assets	$ 54,975	—	1,322	1,930	(748)	57,479

There were no transfers between the fair value hierarchy levels in 2026 or 2025.

(6) Endowment

The endowment consists of donor-restricted endowment funds and board-designated funds to function as endowment for a variety of purposes. The net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Middlebury classifies as net assets with donor restrictions, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) unspent appreciation on the permanent endowment. The unspent appreciation is classified in net assets with donor restrictions until those amounts are appropriated for expenditure by Middlebury in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (both Vermont and California) UPMIFA statutes.

In accordance with the UPMIFA statutes, Middlebury considers the following factors in making a determination to appropriate or accumulate endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of Middlebury 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 Middlebury

(7) The investment policies of Middlebury

(Continued)

The endowment for the years ended June 30, 2026 and 2025, delineated by net asset class and donor-restricted versus Board-designated funds were as follows:

	June 30, 2026		
	Without donor restrictions	**With donor restrictions**	**Total**
Donor-restricted endowment funds	$ —	1,765,328	1,765,328
Board-designated endowment funds	301,989	—	301,989
Total endowment funds June 30, 2026	$ 301,989	1,765,328	2,067,317

	June 30, 2025		
	Without donor restrictions	**With donor restrictions**	**Total**
Donor-restricted endowment funds	$ —	1,479,272	1,479,272
Board-designated endowment funds	250,572	—	250,572
Total endowment funds June 30, 2025	$ 250,572	1,479,272	1,729,844

(a) Changes in Endowment

Changes to the endowment for the year ended June 30, 2026 were as follows:

	Without donor restrictions	**With donor restrictions**	**Total**
Endowment net assets at beginning of year	$ 250,572	1,479,272	1,729,844
Total investment return, net	55,103	327,707	382,810
Contributions	—	39,510	39,510
Appropriation of endowment assets for spending distribution	(12,636)	(67,982)	(80,618)
Additional appropriation	—	(8,574)	(8,574)
Transfer to/from designated endowment funds	8,950	(4,605)	4,345
Endowment net assets at end of year	$ 301,989	1,765,328	2,067,317

(Continued)

Changes to the endowment for the year ended June 30, 2025 were as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets at beginning of year	$ 235,907	1,362,077	1,597,984
Total investment return, net	24,930	145,439	170,369
Contributions	1,296	38,830	40,126
Appropriation of endowment assets for spending distribution	(13,853)	(64,655)	(78,508)
Transfer to/from designated endowment funds	2,292	(2,419)	(127)
Endowment net assets at end of year	$ 250,572	1,479,272	1,729,844

(b) Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). These deficits result from unfavorable market fluctuations that occur after the investment of endowment funds or from spending deemed prudent.

When donor-restricted endowment deficits exist, they are classified as a reduction of donor-restricted net assets. Deficits of this nature were $44 and $47 as June 30, 2026 and 2025, respectively.

	2026	2025
Aggregate amount by which funds are underwater	$ (44)	(47)
Aggregate of original gift amount	68	68
Fair value of underwater endowments	24	21

(c) Distribution Policy

The Board of Trustees approves a distribution of investment return based on the average per share market value of the pooled investments over the 12 calendar quarters preceding the previous calendar year. Calculations are performed for individual endowment funds at a rate of 5.00%. In addition, the Board of Trustees has approved periodic supplemental distributions from restricted endowment funds for strategic purposes. The corresponding calculated spending allocations are distributed monthly from the current net total or accumulated net total investment returns for individual endowment funds.

(d) Return Objectives and Risk Parameters

Middlebury has adopted endowment investment and spending policies that provide for a predictable stream of funding to programs supported by its endowment while seeking to maintain the permanent nature of endowment assets. Under this policy, the return objective for the endowment assets, measured over a full market cycle, shall be to maximize the return against a blended index, based on the overall investment portfolio's target allocation applied to the appropriate individual benchmarks.

(Continued)

Middlebury expects its endowment funds, over time, to generate an average rate of return sufficient to provide for its spending needs plus the rate of growth in expenses, which reflects inflation pressures as well as real growth in Middlebury programs.

(e) Strategies Employed for Achieving Investment Objectives

To achieve its long-term rate of return objectives, Middlebury relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). Middlebury targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

(7) Land, Buildings, and Equipment and Right-of-Use Assets

Land, buildings, and equipment and right-of-use assets at June 30, 2026 and 2025 consist of the following:

		2026	2025
Land and land improvements	$	69,977	73,912
Buildings		718,720	676,907
Equipment		152,313	157,927
Art and antiques		24,346	23,957
Construction in progress		5,125	57,456
		970,481	990,159
Less accumulated depreciation		(546,642)	(559,579)
Land, buildings, and equipment, net	$	423,839	430,580
Operating lease right-of-use assets	$	4,105	6,322
Finance lease right-of-use asset		39,127	40,682

Operating lease right-of-use assets are included in prepaid expense, inventories and other assets on the statement of financial position.

Depreciation and amortization expense in 2026 and 2025 was $24,703 and $23,624, respectively.

(8) Leases

Middlebury is committed to minimum annual rent payments under several long-term non-cancellable operating and finance leases for student residential and office space through fiscal year 2051.

The components of lease expense are as follows, in thousands of dollars:

		2026	2025
Lease cost:			
Finance lease expense	$	2,901	2,917
Interest on lease liabilities		1,346	1,361
Amortization of right-of-use assets		1,555	1,555
Operating lease expense		1,316	1,497
Total lease expense	$	7,118	7,330

Other information related to leases as of June 30 was as follows:

		2026	2025
Supplemental cash flow information:			
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flow from operating leases	$	1,491	1,363
Operating cash flow for finance leases		1,949	1,463
Financing cash flow from finance leases		603	526
Weighted average remaining lease term:			
Operating leases		5.5 years	6.5 years
Finance leases		25 years	26 years
Weighted average discount rate:			
Operating leases		5.0 %	5.0 %
Finance leases		3.0 %	3.0 %

Payments due include options to extend leases that are reasonably certain through fiscal year 2051, in thousands of dollars, and are summarized below as of June 30, 2026:

		Operating	Finance
Fiscal year:			
2027	$	546	1,993
2028		584	2,038
2029		623	2,083
2030		662	2,130
2031		701	2,178
Thereafter		2,967	55,273
Less amounts representing interest		(953)	(21,426)
Total	$	5,130	44,269

(Continued)

(9) Long-Term Debt

Long-term debt is comprised of the following at June 30:

	2026	2025
VEHBFA Series 2016 term bonds $33,055 original principal (uncollateralized) due on November 1, 2046, issued at a premium, interest at 4.00%	$ 33,055	33,055
2016 direct placement term loan $21,840 original principal, (uncollateralized) with annual principal payments ranging from $1,630 in 2026 to $2,045 in 2031, with interest at 2.34%	9,345	10,975
VEHBFA Series 2019 term bonds $49,840 original principal, (uncollateralized) due on November 1, 2038, issued at a premium, interest at 5.00%	41,510	43,750
VEHBFA Series 2020 revenue bonds $88,295 original principal, (uncollateralized) due on November 1, 2050, issued at a premium, interest ranging from 4.00% to 5.00%	83,775	85,360
2021 direct placement term loan $30,000 original principal, (uncollateralized) due November 1, 2027, with interest of 1.45%	13,200	19,650
VEHBFA Series 2022 revenue bonds $61,290 original principal, (uncollateralized) due on August 1, 2042, issued at par, interest at 3.22%	61,290	61,290
VEHBFA Series 2023 revenue bonds $44,060 original principal, (uncollateralized) due on November 1, 2052, issued at a premium, interest at 5%	44,060	44,060
2025 Direct Placement term loan $45,000 original principal (uncollateralized) due on November 1, 2034, with interest of 4.66%	45,000	45,000
VEHBFA Series 2025 revenue bonds $23,570 original principal, (uncollateralized) due on November 1, 2040, issued at a premium, interest at 5.00%	23,570	—
	354,805	343,140
Less unamortized bond issuance costs	(3,497)	(2,829)
Plus unamortized premium	31,188	31,335
	$ 382,496	371,646

In April 2025, the College entered into a $45,000 term loan with TD Bank, N.A. The proceeds of the Loan will be used by the College for general corporate purposes.

In August 2025, the College issued $23,570 par of Vermont Educational and Health Buildings Financing Agency (VEHBFA) Revenue Bonds, Series 2025 (the Series 2025 Bonds), in a tax-exempt financing. The proceeds from this issuance will be used to finance a portion of the costs of constructing, renovating, and

equipping various capital improvements to educational facilities located on the College's main campus in Middlebury, Vermont, and pay certain costs of issuance.

(a) Debt Maturities

Annual principal requirements under all long-term debt obligations as of June 30, 2026 are as follows:

2027	$	12,270
2028		12,650
2029		13,080
2030		13,650
2031		14,245
Thereafter		288,910
	$	354,805

(b) Credit Lines

As of June 30, 2026, Middlebury had a $50,000 line of credit with a variable interest rate set with reference to the Secured Overnight Financing Rate (SOFR) or a similar benchmark rate. The maturity date for the line of credit is March 31, 2028.

For the years ended June 30, 2026 and 2025, the outstanding balances on these lines were $20,000 and $0, respectively. The line of credit balance is included in accounts payable and accrued expenses on the statement of financial position. The proceeds of the borrowings are to be used for short-term working capital needs, pre-funding capital projects prior to a bond issuance, or providing temporary liquidity for investment transactions.

(10) Retirement Plans

Retirement benefits for benefits eligible employees of Middlebury, are individually funded and vested under a defined contribution program with the Teachers Insurance and Annuity Association and the College Retirement Equities Fund (TIAA-CREF). Under this plan, Middlebury makes contributions into the employee accounts based upon investment allocations exercised by the employee or defaulted into the Lifecycle mutual funds. Retirement contributions for the years ended June 30, 2026 and 2025 were $14,038 and $15,372, respectively.

(11) Composition of Net Assets

Net assets without donor restriction are comprised of the following:

	2026	2025
Board-designated endowment funds	$ 301,989	250,572
Net investment in plant	97,775	125,587
Other	(159,922)	(179,912)
	$ 239,842	196,247

Composition of net assets with donor restrictions are comprised of the following:

	2026		
	Total	Restricted in perpetuity	Accumulated gains on restricted endowments
Endowment funds:			
Restricted for program support	$ 540,690	215,449	325,241
Restricted for general operating	161,470	59,688	101,782
Restricted for scholarship and prizes	552,434	223,253	329,181
Restricted for instruction	398,229	97,344	300,885
Restricted for library	101,871	9,526	92,345
Restricted for other student benefit	10,634	653	9,981
	1,765,328	$ 605,913	1,159,415
Other restricted funds:			
Restricted for scholarships, loan funds and other specific purposes	85,780		
Restricted contributions receivable, net	64,749		
Restricted annuity and life income gifts	36,161		
	$ 1,952,018		

	2025		
	Total	Restricted in perpetuity	Accumulated gains on restricted endowments
Endowment funds:			
Restricted for program support	$ 453,855	201,461	252,394
Restricted for general operating	137,749	59,233	78,516
Restricted for scholarship and prizes	453,305	202,833	250,472
Restricted for instruction	338,521	94,679	243,842
Restricted for library	86,796	9,509	77,287
Restricted for other student benefit	9,046	638	8,408
	1,479,272	$ 568,353	910,919
Other restricted funds:			
Restricted for scholarships, loan funds and other specific purposes	63,049		
Restricted contributions receivable, net	71,982		
Restricted annuity and life income gifts	34,888		
	$ 1,649,191		

(12) Commitments and Contingencies

Middlebury has claims arising in the normal course of its operations. Middlebury believes that the outcome of these claims will not have a material adverse effect on the financial position, activities, or cash flows of Middlebury.

Middlebury has made a commitment to assist the Town of Middlebury (the Town) to finance the bridge construction project and has agreed to pay the Town the sum of $300 twice per year starting in fiscal year 2011 and continuing until thirty years thereafter. Middlebury has recorded a commitment payable of $6,136 and $6,279 as of June 30, 2026 and 2025, respectively. The original commitment was for $18,000 and was discounted at a rate of 5.00%. The commitment payable is included in the accounts payable and accrued expenses line on the Statement of Financial Position.

Middlebury has made a commitment to assist the Town in financing the construction of a municipal office building and a gymnasium/recreation facility. This pertains to an agreement between Middlebury and the Town regarding the transfer of certain parcels of land and buildings. Middlebury will pay the Town approximately $350 over two installments per year until 2034. The full commitment was for $6,159 and was discounted at 3.25%. Middlebury has recorded a payable of $2,076 and $2,305 as of June 30, 2026 and 2025, respectively. The commitment payable is included in the accounts payable and accrued expenses line on the Statement of Financial Position.

(Continued)

(13) Operating Expenses

The consolidated statements of activities present expenses by natural classification. Middlebury also summarizes expenses by functional classification. The primary program service is academic instruction and research. Expenses reported as student services and auxiliary enterprises are incurred in support of the primary program activity.

Natural class expenses are allocated to functional areas based predominantly on department-level expenses. Depreciation expense and interest expense are allocated to departments based on the purpose of associated buildings.

Operating expenses for the year ended June 30, 2026 are as follows:

	Instruction	Academic support	Student services	Institutional support	Sponsored activities	Total
Salaries and wages	$ 60,741	16,412	41,526	22,792	8,707	150,178
Employee benefits	24,581	6,642	16,805	9,224	3,025	60,277
Building and maintenance	3,835	1,496	5,918	7,572	226	19,047
Fees for services	6,322	2,543	4,912	8,554	2,794	25,125
Equipment and supplies	848	1,310	3,715	4,097	422	10,392
Travel and entertainment	1,230	2,214	3,975	996	2,306	10,721
Other expenses	5,893	3,180	11,700	2,042	3,654	26,469
Interest expense	3,539	1,030	8,847	1,329	—	14,745
Depreciation and amortization expense	9,387	1,235	9,634	4,447	—	24,703
June 30, 2026	$ 116,376	36,062	107,032	61,053	21,134	341,657

Operating expenses for the year ended June 30, 2025 are as follows:

	Instruction	Academic support	Student services	Institutional support	Sponsored activities	Total
Salaries and wages	$ 61,007	17,780	42,441	22,999	8,948	153,175
Employee benefits	24,942	7,271	17,351	9,403	3,093	62,060
Building and maintenance	3,704	1,293	5,504	7,397	262	18,160
Fees for services	6,064	2,263	4,701	8,887	2,561	24,476
Equipment and supplies	925	1,087	3,256	4,062	639	9,969
Travel and entertainment	1,223	2,156	3,646	1,071	2,119	10,215
Other expenses	5,184	3,750	11,499	1,206	4,181	25,820
Interest expense	2,771	1,625	5,717	880	—	10,993
Depreciation and amortization expense	6,124	3,061	12,705	1,734	—	23,624
June 30, 2025	$ 111,944	40,286	106,820	57,639	21,803	338,492

(Continued)

(14) Related Parties

Members of the College's Board of Trustees and Officers may, from time to time, be associated, either directly or indirectly, with companies doing business with the College. The College's conflict of interest policy requires, among other things, that no member of the Board of Trustees or Officer may participate in any decision in which they (or an immediate family member) have a material financial interest. For the Board of Trustees and Officers, the College requires an annual disclosure of significant financial interests in, family relationships, significant management function, or substantial business with entities doing business with the College. When such relationships exist, measures are taken to address the actual or perceived conflict to protect the best interests of the College and ensure compliance with relevant conflict of interest laws or policy.

Middlebury College contracts with the Green Mountain Higher Education Consortium, a related party, to provide Middlebury College with accounts payable processing, benefits administration, and payroll processing services. The Middlebury College management team, or Board of Trustee members may from time to time serve as either officers or Board of Directors for the Green Mountain Higher Education Consortium.