WESLEYAN UNIVERSITY

Financial Statements

June 30, 2026
(with summarized comparative information for June 30, 2025)

(With Independent Auditors' Report Thereon)

KPMG LLP
One Financial Plaza
755 Main Street
Hartford, CT 06103

Independent Auditors' Report

The Board of Trustees
Wesleyan University:

Opinion

We have audited the financial statements of Wesleyan University (the University), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University 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 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 2025 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 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 financial statements from which it has been derived.

KPMG LLP

Hartford, Connecticut
October 26, 2026

WESLEYAN UNIVERSITY

Statement of Financial Position

June 30, 2026
(with comparative financial information for June 30, 2025)

(In thousands of dollars)

Assets		**2026**	**2025**
Cash and cash equivalents	$	34,472	36,913
Short-term investments		89,316	139,629
Receivables, net, and other assets		25,243	22,223
Contributions receivable, net		13,863	15,931
Long-term investments		1,914,820	1,667,100
Investment in plant		702,815	646,317
Total assets	$	2,780,529	2,528,113
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	28,104	31,360
Liabilities associated with investments		611	92
Deferred revenues and other liabilities		17,778	24,482
Split-interest obligations		10,954	9,443
Postretirement benefit obligation		22,726	21,913
Long-term debt		437,690	438,582
Asset retirement obligation		10,390	10,145
Federal student loan advances		1,975	2,068
Total liabilities		530,228	538,085
Net assets:			
Without donor restrictions		832,122	695,793
With donor restrictions		1,418,179	1,294,235
Total net assets		2,250,301	1,990,028
Total liabilities and net assets	$	2,780,529	2,528,113

See accompanying notes to financial statements.

WESLEYAN UNIVERSITY

Statement of Activities

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

(In thousands of dollars)

	2026			
	Without donor restrictions	With donor restrictions	Total	Total 2025
Operating activities:				
Revenues and other support:				
Net student charges	$ 196,584	—	196,584	192,648
Contributions	10,383	—	10,383	10,079
Government and foundation grants	8,961	—	8,961	8,627
Other revenues	19,456	—	19,456	19,169
Nonoperating net assets used in operations:				
Endowment return used in operations	69,745	—	69,745	66,704
Restricted and designated net assets used in operations	6,953	—	6,953	6,830
Total revenues and other support	312,082	—	312,082	304,057
Expenses:				
Salaries and benefits	174,693	—	174,693	170,325
Supplies, services and other	100,383	—	100,383	95,856
Interest	12,869	—	12,869	14,199
Depreciation	18,709	—	18,709	15,761
Total expenses	306,654	—	306,654	296,141
Changes in net assets from operating activities	5,428	—	5,428	7,916
Nonoperating activities:				
Contributions	3,883	35,563	39,446	35,356
Foundation grants	—	2,235	2,235	2,742
Net investment return	79,614	214,922	294,536	126,681
Nonoperating net assets used in operations	(76,698)	—	(76,698)	(73,534)
Write-down of building carrying value	(9,708)	—	(9,708)	—
Other changes	8,630	(2,559)	6,071	(394)
Postretirement benefit obligation changes other than service cost	(1,037)	—	(1,037)	(3,813)
Net assets released from restrictions	126,217	(126,217)	—	—
Total nonoperating activities	130,901	123,944	254,845	87,038
Change in net assets	136,329	123,944	260,273	94,954
Net assets at beginning of year	695,793	1,294,235	1,990,028	1,895,074
Net assets at end of year	$ 832,122	1,418,179	2,250,301	1,990,028

See accompanying notes to financial statements.

WESLEYAN UNIVERSITY

Statement of Cash Flows

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

(In thousands of dollars)

		2026	2025
Cash flows from operating activities:			
Change in net assets	$	260,273	94,954
Adjustments to reconcile change in net assets to net cash used in operating activities:			
Depreciation		18,709	15,761
Write-down of building carrying value		9,708	—
Amortization of bond premium and cost of issuance		(892)	(882)
Net gains from investments and trusts		(304,940)	(138,227)
Gifts received for long-term investment		(29,872)	(23,534)
Postretirement benefit obligation change		813	2,934
Changes in assets and liabilities that provide (use) cash:			
Receivables, net and other assets		(3,020)	1,916
Contributions receivable, net		2,068	5,183
Accounts payable and accrued expenses		7,684	(9,714)
Deferred revenues and other liabilities		(6,704)	(1,005)
Change in valuation of split-interest obligations		2,394	(214)
Asset retirement obligation		245	318
Net cash used in operating activities		(43,534)	(52,510)
Cash flows from investing activities:			
Additions to property and equipment		(95,855)	(105,845)
Proceeds from sale of property, plant and equipment		—	12
Purchases of long-term investments		(213,556)	(233,707)
Sales of long-term investments		268,956	244,076
Sales of short-term investments		54,744	58,350
Net cash provided by (used in) investing activities		14,289	(37,114)
Cash flows from financing activities:			
Gifts received for long-term investment		29,872	23,534
Payments to beneficiaries of split-interest agreements		(883)	(190)
Changes in federal student loan advances		(93)	(164)
Net cash provided by financing activities		28,896	23,180
Net change in cash, cash equivalents, and restricted cash		(349)	(66,444)
Cash, cash equivalents and restricted cash at beginning of year		38,711	105,155
Cash, cash equivalents and restricted cash at end of year	$	38,362	38,711
Other cash flow information:			
Cash paid for interest	$	18,736	18,113
Change in accounts payable related to property and equipment		(10,940)	(361)
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	$	34,472	36,913
Long-term investments		3,890	1,798
Cash, cash equivalents and restricted cash	$	38,362	38,711

See accompanying notes to financial statements.

(1) Organization

Wesleyan University (the University), founded in 1831, is a private residential not-for-profit institution of higher learning. The University is co-educational and has approximately 3,000 undergraduate and 200 graduate students situated on a 316-acre campus in Middletown, Connecticut. The University offers Bachelor of Arts in 47 fields, plus Bachelor of Liberal Studies, Master's degrees and PhDs in selected disciplines. The University is accredited by the New England Commission of Higher Education.

(2) Summary of Significant Accounting Policies

The significant accounting policies followed by the University are described below:

(a) Basis of Reporting

The financial statements of the University have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles (GAAP).

The financial statements include 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 GAAP. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

(b) Net Asset Classes

The accompanying financial statements present information regarding the University's financial position and activities based upon the existence or absence of donor-imposed restrictions in the following net asset categories:

With donor restrictions: net assets subject to donor restrictions that expire with the passage of time, can be fulfilled by actions pursuant to the restrictions, or which may be perpetual.

Without donor restrictions: net assets not subject to donor restrictions on their use.

(c) Statement of Activities

The statement of activities reports changes in net assets from operating and nonoperating activities. Operating revenues consist of those items attributable to the University's undergraduate and graduate education programs and research conducted by the academic departments, as well as all contributions other than those restricted for long-term investment or not available for current operations.

Nonoperating activities include investment return on long-term investments, contributions restricted for endowment and plant purposes, postretirement benefit obligation adjustments other than service cost, changes in value of split-interest agreements, as well as certain items not related to the University's ongoing academic or research activities. To the extent nonoperating contributions, investment income and returns are used for operations, they are reclassified as net assets used in operations.

(d) Revenue Recognition

(i) Net Student Charges

Net student charges consist of tuition and fees and room and board charges, which are recorded as revenue in the year in which the related services are rendered. Revenue from student charges is determined based on published rates as billed and reflected net of reductions from institutional financial aid, which may be funded by endowment funds or other institutional resources. Disbursements made directly to students for living costs or other purposes are reported as an expense. Student charges received in advance of services rendered are categorized as deferred revenues and other liabilities in the statement of financial position.

Student charges were as follows for the years ended June 30, 2026 and 2025:

		2026	2025
Tuition and fees	$	233,756	231,278
Room and board		61,648	60,570
Gross student charges		295,404	291,848
Less scholarships		(98,820)	(99,200)
Net student charges	$	196,584	192,648

(ii) Contributions

Contributions, including unconditional promises to give, are recognized in the period received. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at the appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as increases in net assets with donor restrictions until the assets are acquired and placed in service.

The University accounts for nonexchange transfers of assets from government agencies and foundations as contributions. Contributions containing both a barrier and a right of return are accounted for as conditional contributions, and revenue is recognized when conditions are met. The University has elected the simultaneous release option for conditional contributions that are also subject to purpose restrictions. Under this option, net assets without donor restrictions include donor restricted contributions for which purpose restrictions and conditions are met in the same reporting period.

(e) Cash Equivalents and Short-Term Investments

Cash equivalents include only short-term, highly liquid working capital investments (those with original maturities of three months or less), exclusive of those recorded as long-term or short-term investments. Short-term investments include amounts invested in short-term, liquid assets selected to provide

optimum return for the University's ongoing operations and consist primarily of money market accounts and other short-term liquid assets.

(f) Receivables

The University extends credit to students in the form of accounts receivable and loans for educational purposes. At June 30, 2026 and 2025, student accounts receivable were $944 and $774, net of an allowance for credit losses of $190 and $166, respectively. Student loans receivable at June 30, 2026 and 2025 were $1,275 and $1,465, respectively, net of an allowance for credit losses of $1,234.

(g) Fair Value Measurements

Investments are reported at fair value. Fair value generally represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. GAAP establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

- Level 1 – quoted prices or published net asset values (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities;
- Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and
- Level 3 – unobservable inputs are used when little or no market data is available.

The University utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The University classifies its assets and liabilities in the hierarchy based on these inputs.

Most of the University's investments are held through limited partnerships and commingled funds for which fair value is estimated using net asset values (NAVs) reported by the fund managers as a practical expedient. These NAV-measured investments are not categorized within the fair value hierarchy.

These investments are generally redeemable or may be liquidated at NAV under the original terms of the subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. The nature of certain investments held by these funds, changes in market conditions and the economic environment may significantly impact the NAV of the funds and, consequently, the fair value of the University's interests in the funds. Furthermore, changes to the liquidity provisions of the funds may significantly impact the fair value of the University's interest in the funds. Although certain investments may be sold in secondary market transactions, subject to meeting certain requirements of the governing documents of the funds, the secondary market is not active and individual transactions are not necessarily observable. It is therefore reasonably possible that if the University were to sell its interest in a fund in the secondary market, the sale could occur at an amount materially different than the reported value.

As of June 30, 2026 and 2025, the University had no specific plans or intentions to sell investments at amounts different than NAV.

Subsequent to June 30, 2026, the University began evaluating the potential sale of interests in certain private equity funds as part of the University's portfolio and liquidity management. On September 30, 2026, the University executed a sale of interests in certain private equity funds with NAV of $83,646 for gross proceeds of $73,213. The buyers assumed $12,409 of unfunded capital commitments. The investments sold were reported at NAV as of June 30, 2026 as the University did not have specific plans or intentions to sell these investments at amounts different than NAV at that date.

(h) Investment in Plant

Investment in plant is stated at cost at the date of acquisition or estimated fair value at the date of donation in the case of gifts. Depreciation is calculated on a straight-line basis using useful lives of 50 years for buildings, 25 years for building improvements, 10 years for equipment and 7 years for computer hardware and software.

The University recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred, if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Any difference between the cost to actually settle the asset retirement obligation and the liability recorded is recognized as an operating gain or loss in the statement of activities.

(i) Liabilities Associated with Investments

The University may, from time to time, incur liabilities associated with its investment portfolio as a result of securities sold short or other transactions. In order to terminate a short position, the University must acquire and deliver to the lender a security identical to the one it borrowed and sold short, and a gain or loss is recognized for the difference between the short sale proceeds and the cost of the identical security acquired. Liabilities reported on the statement of financial position represent the fair value of the identical securities that must be acquired to settle the obligation to the lender. The liabilities would be classified as Level 1 in the fair value hierarchy given that they are measured based on marketable securities.

(j) Split Interest Obligations

The University has a charitable gift annuity plan whereby donors may contribute assets in exchange for the right to receive a fixed-dollar periodic payment of the gift assets during their lifetimes. Payments begin in accordance with the timing stipulated in the gift annuity contracts. The difference between the original annuity amount invested and the discounted liability for future payments, determined on an actuarial basis, is recognized as contribution revenue at the date of the gift. The actuarial liability is revalued annually and any surplus or deficiency is recognized as a change in value in the statements of activities.

Assets under the University's gift annuity program, recorded in long-term investments on the statement of financial position, were $17,426 and $13,185, and liabilities to donors, recorded in split interest obligations on the statement of financial position, were of $9,207 and $7,574, as of June 30, 2026 and 2025, respectively.

(k) Income Taxes

The University is generally exempt from income taxes under Internal Revenue Code, Section 501(a), as an organization described in Section 501(c)(3). The University assesses uncertain tax positions and determined that there were no such positions that have a material effect on the financial statements.

The University is subject to a federal excise tax of 1.4% on net investment income (the "Endowment Tax") under the Tax Cuts and Jobs Act signed into law on December 22, 2017. Net investment income includes interest, dividends and net realized gains on the sale of investments.

Estimated excise tax expense of $1,715 and $583 for the fiscal years ended June 30, 2026 and 2025, respectively, is reported in Accounts payable and accrued expenses in the statement of financial position and in net investment return in the statement of activities. Beginning with the fiscal year ending June 30, 2027, due to Public Law 119 21 (often referred to as the One Big Beautiful Bill Act), which was enacted on July 4, 2025, the excise tax will no longer be applicable to the University.

The University recorded a provision for deferred taxes in the amount of $8,633 for the year ended June 30, 2025. The deferred tax liability represented expected future excise tax payable on unrealized investment income. The liability was reported in other liabilities on the statement of financial position for June 30, 2025. In 2026, with the enactment of Public Law 119 21, the University revised its estimate of future excise taxes payable and reversed the full amount to other changes in the statement of activities.

(l) 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(m) Risks and Uncertainties

Investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in their value, it is reasonably possible that changes in these risks in the near term could materially affect amounts reported in the financial statements.

(n) Prior Year Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported net income, total assets, or net assets.

(3) Financial Assets and Liquidity Resources

The University's cash flows have seasonal variations during the year attributable to billings for student charges and there is a concentration of contributions received at calendar and fiscal year ends. To manage liquidity, the University maintains a working capital portfolio conservatively invested in cash and short-term investments with daily liquidity. As further described in note 11, the University maintains two lines of credit that provide up to $80,000, which can be drawn on to manage cash flows.

As of June 30, 2026, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled debt service, and capital construction costs not financed with debt, were as follows:

Financial assets:		
Cash and cash equivalents	$	34,472
Short-term investments		89,316
Accounts and student loans receivable, net due within one year		4,239
Pledges receivable, net available for operations due within one year		1,170
Fiscal 2027 Board-approved endowment appropriation		72,340
Total financial assets available within one year		201,537
Liquidity resources:		
Line of credit, undrawn		80,000
Total financial assets and liquidity resources	$	281,537

In addition, as of June 30, 2026, subject to liquidity provisions, the University had an additional $53,988 in working capital investments and $434,532 in board-designated endowment, which is available for general expenditure with Board approval.

(Continued)

(4) Contributions Receivable

The following is a summary of unconditional promises to give at June 30 is as follows:

		2026	2025
Contributions expected to be collected within:			
Less than one year	$	6,802	6,137
One to five years		8,076	10,372
More than five years		800	1,800
		15,678	18,309
Less allowance for uncollectible pledges		(617)	(690)
Less discount for present value		(1,198)	(1,688)
Net unconditional promises to give	$	13,863	15,931

The University applies an allowance for uncollectible pledges based on factors such as prior collection history, type of contribution, nature of the fundraising activity, and future collection expectations. Discount rates used range from 0.22% to 4.50%.

As of June 30, 2026, approximately 41% of the pledge receivable balance was due from three donors.

Office of Advancement expenditures, which are primarily for fundraising purposes and alumni activity, totaled $11,966 and $10,657 in fiscal years 2026 and 2025, respectively.

Conditional contributions receivable as of June 30, 2026 and 2025 are $14,491 and $8,139, respectively.

(Continued)

(5) Investments and Fair Value

The University's assets that are reported at estimated fair value are summarized in the following tables by their fair value hierarchy classification as of June 30, 2026 and 2025:

June 30, 2026	Investments measured at NAV	Investments classified in the fair value hierarchy			Total
		Level 1	Level 2	Level 3	
Cash and cash equivalents	$ —	34,472	—	—	34,472
Short-term investments	—	89,316	—	—	89,316
Long-term investments:					
Cash and cash equivalents	—	32,044	—	—	32,044
Fixed income	—	36,989	—	—	36,989
Global equity	425,620	46,506	—	5,978	478,104
Real assets	125,865	—	—	20,113	145,978
Private equity	943,273	290	—	6,026	949,589
Absolute return	242,136	—	—	—	242,136
Split-interest agreements*	—	21,280	—	—	21,280
Other investments	—	—	—	280	280
Funds held or administered by others	—	—	—	8,420	8,420
Total long-term investments	1,736,894	137,109	—	40,817	1,914,820
Total	$ 1,736,894	260,897	—	40,817	2,038,608

* Invested in mutual funds with daily liquidity.

June 30, 2025	Investments measured at NAV	Investments classified in the fair value hierarchy			Total
		Level 1	Level 2	Level 3	
Cash and cash equivalents	$ —	36,913	—	—	36,913
Short-term investments	—	139,629	—	—	139,629
Long-term investments:					
Cash and cash equivalents	—	15,725	—	—	15,725
Fixed income	—	36,076	—	—	36,076
Global equity	345,014	51,692	—	6,446	403,152
Real assets	99,157	—	—	19,144	118,301
Private equity	775,696	3,618	—	3,760	783,074
Absolute return	285,819	—	—	—	285,819
Split-interest agreements*	—	17,014	—	—	17,014
Other investments	—	—	—	293	293
Funds held or administered by others	—	—	—	7,646	7,646
Total long-term investments	1,505,686	124,125	—	37,289	1,667,100
Total	$ 1,505,686	300,667	—	37,289	1,843,642

* Invested in mutual funds with daily liquidity.

(Continued)

The following tables present the University's activity for the fiscal years ended June 30, 2026 and 2025 for Level 3 investments:

	June 30, 2026				
Level 3 roll forward	**Beginning balance as of June 30, 2025**	**Additions**	**Sales and maturities**	**Net realized and unrealized gains (losses)**	**Ending balance as of June 30, 2026**
Real assets	$ 19,144	2,000	(1,797)	766	20,113
Other investments	293	—	(43)	30	280
Private equity	3,760	2,266	—	—	6,026
Global equity	6,446	—	(461)	(7)	5,978
Funds held or administered by others	7,646	—	(218)	992	8,420
	$ 37,289	4,266	(2,519)	1,781	40,817

	June 30, 2025				
Level 3 roll forward	**Beginning balance as of June 30, 2024**	**Additions**	**Sales and maturities**	**Net realized and unrealized gains (losses)**	**Ending balance as of June 30, 2025**
Real assets	$ 17,489	4,809	(3,724)	570	19,144
Other investments	2,438	—	(2,142)	(3)	293
Private equity	3,760	—	—	—	3,760
Global equity	8,593	—	(2,147)	—	6,446
Funds held or administered by others	6,852	—	—	794	7,646
	$ 39,132	4,809	(8,013)	1,361	37,289

The University has committed to invest in various limited partnerships. Under the terms of the partnership agreements, the University is obligated to remit additional funding periodically as managers exercise capital calls. These partnerships have a limited existence, generally 10 years, and such agreements may provide annual extensions for the purpose of disposing portfolio holdings and returning capital to investors. Depending on market conditions, an inability to execute the fund's strategy, and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. As a result, the timing and amount of future capital calls expected in any particular future year is uncertain within a range of between 1 and 11 years. The aggregate amount of unfunded commitments associated with investments as of June 30, 2026 was $324,234.

Investment liquidity as of June 30, 2026 is aggregated below based on redemption or sale terms:

	In liquidation	Daily	Monthly to quarterly	Semi-annual to annual	Initial lockup	Illiquid	Total
Cash and cash equivalents	$ —	34,472	—	—	—	—	34,472
Short-term investments	—	89,316	—	—	—	—	89,316
Long-term investments:							
Money market funds and cash equivalents	—	32,044	—	—	—	—	32,044
Fixed income	—	36,989	—	—	—	—	36,989
Global equity	51,190	5,978	112,719	89,609	133,239	85,369	478,104
Real assets	—	—	—	—	—	145,978	145,978
Private equity	—	290	—	—	—	949,299	949,589
Absolute return	—	—	160,396	21,500	26,344	33,896	242,136
Split-interest agreements	—	21,280	—	—	—	—	21,280
Other investments	—	—	—	—	—	280	280
Funds held or administered by others	—	—	—	—	—	8,420	8,420
Total long-term investments	51,190	96,581	273,115	111,109	159,583	1,223,242	1,914,820
Total	$ 51,190	220,369	273,115	111,109	159,583	1,223,242	2,038,608

Certain funds contain lockup provisions. Under such provisions, share classes of the investment are available for redemption at prescribed dates in accordance with the partnership agreement of the fund. In some cases, funds may impose fees in exchange for advanced liquidity opportunities. A portion of the underlying investments within the categories of monthly to quarterly and semi-annual to annual may include private or side-pocket investments from which the University may not have an ability to redeem. Additionally, tranches of certain funds within these categories may restrict redemptions to a portion of the value over a rolling quarterly or annual basis.

(6) Endowment

The University classifies net assets of donor-restricted endowment funds consistent with the requirements of the State of Connecticut's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

The University's endowment consists of approximately 1,300 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Relevant Law

The University 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. Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA.

UPMIFA provides standards for investing in a prudent manner by establishing a duty to minimize cost; diversify the investments; investigate facts relevant to the investment of the fund; and consider tax consequences of investment decisions and that investment decisions be made in light of the fund's entire portfolio as a part of an investment strategy having risk and return objectives reasonably suited to the fund and to the University. UPMIFA also permits the University to appropriate for expenditure or accumulate so much of an endowment fund as the University determines to be prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, thereby eliminating the restriction that a fund could not be spent below its historical dollar value. The University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the University and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the University
- The investment policies of the University

Endowment funds consisted of the following at June 30, 2026 and 2025:

	2026				
		With donor restrictions			
	Without donor restrictions	Original gift	Accumulated gains (losses)	Total donor restricted	Total funds
Board designated endowment funds	$ 434,532	687	722	1,409	435,941
Donor-restricted endowment funds:					
Underwater	—	177	(24)	153	153
Other	—	494,603	887,883	1,382,486	1,382,486
Sub-total	434,532	495,467	888,581	1,384,048	1,818,580
Working capital funds	53,988	—	—	—	53,988
Total endowment assets	$ 488,520	495,467	888,581	1,384,048	1,872,568

(Continued)

	2025				
		With donor restrictions			
	Without donor restrictions	Original gift	Accumulated gains (losses)	Total donor restricted	Total funds
Board designated endowment funds	$ 382,683	687	563	1,250	383,933
Donor-restricted endowment funds:					
Underwater	—	20,804	(1,294)	19,510	19,510
Other	—	451,483	728,987	1,180,470	1,180,470
Sub-total	382,683	472,974	728,256	1,201,230	1,583,913
Working capital funds	57,364	—	—	—	57,364
Total endowment assets	$ 440,047	472,974	728,256	1,201,230	1,641,277

Changes in endowment funds for the years ended June 30, 2026 and 2025 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment assets, June 30, 2025	$ 440,047	1,201,230	1,641,277
Investment return	75,697	212,475	288,172
Contributions	—	21,903	21,903
Working capital changes	(12,000)	—	(12,000)
Other changes, net	1,713	1,248	2,961
Appropriation of endowment assets for expenditure	(16,937)	(52,808)	(69,745)
Endowment assets, June 30, 2026	$ 488,520	1,384,048	1,872,568

	Without donor restrictions	With donor restrictions	Total
Endowment assets, June 30, 2024	$ 441,686	1,141,620	1,583,306
Investment return	32,161	86,185	118,346
Contributions	—	16,196	16,196
Working capital changes	(14,100)	—	(14,100)
Other changes, net	(3,095)	7,328	4,233
Appropriation of endowment assets for expenditure	(16,605)	(50,099)	(66,704)
Endowment assets, June 30, 2025	$ 440,047	1,201,230	1,641,277

(Continued)

Working capital funds are operating reserves invested in the endowment and are not subject to the endowment spending policy.

(b) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. These deficiencies result from unfavorable market fluctuations that occur after the investment of new donor-restricted contributions and/or appropriation from such funds. Subsequent market gains will be used to restore this reduction in net assets.

(c) Return Objectives and Risk Parameters

A portion of the endowment assets is included in an investment pool that is accounted for on a unitized market value basis, with each individual fund subscribing to or disposing of units on the basis of the market value per unit of the pool at the end of the calendar month within which the transaction took place. The value of the units is based on a total return investment policy.

The University has adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets.

(d) 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 yield (interest and dividends). The University targets a diversified asset allocation that places emphasis on investments in equities, fixed income, and alternative investments to achieve its long-term return objectives with prudent risk constraints.

(e) Spending Policy and How the Investment Objectives Relate to Spending Policy

The University follows a spending policy known as the Tobin rule, named for James Tobin, recipient of the 1981 Nobel Prize in Economics. This rule sets the annual distribution using a quantitative formula that combines elements of stability and market conditions. The University's endowment spending is 70% based on the prior year's spending plus inflation (measured by the Higher Education Price Index (HEPI) as of June 30 of the past fiscal year) and 30% from 4.5% of the market value of endowment as of June 30 of the previous fiscal year. For fiscal 2026 and 2025, $69,745 and $66,704 was appropriated, respectively.

(7) Net Assets

At June 30, 2026 and 2025, net assets without donor restrictions were comprised as follows:

		2026	2025
Undesignated	$	88,865	58,156
Net investment in plant		254,737	197,590
Board designated endowment		434,532	382,683
Working capital		53,988	57,364
Total	$	832,122	695,793

At June 30, 2026 and 2025, net assets with donor restrictions were comprised as follows:

2026		Held in perpetuity	Subject to endowment appropriation	Subject to time and/or donor restrictions	Total net assets with donor restrictions
Capital projects	$	4,267	54	2,371	6,692
Financial aid		276,896	242,829	1,529	521,254
Instruction and research		83,579	245,721	8,217	337,517
Library		3,672	18,390	20	22,082
General purpose and other		146,370	380,470	3,794	530,634
	$	514,784	887,464	15,931	1,418,179

2025		Held in perpetuity	Subject to endowment appropriation	Subject to time and/or donor restrictions	Total net assets with donor restrictions
Capital projects	$	—	—	66,230	66,230
Financial aid		271,595	235,361	3,808	510,764
Instruction and research		173,925	193,859	5,127	372,911
Library		4,081	18,018	10	22,109
General purpose and other		37,946	281,333	2,942	322,221
	$	487,547	728,571	78,117	1,294,235

(Continued)

(8) Investment in Plant

At June 30, 2026 and 2025, the components of the University's investment in plant were as follows:

	2026	2025
Campus land and improvements	$ 42,182	41,669
Buildings and improvements	852,446	613,571
Equipment	159,946	149,070
Construction in progress	17,508	182,857
Total	1,072,082	987,167
Less accumulated depreciation	(369,267)	(340,850)
Total investment in plant	$ 702,815	646,317

During 2026, the University completed construction of the Casper Life Sciences Building and placed it in service in April 2026. Interest expense of $4,121 was capitalized as part of the project. The Casper Life Sciences Building replaces Hall-Atwater Laboratory, which the University vacated in June 2026 and has no plans to use again. Demolition is scheduled for December 2026. Because the building is no longer in use, the University has recorded a write-down of Hall-Atwater's net book value of $9,708 in 2026. Demolition costs associated with Hall-Atwater will be expensed as incurred in 2027.

(9) Operating Expenses

Expenses presented by natural classification and function are as follows for the years ended June 30, 2026 and 2025:

2026	Salaries and benefits	Supplies, services and other	Interest expense	Depreciation	Total
Instruction	$ 111,419	28,592	4,883	6,705	151,599
Research	4,213	4,226	246	370	9,055
Academic support	5,796	6,785	1,195	1,796	15,572
Student services	19,119	3,269	1,133	1,703	25,224
Institutional support	28,634	12,418	949	1,428	43,429
Auxiliary activities	5,512	45,093	4,463	6,707	61,775
Total	$ 174,693	100,383	12,869	18,709	306,654

(Continued)

2025	Salaries and benefits	Supplies, services and other	Interest expense	Depreciation	Total
Instruction	$ 108,444	29,033	5,805	5,649	148,931
Research	4,665	4,022	548	312	9,547
Academic support	5,515	7,255	1,211	1,513	15,494
Student services	18,830	3,274	1,148	1,434	24,686
Institutional support	27,481	9,254	963	1,203	38,901
Auxiliary activities	5,390	43,018	4,524	5,650	58,582
Total	$ 170,325	95,856	14,199	15,761	296,141

The University allocates physical plant operations, depreciation, and interest expenses to functional expenditure categories based on square footage of facilities identified for each functional expenditure category.

(10) Debt

At June 30, 2026 and 2025, long-term debt consisted of the following:

	2026	2025
Taxable bonds, Series 2021	$ 55,520	55,520
Taxable bonds, Series 2020	75,000	75,000
Taxable bonds, Series 2016	250,000	250,000
Revenue bonds payable (CHEFA Series I)	35,390	35,390
Revenue bonds payable (CHEFA Series H)	20,105	20,105
Total	436,015	436,015
Unamortized costs of issuance	(3,453)	(3,555)
Unamortized premium	5,128	6,122
Long-term debt	$ 437,690	438,582

(a) Taxable Bonds, Series 2021

In July 2021, the University issued $55,520 of taxable bonds at a fixed rate of 2.872% with all principal due July 1, 2051.

(b) Taxable Bonds, Series 2020

In January 2020, the University issued $75,000 of taxable bonds at a fixed rate of 3.37% with all principal due July 1, 2050. The University is required to make semi-annual payments of interest.

(Continued)

(c) Taxable Bonds, Series 2016

In May 2016, the University issued $250,000 of taxable bonds at a fixed rate of 4.78% with all principal due July 1, 2116. The University is required to make semi-annual payments of interest.

(d) CHEFA Series I

In July 2021, the University issued tax-exempt bonds with $35,390 in par outstanding with a fixed coupon of 4.0% payable semi-annually. Series I was issued at a premium with an unamortized balance at June 30, 2026 of $5,128. All principal is due July 1, 2031.

(e) CHEFA Series H

$20,105 variable rate demand bonds have their interest rates set weekly. The interest rate at June 30, 2026 and 2025 was 2.7% and 2.3% respectively. The University makes monthly payments of interest. The University may make prepayments of principal and is required to pay any remaining principal balance on July 1, 2040. The University maintains sufficient liquidity to purchase the bonds if remarketing is not successful.

(f) Debt Maturities

There are no principal payments of long-term debt required within the next five fiscal years.

(g) Debt Covenants

The University is subject to certain financial covenants that would be imposed if the University does not maintain its credit rating. The University maintained its credit rating during the years ended June 30, 2026 and 2025, and thus the financial covenants were not applicable.

(11) Lines of Credit

As of June 30, 2026, the University had the following revolving loan agreements with a financial institution:

Expiration date		Amount
June 26, 2028	$	40,000
July 6, 2029		40,000
Total lines of credit	$	80,000

For both lines, for amounts drawn, the interest rate is set at 60 basis points above Secured Overnight Financing Rate (SOFR). The University did not utilize these lines in fiscal 2026 or 2025 and no amounts were outstanding as of June 30, 2026 and 2025.

(Continued)

(12) Benefit Plans

(a) Defined Contribution Plan

The University has defined contribution retirement plans, with contributions based on a percentage of salary, covering substantially all employees. Total expense was $12,361 and $11,225 for fiscal 2026 and 2025, respectively.

(b) Deferred Compensation Plan

The University sponsors a deferred compensation plan under Section 457(b) of the Internal Revenue Code for certain eligible employees. Participants may elect to defer a portion of their compensation, which is invested at the participant's direction. Plan assets are held by the University and remain subject to the claims of the University's general creditors. At June 30, 2026 and 2025, plan assets of $15,035 and $13,021 are included in receivables, net, and other assets on the statement of financial position. Related deferred compensation obligations of the same amounts are included in deferred revenues and other liabilities on the statement of financial position.

(c) Postretirement Benefits

The University provides certain postretirement health care benefits to employees. Employees become eligible to receive medical and life insurance benefits at various age and service requirements based on their group classifications (faculty, non-faculty, or physical plant bargaining unit). The University recognizes the cost of providing such benefits to the employees and dependents, if applicable, in the financial statements during the employees' active working lives. Those who elect early retirement before they are eligible for Medicare can continue in plans for active faculty and staff, which require premium sharing. Upon reaching Medicare eligibility, retirees may elect to participate in the Medicare Part D supplement plan or receive an annual fixed annuity payment.

The status of the University's plan and the amounts recognized in the statements of financial position at June 30, 2026 and 2025 are as follows:

		2026	2025
Change in benefit obligation:			
Benefit obligation as of beginning of year	$	21,913	18,979
Service cost		805	682
Interest cost		1,133	990
Plan participants' contributions		134	136
Amendments		—	628
Benefits paid		(1,237)	(1,756)
Medicare Part D Subsidy		74	59
Actuarial (gain) loss		(96)	2,195
Benefit obligation and funded status as of end of year	$	22,726	21,913

(Continued)

Components of net periodic benefit cost are as follows for the years ended June 30:

	2026	2025
Operating:		
Service cost	$ 805	682
Total operating, included in salaries and benefits	805	682
Nonoperating:		
Interest on accumulated postretirement benefit obligation	1,133	990
Prior service cost amortization	191	130
Amortization of actuarial gain	38	106
Total nonoperating	1,362	1,226
Total net periodic benefit cost	$ 2,167	1,908

For measurement purposes, an annual rate of increase of 7.5% in the per capita cost of covered healthcare and prescription drug benefits was assumed as of June 30, 2026. The rates were assumed to decrease to 4.6% by 2050 and remain at that level thereafter. Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans.

The weighted average discount rates used to determine benefit obligations are 5.4% and 5.2% for fiscal 2026 and 2025, respectively.

The weighted average discount rates used to determine net periodic benefit costs were 5.2% and 5.3% for fiscal 2026 and 2025, respectively.

The benefits, as of June 30, 2026, expected to be paid in each of the next five fiscal years and in the aggregate for the five fiscal years thereafter, are as follows:

Fiscal year	Amount
2027	$ 1,372
2028	1,552
2029	1,688
2030	1,813
2031	1,916
Five fiscal years thereafter	10,445

(Continued)

(13) Commitments and Contingencies

All funds expended in conjunction with government grants and contracts are subject to audit by governmental agencies. In the opinion of management, any potential liability resulting from these audits will not have a material effect on the University's financial position.

The University is a defendant in various legal actions arising out of the normal course of its operations. Although the final outcome of such actions cannot currently be determined, the University believes that eventual liability not reflected on the statement of financial position, if any, will not have a material effect on the University's financial position.

(14) Related-Party Transactions

Members of the Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly with companies doing business with the University. The University has a written conflict of interest policy that requires annual reporting by each Board member as well as the University senior management. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arms' length, based on terms in the best interest of the University.

(15) Subsequent Events

Management has evaluated events subsequent to June 30, 2026 and through October 26, 2026, the date on which the financial statements were issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Other than the subsequent event disclosed in footnote 2(g), no additional disclosures were deemed to be necessary.