



**GEORGE MASON  
UNIVERSITY  
FOUNDATION, INC.**

**GEORGE MASON UNIVERSITY FOUNDATION, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

***As of and for the Year Ended June 30, 2025  
(With Summarized Comparative Information for June 30, 2024)***

***And Report of Independent Auditor***

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## Report of Independent Auditor

To the Board of Trustees  
George Mason University Foundation, Inc. and Subsidiaries  
Fairfax, Virginia

### Opinion

We have audited the accompanying consolidated financial statements of the George Mason University Foundation, Inc. (the "Foundation") and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Foundation as of June 30, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Foundation's ability to continue as a going concern within one year after the date the consolidated financial statements are available to be issued.

### Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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 of Summarized Comparative Information**

We have previously audited the Foundation's 2024 consolidated financial statements, and we have expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 25, 2024. In our opinion, the comparative information, including the summarized comparative information, presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited statements from which it has been derived.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated supplementary information on pages 5 and 6 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Cherry Bekaert LLP*

Tysons Corner, Virginia  
October 28, 2025

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

	<b>GMU</b> <b>Foundation, Inc.</b>	<b>Real Estate Subsidiaries</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,929,424	\$ 4,671,841	\$ 16,601,265	\$ 17,438,883
Restricted cash and cash equivalents	-	3,479,074	3,479,074	3,337,123
Contributions receivable, net	46,015,196	-	46,015,196	31,615,548
Investments	370,535,699	-	370,535,699	325,826,233
Beneficial interest in perpetual and remainder trusts	43,432,761	-	43,432,761	39,185,838
Property and equipment, net	10,991,754	-	10,991,754	11,081,741
Net investment in direct financing leases	-	61,652,889	61,652,889	68,500,222
Other assets	1,559,623	-	1,559,623	1,755,337
<b>Total Assets</b>	<b>\$ 484,464,457</b>	<b>\$ 69,803,804</b>	<b>\$ 554,268,261</b>	<b>\$ 498,740,925</b>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 4,171,089	\$ 493,801	\$ 4,664,890	\$ 4,409,141
Amounts held for others	14,596,802	-	14,596,802	12,878,414
Notes and bonds payable, net	-	65,815,779	65,815,779	73,268,582
Other liabilities	542,214	-	542,214	435,298
<b>Total Liabilities</b>	<b>19,310,105</b>	<b>66,309,580</b>	<b>85,619,685</b>	<b>90,991,435</b>
Net Assets:				
Without donor restrictions	45,716,837	3,494,224	49,211,061	41,991,078
With donor restrictions	419,437,515	-	419,437,515	365,758,412
<b>Total Net Assets</b>	<b>465,154,352</b>	<b>3,494,224</b>	<b>468,648,576</b>	<b>407,749,490</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 484,464,457</b>	<b>\$ 69,803,804</b>	<b>\$ 554,268,261</b>	<b>\$ 498,740,925</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2025**  
**(WITH SUMMARIZED COMPARATIVE TOTALS YEAR ENDED JUNE 30, 2024)**

	GMU Foundation, Inc.		Real Estate Subsidiaries -		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Year Ended June 30, 2025	Year Ended June 30, 2024
<b>Support and Revenue:</b>					
Contributions, net of loss on uncollectible contributions of \$794,176 and \$232,450	\$ 1,359,154	\$ 91,363,123	\$ -	\$ 92,722,277	\$ 78,274,837
In-kind contributions	37,845	1,667,233	-	1,705,078	1,466,639
Investment returns, net	8,374,487	30,316,317	263,481	38,954,285	32,757,517
Service fees	3,018,398	-	-	3,018,398	2,950,980
Rental income	482,260	-	130,819	613,079	830,844
Interest on direct financing leases	-	-	3,957,474	3,957,474	4,321,316
Trust and other income	592,546	4,770,501	-	5,363,047	2,641,941
Net assets released from restrictions	74,438,071	(74,438,071)	-	-	-
<b>Total Support and Revenue</b>	<b>88,302,761</b>	<b>53,679,103</b>	<b>4,351,774</b>	<b>146,333,638</b>	<b>123,244,074</b>
<b>Operating Expenses:</b>					
Program Support for George Mason University:					
Academic institutional support	81,023,624	-	-	81,023,624	128,006,131
Real estate operations	244,377	-	2,982,943	3,227,320	3,546,550
Management and general	3,561,526	-	-	3,561,526	3,172,668
Fundraising	706,243	-	-	706,243	640,382
<b>Total Operating Expenses</b>	<b>85,535,770</b>	<b>-</b>	<b>2,982,943</b>	<b>88,518,713</b>	<b>135,365,731</b>
Change in net assets before nonoperating activities	2,766,991	53,679,103	1,368,831	57,814,925	(12,121,657)
(Loss) gain on sale of assets	(161,652)	-	3,245,813	3,084,161	-
Gain from discontinued operations	-	-	-	-	54,353,416
Change in net assets	2,605,339	53,679,103	4,614,644	60,899,086	42,231,759
Net assets, beginning of year	39,460,316	365,758,412	2,530,762	407,749,490	365,517,731
Transfer of net assets	3,651,182	-	(3,651,182)	-	-
<b>Net assets, end of year</b>	<b>\$ 45,716,837</b>	<b>\$ 419,437,515</b>	<b>\$ 3,494,224</b>	<b>\$ 468,648,576</b>	<b>\$ 407,749,490</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED SUPPLEMENTAL STATEMENT OF FINANCIAL POSITION –**  
**REAL ESTATE SUBSIDIARIES**

**JUNE 30, 2025**  
**(WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

	GMUF Mason Administration, LLC	GMUF Prince William Housing, LLC	GMUF Prince William Life Sciences Lab, LLC	GMUF Potomac Heights, LLC	June 30, 2025	June 30, 2024
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,284,498	\$ 556,193	\$ 676,329	\$ 1,154,821	\$ 4,671,841	\$ 4,510,067
Restricted cash and cash equivalents	-	1,562,964	1,916,110	-	3,479,074	3,337,123
Net investment in direct financing leases	19,775,039	12,034,922	24,896,257	4,946,671	61,652,889	68,500,222
Other assets	-	-	-	-	-	4,405
<b>Total Assets</b>	<b>\$ 22,059,537</b>	<b>\$ 14,154,079</b>	<b>\$ 27,488,696</b>	<b>\$ 6,101,492</b>	<b>\$ 69,803,804</b>	<b>\$ 76,351,817</b>
<b>LIABILITIES AND NET ASSETS</b>						
Liabilities:						
Accounts payable and accrued expenses	\$ 59,272	\$ 132,661	\$ 291,756	\$ 10,112	\$ 493,801	\$ 552,473
Notes and bonds payable, net	20,392,579	13,124,662	27,276,745	5,021,793	65,815,779	73,268,582
<b>Total Liabilities</b>	<b>20,451,851</b>	<b>13,257,323</b>	<b>27,568,501</b>	<b>5,031,905</b>	<b>66,309,580</b>	<b>73,821,055</b>
Net Assets (Deficit) - Without Donor Restrictions:						
GMUF Mason Administration, LLC	1,607,686	-	-	-	1,607,686	1,286,809
GMUF Prince William Housing, LLC	-	896,756	-	-	896,756	601,135
GMUF Prince William Life Sciences Lab, LLC	-	-	(79,805)	-	(79,805)	(511,692)
GMUF Commerce Buildings, LLC	-	-	-	-	-	424,618
GMUF Potomac Heights, LLC	-	-	-	1,069,587	1,069,587	729,892
<b>Total Net Assets (Deficit) - Without Donor Restrictions</b>	<b>1,607,686</b>	<b>896,756</b>	<b>(79,805)</b>	<b>1,069,587</b>	<b>3,494,224</b>	<b>2,530,762</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 22,059,537</b>	<b>\$ 14,154,079</b>	<b>\$ 27,488,696</b>	<b>\$ 6,101,492</b>	<b>\$ 69,803,804</b>	<b>\$ 76,351,817</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED SUPPLEMENTAL STATEMENT OF ACTIVITIES –**  
**REAL ESTATE SUBSIDIARIES**

**YEAR ENDED JUNE 30, 2025**

**(WITH SUMMARIZED COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2024)**

	GMUF Mason Administration, LLC	GMUF Prince William Housing, LLC	GMUF Prince William Life Sciences Lab, LLC	GMUF Commerce Buildings, LLC	GMUF Potomac Heights, LLC	Year Ended June 30, 2025	Year Ended June 30, 2024
<b>Support and Revenue:</b>							
Investment returns, net	\$ 61,830	\$ 83,700	\$ 100,945	\$ 5,065	\$ 11,941	\$ 263,481	\$ 288,579
Rental income	-	-	-	130,819	-	130,819	317,084
Interest on direct financing leases	1,061,067	684,851	1,629,185	47,433	534,938	3,957,474	4,321,316
<b>Total Support and Revenue</b>	<b>1,122,897</b>	<b>768,551</b>	<b>1,730,130</b>	<b>183,317</b>	<b>546,879</b>	<b>4,351,774</b>	<b>4,926,979</b>
<b>Operating Expenses:</b>							
Administrative	48,050	51,258	96,781	68,529	50,049	314,667	898,872
Interest expense	753,970	421,672	1,201,462	38,955	157,135	2,573,194	2,794,096
Utilities and other	-	-	-	95,082	-	95,082	260,004
<b>Total Operating Expenses</b>	<b>802,020</b>	<b>472,930</b>	<b>1,298,243</b>	<b>202,566</b>	<b>207,184</b>	<b>2,982,943</b>	<b>3,952,972</b>
Change in net assets before nonoperating activities	320,877	295,621	431,887	(19,249)	339,695	1,368,831	984,007
Gain on sale of assets				3,245,813		3,245,813	-
Gain from discontinued operations	-	-	-	-	-	-	54,353,416
Change in net assets	320,877	295,621	431,887	3,226,564	339,695	4,614,644	55,337,423
Net assets (deficit) - without donor restrictions, beginning of year	1,286,809	601,135	(511,692)	424,618	729,892	2,530,762	25,001,362
Transfer of net assets to GMU Foundation, Inc.	-	-	-	(3,651,182)	-	(3,651,182)	(77,808,023)
<b>Net assets (deficit) - without donor restrictions, end of year</b>	<b>\$ 1,607,686</b>	<b>\$ 896,756</b>	<b>\$ (79,805)</b>	<b>\$ -</b>	<b>\$ 1,069,587</b>	<b>\$ 3,494,224</b>	<b>\$ 2,530,762</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

**YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2024)**

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 60,899,086	\$ 42,231,759
Adjustments to reconcile changes in net assets		
to net cash flows from operating activities:		
Depreciation and amortization of property and leasing commissions	140,387	155,138
Amortization of debt issuance costs	121,296	215,038
Change in discount on contributions receivable	6,445,710	(17,016)
Unrealized and realized investment gains	(36,848,356)	(29,218,047)
Change in value of split interest agreements	(4,343,621)	(2,066,421)
Stock contributions	(284,011)	(146,625)
Contributions restricted for endowments	(21,090,424)	(6,289,219)
Gain from discontinued operations	-	(54,353,416)
Gain on sale of assets	(3,084,161)	-
Loss on uncollectible contributions	794,176	232,450
Change in assets and liabilities:		
Contributions receivable	(21,639,534)	(2,722,883)
Net investment in direct financing leases	4,379,580	4,327,362
Other assets	(22,372)	403,687
Assets of disposal group	-	44,547,487
Accounts payable and accrued expenses	255,749	(677,191)
Amounts held for others	1,718,388	(9,755,401)
Other liabilities	106,916	(400,655)
Net cash flows from operating activities from continuing operations	<u>(12,451,191)</u>	<u>(13,533,953)</u>
Net cash flows from operating activities from discontinued operations	<u>-</u>	<u>54,353,416</u>
Net cash flows from operating activities	<u>(12,451,191)</u>	<u>40,819,463</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	119,449,369	85,823,355
Purchases of investments	(126,929,770)	(100,920,301)
Purchases of property and equipment	(50,400)	(199,999)
Proceeds from sale of assets	<u>5,770,000</u>	<u>-</u>
Net cash flows from investing activities	<u>(1,760,801)</u>	<u>(15,296,945)</u>
<b>Cash flows from financing activities</b>		
Proceeds from contributions in endowments	21,090,424	6,289,219
Repayments of debt	(7,574,099)	(45,493,671)
Net cash flows from financing activities	<u>13,516,325</u>	<u>(39,204,452)</u>
Net change in cash, cash equivalents, and restricted cash	(695,667)	(13,681,934)
Cash, cash equivalents, and restricted cash, beginning of year	<u>20,776,006</u>	<u>34,457,940</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 20,080,339</u>	<u>\$ 20,776,006</u>
<b>Supplemental disclosure of cash flow activities:</b>		
Interest paid and expensed	<u>\$ 2,520,586</u>	<u>\$ 3,467,823</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

# **GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

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### **Note 1—Organization**

George Mason University Foundation, Inc. (the “Foundation”) seeks to promote the advancement of George Mason University (the “University”) as an institution of higher education by managing, investing, and administering private gifts. The Foundation was incorporated on November 21, 1991, as a nonstock corporation under the laws of the Commonwealth of Virginia to receive, invest, and administer property, and to make expenditures for the benefit of the University.

The Foundation is an entity independent of the University, though it operates to support the University. The Foundation is not a subsidiary of the University and is not legally directly or indirectly controlled by the University. The assets of the Foundation are exclusively the property of the Foundation. The University is not accountable for, and has no ownership of, any of the financial and capital resources of the Foundation. The University has no authority to mortgage, pledge, or encumber the assets of the Foundation. The Board of Trustees of the Foundation makes all decisions regarding the business and affairs of the Foundation.

### **Note 2—Summary of significant accounting policies**

*Principles of Consolidation* – The accompanying consolidated financial statements include the accounts of George Mason University Foundation, Inc., and the following entities (collectively, “Real Estate Subsidiaries”) which are 100% owned by the Foundation:

GMUF Arlington Campus, LLC, (See Note 18)  
GMUF Mason Administration, LLC,  
GMUF Prince William Housing, LLC,  
GMUF Prince William Life Sciences Lab, LLC,  
GMUF Commerce Buildings, LLC, and  
GMUF Potomac Heights, LLC.

On November 21, 2024, the Foundation executed an agreement with the City of Fairfax to sell a substantial portion of the GMUF Commerce Buildings, LLC assets at a purchase price of \$5.8 million and resulting in a gain of \$3.2 million. A portion of the proceeds was used to settle the outstanding debt of GMUF Commerce Buildings, LLC as described in Note 11.

With the sale of GMUF Commerce Buildings, the remaining net assets of GMUF Commerce Buildings LLC, including the net sales proceeds, were transferred to the Foundation and GMUF Commerce Buildings, LLC was dissolved. The Foundation captured this transaction as a transfer on the consolidated statement of activities after change in net assets. The Foundation gifted \$3.7 million of the net sales proceeds to the University.

On November 15, 2023, the Foundation executed an agreement with the University to sell a substantial portion of the GMUF Arlington Campus, LLC assets to the University. The dissolution of GMUF Arlington Campus, LLC in fiscal year 2024 is further described in Note 18.

All intercompany transactions are eliminated in consolidation.

*Basis of Accounting* – The accompanying consolidated financial statements of the Foundation have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). Accordingly, revenue is recognized when earned and expenses are recognized when incurred.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

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**Note 2—Summary of significant accounting policies (continued)**

***Basis of Presentation*** – The Foundation's net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

***Net Assets Without Donor Restrictions*** – Net assets available for general use and not subject to donor restriction, including real estate operations. This includes funds that are designated for discretionary use by the board and management of the Foundation, board-designated funds functioning as endowments, as well as board-designated funds intended to be used as reserves.

***Net Assets With Donor Restrictions*** – Net assets that are contributions and endowment investment earnings subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Foundation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. This includes the historical dollar amounts of the gifts, and earnings required to be added to the corpus as stipulated by the donor.

***Functional Allocation of Expenses*** – The costs of providing the various program and supporting services have been summarized on a functional basis. Academic institutional support consists of resources disbursed to, and spent in support of, the University, in accordance with donor restrictions. The Foundation's expenses are directly allocated to the function to which they support. Fundraising expenses represent amounts expended in support of University advancement.

***Measure of Operations*** – The accompanying consolidated statement of activities distinguish between operating and nonoperating activities. Operating activities include all revenue and expenses that are an integral part of the Foundation's programmatic and supporting activities, such as contributions, investment return, and rental income. Nonoperating activities include activities which are considered to be nonrecurring in nature.

***Estimates*** – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Fair Value of Financial Instruments*** – The carrying values of financial instruments including investments, contributions receivable, investment in direct financing leases, other assets, accounts payable and accrued expenses, notes and bonds payable, long-term debt, amounts held for others, and other liabilities approximate fair value.

***Income Taxes*** – The Foundation is exempt from federal income taxes under Internal Revenue Code ("IRC") Section 501(c)(3) and is classified by the Internal Revenue Service ("IRS") as an organization that is not a private foundation. It is subject to tax on income unrelated to its exempt purpose unless that income is otherwise excluded by the IRC. Under IRS provisions and the applicable income tax regulations of the Commonwealth of Virginia, the Foundation is exempt from taxes on income other than unrelated business income.

The Foundation's primary source of unrelated business income is from rental income received from tenants unrelated to the University at the GMUF Arlington Campus, LLC, a commercial office building, which was sold during fiscal year 2024. The Foundation paid no income taxes for the year ended June 30, 2025 and \$9,863,175 for the year ended June 30, 2024. The sale of GMUF Arlington Campus, LLC in fiscal year 2024 is further described in Note 18.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

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**Note 2—Summary of significant accounting policies (continued)**

The Foundation follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Foundation has processes in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions. The tax years ended June 30, 2022 through 2025 are still eligible for review for both federal and state purposes. The Foundation has determined there are no material, uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Income tax expense is classified as an operating expense within the consolidated statement of financial position.

*Cash, Cash Equivalents, and Restricted Cash* – Cash and cash equivalents consist of cash and money market funds including overnight repurchase agreements, except those money market funds held for long-term investment purposes. Restricted cash consists of cash and money market funds restricted for debt service and repairs and maintenance.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statement of financial position that sum to the total shown in the consolidated statements of cash flows at June 30:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 16,601,265	\$ 17,438,883
Restricted cash and cash equivalents	3,479,074	3,337,123
	<hr/> <b>\$ 20,080,339</b>	<hr/> <b>\$ 20,776,006</b>

*Contributions Receivable, Net* – Contributions receivable are unconditional promises to give. Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated, future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are made, adjusted to include a risk premium. Amortization of the discounts is included in contribution revenue.

The Foundation uses the allowance method to account for amounts, if any, of its contributions receivable, which are considered uncollectible. The Foundation bases its assessment of the allowance for doubtful accounts on historical losses and current economic conditions.

Conditional promises to give are not included as support until the conditions are substantially met.

*Donated Goods and Space* – During the years ended June 30, 2025 and 2024, the Foundation was a beneficiary of donated goods and services. Donated goods are gifted for the benefit of the University to provide greater resources towards University programs. Items donated to the Foundation are recorded as in-kind contributions at the estimated fair market values at the date of donation. The fair value of contributed donated goods and services are determined through a variety of techniques, based on the significance of the gift such as the use of qualified, third party appraisers, and estimated wholesale prices of identical or similar products. The Foundation's policy is to contribute, upon receipt, any nonfinancial assets to the University for University programs.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

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**Note 2—Summary of significant accounting policies (continued)**

The value of donated goods and services for the years ended June 30 were:

	<b>2025</b>	<b>2024</b>
Donated rent	\$ 37,845	\$ 37,845
Computer and lab equipment	276,068	140,042
Artwork, books, and other support	<u>1,391,165</u>	<u>1,288,752</u>
	<u><u>\$ 1,705,078</u></u>	<u><u>\$ 1,466,639</u></u>

*Investments* – Investments are stated at fair value. The Foundation's investments in mutual funds are valued at the net asset values ("NAV") reported on the active markets in which the mutual funds are traded. The fair value of other debt and equity securities, such as bonds and common stock, with readily determinable market values are based on published market prices. Alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers, using NAV as a practical expedient. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

*Beneficial Interest in Perpetual Trusts* – The stated value of the beneficial interest in perpetual trusts is based on the estimated fair value of the assets held by the trusts. The fair values of the mutual funds included in the perpetual trusts are valued at NAVs reported on the active markets in which the mutual funds are traded. The fair value of other debt and equity securities with a readily determinable market value are based on published market prices.

*Endowment Policy* – The Foundation uses a banded inflation spending methodology as the prior year distribution amount is increased by the rate of inflation (as defined by the Consumer Price Index). Distributions must be above 3% and cannot exceed 6% of prior year market value. Endowments underwater by no more than 80% receive a minimum distribution of 2% and a maximum of 4% of prior year market value. New fully funded accounts and new endowment gifts greater than \$25,000 to existing accounts receive an initial distribution of 1.25%. Foundation administrative fees are currently 1.00% annually.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
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**Note 2—Summary of significant accounting policies (continued)**

The allocation ranges for endowment assets during the current year are as follows:

<b><u>Asset Class</u></b>	<b>Allocation Ranges</b>
Cash or cash equivalents	1% to 4%
Public equity	30% to 60%
Diversifying assets	10% to 30%
Bonds	5% to 13%
Total public investments	65% to 95%
Private equity	5% to 20%
Venture capital	0% to 10%
Private credit	0% to 8%
Private real assets	0% to 8%
Total private investments	5% to 35%

*Amounts Held for Others* – The Foundation maintains certain assets, primarily investments, on behalf of the University and several legally autonomous organizations and other programs associated with the University, such as the George Mason University Alumni Association and University athletic organizations.

*Debt Issuance Costs* – The Foundation's capitalized costs relate to the Real Estate Subsidiaries' notes and bonds payable. These costs are presented in the consolidated statement of financial position as a direct deduction from the carrying amount of notes and bonds payable and are amortized over the life of the notes and bonds. Amortization expense for the years ended June 30, 2025 and 2024, including debt of Arlington Campus which was extinguished in fiscal year 2024 (see Note 18), totaled \$121,296 and \$215,038, respectively, and is included in operating expenses on the consolidated statement of activities.

*Revenue Recognition* – Contributions represent the Foundation's primary source of revenue. Contributions are recognized as revenue in the period received. Conditional contributions are not recognized until they become unconditional, which is considered when its measurable performance or other barrier and right of return or release are substantially met. All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as contributions with donor restrictions. When a temporary restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

The Foundation collects certain service fees including gift assessment fees, endowment management fees, and real estate services fees to support the cost of Foundation operations, carried on in support of the University. The Foundation considers these service fees to be without donor restrictions and are earned as services are performed. These amounts totaled \$3,018,398 and \$2,950,980 in fiscal years 2025 and 2024, respectively, and are disclosed as service fees in the consolidated statement of activities.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
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**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

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**Note 2—Summary of significant accounting policies (continued)**

The Foundation leases buildings associated with GMUF Mason Administration, LLC; GMUF Prince William Housing, LLC; GMUF Prince William Life Sciences Lab, LLC; GMUF Commerce Buildings, LLC (prior to the November 2024 sale); and GMUF Potomac Heights, LLC to the University through direct financing leases. The original lease terms range from 10 to 30 years. Interest on the direct financing leases is recognized over the lease term using the effective interest method.

*Depreciation* – Property and equipment having a cost in excess of \$5,000 and an estimated useful life greater than one year are capitalized at cost. Donated assets retained by the Foundation in excess of \$5,000 and an estimated useful life greater than one year are capitalized at the estimated fair value on the date received. Buildings, furniture, and equipment are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives are as follows: buildings, 25 to 45 years; building improvements, 3 to 27 years; and furniture and equipment, 3 to 7 years.

*Reclassification* – Cash flows from direct financing leases of \$8,648,676 for the year ended June 30, 2024 were reclassified from cash flows from investing activities to cash flows from operating activities as a correction of an error. The reclassification had no impact on previously reported totals of assets, expenses, or net assets.

**Note 3—Financial assets and liquidity resources**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position sheet date, as of June 30 include:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 10,574,092	\$ 8,318,218
Accounts receivable and other assets	2,000	6,372
Investments	2,342,553	-
	<hr/> <b>\$ 12,918,645</b>	<hr/> <b>\$ 8,324,590</b>

Endowment funds consist of donor-restricted endowments and board-designated endowments. Income from donor-restricted endowments that is restricted for specific purposes is not available for general expenditure. Restricted funds, available for expenditure, are restricted for specific purposes by donor direction and, therefore, not available for general expenditure for operations.

As of June 30, 2025 and 2024, the Foundation's operating reserve was \$9,559,469 and \$9,570,893, respectively. The operating reserve is not included in the total financial assets available for expenditure as shown above. Board-designated reserve funds are an important mechanism to ensure the Foundation's financial health and stability, to support the growth of its operations and programs, and to mitigate financial risks. Reserves are designated for key priorities and opportunities of strategic importance, and the amount and use of the reserves is linked to the Foundation's mission and strategic goals to support the University. Reserves are available for general expenditure upon approval of the Board of Trustees.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
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**Note 4—Contributions receivable, net**

Contributions receivable, net as of June 30, are as follows:

	<b>2025</b>	<b>2024</b>
Due in less than one year	\$ 14,946,933	\$ 15,259,052
Due in one to five years	30,738,370	19,311,982
Due in more than five years	<u>10,043,000</u>	<u>320,399</u>
	55,728,303	34,891,433
Less allowance for doubtful accounts	(1,118,174)	(1,126,662)
Less discount present value	<u>(8,594,933)</u>	<u>(2,149,223)</u>
	<u>\$ 46,015,196</u>	<u>\$ 31,615,548</u>

Discount rates range from 0.16% to 6.72% for the years ended June 30, 2025 and 2024, respectively.

As of June 30, 2025 and 2024, the Foundation had \$4,597,415 and \$3,407,995, respectively, of conditional promises to give. These conditional promises to give are not recognized as assets in the consolidated statement of financial position until the conditions are met.

**Note 5—Investments**

Investments, which are reported at fair value, consisted of the following as of June 30:

	<b>2025</b>	<b>2024</b>
Cash and money market funds	\$ 20,583,910	\$ 10,752,023
Fixed income	121,188,246	111,385,102
Equities	34,038,361	44,915,127
Hedge funds	151,123,900	123,524,993
Private funds	<u>43,601,282</u>	<u>35,248,988</u>
	<u>\$ 370,535,699</u>	<u>\$ 325,826,233</u>

**Note 6—Split-interest agreements**

*Beneficial Interest in Perpetual Trusts* – The Foundation is a beneficiary in two perpetual trusts, both held and administered by independent trustees:

*50% Beneficiary* – The fair value of the Foundation's portion of this trust at June 30, 2025 and 2024 totaled \$10,595,837 and \$10,127,026, respectively. Contributions from the trust totaled \$472,188 and \$471,777, respectively, for the years ended June 30, 2025 and 2024, and is included in support and revenue with donor restrictions. The change in value of the trust increased \$468,811 and \$1,118,289 during the years ended June 30, 2025 and 2024, respectively. These amounts are included in support and revenue with donor restrictions as a component of trust and other income on the consolidated statement of activities.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

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**Note 6—Split-interest agreements (continued)**

**100% Beneficiary** – The fair value of the Foundation’s portion of this trust at June 30, 2025 and 2024 totaled \$2,509,822 and \$2,359,114, respectively. Contributions from the trust totaled \$40,000, for both of the years ended June 30, 2025 and 2024 and is included in support and revenue with donor restrictions. The change in value from the trust increased \$150,708 and \$239,243, during the years ended June 30, 2025 and 2024, respectively. These amounts are included in support and revenue with donor restrictions as a component of trust and other income on the consolidated statement of activities.

**Beneficial Interest in Remainder Trusts** – In April 2023, the Foundation received contributions for the beneficial interests of two irrevocable remainder trusts valued at \$26,021,669. The initial contributions were captured as contributions in the consolidated statement of activities. The gifts were valued using present value techniques considering the current life expectancy of the primary beneficiary, which is 39 years, the estimated investment return of the trust’s assets, assumed discount rates (5.75% and 5.5% for the years ended June 30, 2025 and 2024, respectively) and other factors. The Foundation remeasures its beneficial interest in the remainder trusts as of each reporting date and captures the change in trust value in Trust and other income on the consolidated statement of activities. The trusts are maintained and managed by a third party trustee, and the Foundation will receive the remaining assets of the trusts upon the death of the primary beneficiary. Upon receipt of the trust’s assets, the Foundation will establish an endowed scholarship fund for students attending the University’s Costello College of Business. The beneficial interest of the remainder trusts totaled \$30,327,102 and \$26,699,698 as of June 30, 2025 and 2024, respectively. The change in value of the trusts increased \$3,627,404 and \$699,223 during the years ended June 30, 2025 and 2024, respectively.

**Charitable Remainder Trusts and Charitable Gift Annuities** – The Foundation holds charitable remainder trusts and charitable gift annuities, established, and funded by donors. Distributions are paid to the beneficiaries over the agreements’ terms. Upon termination of the agreements, the Foundation will receive or retain the remaining assets. Liabilities are recorded at the net present value of the estimated, future annuity payments. Life expectancies range from 3 to 19 years and discount rates range from 2% to 8%. The market value of the assets at June 30, 2025 and 2024 was \$597,553 and \$371,324, respectively, and is included with investments on the consolidated statement of financial position. Liabilities related to these agreements were \$272,418 and \$142,886 at June 30, 2025 and 2024, respectively, and are included with other liabilities. During fiscal year 2025, the Foundation received two new charitable remainder trusts. The Foundation received no new charitable remainder trusts or gift annuities in fiscal year 2024.

The activity related to the change in charitable trusts and gift annuities, recorded as trust and other income with donor restrictions, was an increase of \$96,698 and \$9,667 for the years ended June 30, 2025 and 2024, respectively.

**Retained Life Estate** – The Foundation holds a retained life estate, included in other assets, with a value of \$583,000. A retained life estate is a type of split-interest agreement whereby a donor gifts real estate but retains the right to use the property until his or her death. The associated use obligation was \$269,586 and \$292,238 as of June 30, 2025 and 2024, respectively, and is included in other liabilities.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

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**Note 7—Endowment**

The Foundation's endowment consists of approximately 660 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. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation's endowment excludes contributions receivable and split-interest agreements.

*Interpretation of Relevant Law* – The Board of Trustees of the Foundation has interpreted the Commonwealth of Virginia's Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) income accumulations, if specified by the applicable donor gift instrument.

The Foundation appropriates for expenditure a portion of the donor-restricted endowment fund in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Endowment net asset composition by type of fund as of June 30, 2025:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 20,998,445	\$ -	\$ 20,998,445
Donor-restricted endowment funds:			
Original donor-restricted gift required to be maintained in perpetuity by donor	-	173,270,893	173,270,893
Accumulated earnings	-	46,256,193	46,256,193
<b>Total endowment funds</b>	<b>\$ 20,998,445</b>	<b>\$ 219,527,086</b>	<b>\$ 240,525,531</b>

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

**Note 7—Endowment (continued)**

Changes in endowment net assets for the year ended June 30, 2025:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 18,390,493	\$ 188,401,013	\$ 206,791,506
Total investment return, net	2,828,232	29,169,935	31,998,167
Contributions	-	9,232,687	9,232,687
Appropriation of endowment assets for expenditure	(219,370)	(7,272,856)	(7,492,226)
Other changes	(910)	(3,693)	(4,603)
Endowment net assets, end of year	<u>\$ 20,998,445</u>	<u>\$ 219,527,086</u>	<u>\$ 240,525,531</u>

Endowment net asset composition by type of fund as of June 30, 2024:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 18,390,493	\$ -	\$ 18,390,493
Donor-restricted endowment funds:			
Original donor-restricted gift required to be maintained in perpetuity by donor	-	164,063,334	164,063,334
Accumulated earnings	-	24,337,679	24,337,679
Total endowment funds	<u>\$ 18,390,493</u>	<u>\$ 188,401,013</u>	<u>\$ 206,791,506</u>

Changes in endowment net assets for the year ended June 30, 2024:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 82,200	\$ 164,373,715	\$ 164,455,915
Total investment return, net	1,228,405	25,861,571	27,089,976
Contributions	17,300,000	4,966,688	22,266,688
Appropriation of endowment assets for expenditure	(220,112)	(6,847,649)	(7,067,761)
Other changes	-	46,688	46,688
Endowment net assets, end of year	<u>\$ 18,390,493</u>	<u>\$ 188,401,013</u>	<u>\$ 206,791,506</u>

*Funds with Deficiencies* – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of the gift donated to the fund of permanent duration. The Foundation has interpreted Commonwealth of Virginia UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under law. In accordance with accounting guidance for not-for-profit organizations, deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2025, funds with an original gift value of \$4,125,000 and fair value of \$4,076,872 were underwater by \$48,128. As of June 30, 2024, funds with an original gift value of \$8,789,022 and fair value of \$8,682,659 were underwater by \$106,363.

# GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025  
(WITH JUNE 30, 2024 COMPARATIVE TOTALS)

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### Note 7—Endowment (continued)

*Return Objectives and Risk Parameters* – The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds the organization must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that emphasizes total return while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return at least equal to inflation plus the spending rate including administrative expenses, net of investment fees. Actual returns in any given year may vary from this amount.

*Strategies Employed for Achieving Objectives* – To satisfy its long-term rate-of-return objectives, the Foundation 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 Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

*Spending Policy and How the Investment Objectives Relate to Spending Policy* – As summarized in Note 2, the percentage appropriated for distribution, as a percentage of endowment market value, was 3.12% and 3.42% as of June 30, 2025 and 2024, respectively. The Foundation considers the long-term expected return on its endowment and the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term.

### Note 8—Fair value measurements

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation 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 similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data 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.

The asset's or liability's fair value measurement level 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 the observable inputs and minimize the use of unobservable inputs.

Level 2 fair value measurements are derived from the underlying assets of the perpetual and third party trusts which substantially consists of investments with readily determinable fair values. The fair value of the assets in the third party trusts is reduced by the net present value of the expected payments to other beneficiaries, discounted at a risk adjusted interest rate.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

**Note 8—Fair value measurements (continued)**

Other investments include those investments carried at NAV as published by the applicable fund manager, as a practical expedient.

The following tables summarize the valuation of the Foundation's financial assets and liabilities measured at fair value as of June 30, 2025 and 2024, based on the level of input utilized to measure fair value. Measurement at fair value on a recurring basis as of June 30, 2025:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Reported at NAV *</b>	<b>Total</b>
Financial assets:					
Cash and cash equivalents	\$ 20,583,910	\$ -	\$ -	\$ -	\$ 20,583,910
Equities:					
Domestic large cap	22,008,443	-	-	-	22,008,443
Domestic small/mid cap	51,868	-	-	-	51,868
International (developed countries)	8,590,850	-	-	-	8,590,850
International (emerging countries)	3,387,200	-	-	-	3,387,200
Fixed income:					
Corporate bonds	18,131,057	-	-	-	18,131,057
Government and agency bonds	26,274,622	-	-	-	26,274,622
Intermediate government/credit	-	14,940,193	-	-	14,940,193
Mutual funds and exchange traded funds	46,046,427	-	-	-	46,046,427
Mortgage and asset backed securities	-	15,795,947	-	-	15,795,947
Hedge funds:					
Multi-strategies	-	-	-	94,807,587	94,807,587
Long/short	-	-	-	47,642,899	47,642,899
Credit/opportunistic	-	-	-	8,673,414	8,673,414
Private funds:					
Private equity	-	-	-	34,195,798	34,195,798
Private real estate	-	-	-	6,689,250	6,689,250
Private credit	-	-	-	2,708,409	2,708,409
Private resources	-	-	-	7,825	7,825
Investments	145,074,377	30,736,140	-	194,725,182	370,535,699
Beneficial interest in perpetual and remainder trusts	-	43,432,761	-	-	43,432,761
Total financial assets	<u>\$ 145,074,377</u>	<u>\$ 74,168,901</u>	<u>\$ -</u>	<u>\$ 194,725,182</u>	<u>\$ 413,968,460</u>

\* Certain investments that are measured at NAV, as a practical expedient, have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

**Note 8—Fair value measurements (continued)**

Measurement at fair value on a recurring basis as of June 30, 2024:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Reported at NAV *</b>	<b>Total</b>
Financial assets:					
Cash and cash equivalents	\$ 10,752,023	\$ -	\$ -	\$ -	\$ 10,752,023
Equities:					
Domestic large cap	28,324,091	-	-	-	28,324,091
Domestic small/mid cap	38,483	-	-	-	38,483
International (developed countries)	11,262,425	-	-	-	11,262,425
International (emerging countries)	5,290,128				5,290,128
Fixed income:					
Certificates of deposit	443,655	-	-	-	443,655
Corporate bonds	5,830,498	-	-	-	5,830,498
U.S. treasuries	35,719,024	-	-	-	35,719,024
Intermediate government/credit	-	12,179,050	-	-	12,179,050
Mutual funds and exchange traded funds	45,685,046	-	-	-	45,685,046
Agency mortgage backed and asset backed securities	-	11,527,829	-	-	11,527,829
Hedge funds:					
Multi-strategies	-	-	-	72,163,489	72,163,489
Long/short	-	-	-	43,343,128	43,343,128
Credit/opportunistic	-	-	-	8,018,376	8,018,376
Private funds:					
Private equity	-	-	-	27,662,688	27,662,688
Private real estate	-	-	-	5,464,014	5,464,014
Private credit	-	-	-	2,122,286	2,122,286
Investments	143,345,373	23,706,879	-	158,773,981	325,826,233
Beneficial interest in perpetual trusts	-	39,185,838	-	-	39,185,838
<b>Total financial assets</b>	<b>\$ 143,345,373</b>	<b>\$ 62,892,717</b>	<b>\$ -</b>	<b>\$ 158,773,981</b>	<b>\$ 365,012,071</b>

\* Certain investments that are measured at NAV, as a practical expedient, have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

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**Note 8—Fair value measurements (continued)**

The following table presents the nature and risk of assets with fair values estimated using NAV held at June 30, 2025:

	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>	<b>Redemption Restrictions</b>
Hedge funds - multi-strategies <sup>(a)</sup>	\$ 94,807,587	N/A	Semi-Monthly, Monthly, Quarterly, Semi-Annually, Annually	6 days, 10 days, 30 days, 45 days, 60 days, 90 days, 365 days	Gates and Lock-up provisions range from 0 to 3 years
Hedge funds - long/short <sup>(b)</sup>	47,642,899	N/A	Daily, Quarterly, Annually, Semi-Annually, Every 2.5 years	60 days, 65 days, 75 days, 90 days, 120 days	Gates and Lock-up provisions range from 0 to 3 years
Hedge funds - credit/opportunistic <sup>(c)</sup>	8,673,414	\$ 651,000	None, Quarterly, Annually, Every 2 years	45 days, 60 days, 90 days, 150 days	Gates and Lock-up provisions range from no liquidity to 1.75 years
Private equity <sup>(d)</sup>	34,195,798	21,746,239	N/A	N/A	N/A
Private real estate <sup>(e)</sup>	6,689,250	4,016,593	N/A	N/A	N/A
Private credit <sup>(f)</sup>	2,708,409	2,623,784	N/A	N/A	N/A
Private resources <sup>(g)</sup>	7,825	292,175			
	<b>\$ 194,725,182</b>	<b>\$ 29,329,791</b>			

The following table presents the nature and risk of assets with fair values estimated using NAV held at June 30, 2024:

	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>	<b>Redemption Restrictions</b>
Hedge funds - multi-strategies <sup>(a)</sup>	\$ 72,163,489	N/A	Semi-Monthly, Monthly, Quarterly, Semi-Annually, Annually	6 days, 30 days, 45 days, 60 days, 90 days, 365 days	Gates and Lock-up provisions range from 0 to 3 years
Hedge funds - long/short <sup>(b)</sup>	43,343,128	N/A	Daily, Quarterly, Annually, Semi-Annually, Every 2.5 years	60 days, 65 days, 75 days, 90 days, 120 days	Gates and Lock-up provisions range from 0 to 3 years
Hedge funds - credit/opportunistic <sup>(c)</sup>	8,018,376	\$ 1,090,000	None, Quarterly, Annually, Every 2 years	45 days, 60 days, 90 days, 150 days	Gates and Lock-up provisions range from no liquidity to 1.75 years
Private equity <sup>(d)</sup>	27,662,688	21,364,841	N/A	N/A	N/A
Private real estate <sup>(e)</sup>	5,464,014	4,377,212	N/A	N/A	N/A
Private credit <sup>(f)</sup>	2,122,286	2,613,237	N/A	N/A	N/A
	<b>\$ 158,773,981</b>	<b>\$ 29,445,290</b>			

<sup>(a)</sup> Hedge funds – multi-strategies: This class includes investments that use multiple strategies to obtain absolute returns. Direct and indirect investments are made using capital structure arbitrage, distressed debt, equity long/short, multi-strategy credit, multi-strategy event driven, value and other trading strategies across a variety of sectors. The investments in this class are redeemable based on the redemption frequencies and notice periods described above. In addition to lock-up periods, some investments include early redemption fees or "gates" which limit the percentage of the Foundation's investments that can be redeemed at one time.

<sup>(b)</sup> Hedge funds – long/short: This class includes investments in funds that employ a long/short strategy to generate superior risk-adjusted returns through a variety of investments and across various sectors. In addition to lock-up periods, some investments include early redemption fees or "gates" which limit the percentage of the Foundation's investments that can be redeemed at one time.

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**Note 8—Fair value measurements (continued)**

- (c) Hedge funds – credit/opportunistic: This class includes investments which seek to generate superior risk adjusted returns through a range of investment strategies including distressed securities, special situations, absolute value, and relative value. In addition to lock-up periods, some investments include early redemption fees or “gates” which limit the percentage of the Foundation’s investments that can be redeemed at one time. One fund in this class does not allow for redemption.
- (d) Private equity: This class includes investments in private equity funds, which make direct and indirect investments in privately and publicly issued debt and equity securities both within the U.S. and globally. Strategies employed by the private equity funds include distress, growth equity, buyout, alternative credit, and opportunistic strategies across a variety of industries and geographies. A portion of this class also invests in social impact companies. These investments can never be redeemed. Instead, the nature of the investments in this class is that distributions are received through liquidation of the underlying assets of the funds.
- (e) Private real estate: This class includes investments in private real estate funds, which invest in both U.S. and global real estate investments, utilizing a variety of strategies, for purposes of generating income and capital appreciation. These investments can never be redeemed. Instead, the nature of the investments in this class is that distribution are received through liquidation of the underlying assets of the funds.
- (f) Private credit: This class includes investments in private credit funds, which seek to generate targeted net annual returns by primarily investing in distressed debt secured by real estate in New York City and other opportunistic real estate. This class also invests in other distressed debt of companies located in other parts of the globe. These investments can never be redeemed. Instead, the nature of the investments in this class is that distributions are received through liquidation of the underlying assets of the funds.
- (g) Private resources: This class invests in an infrastructure opportunities fund with a focus on acquiring controlling positions in late-stage upstream critical mineral assets at compelling valuations. These investments can never be redeemed. Instead, the nature of the investments in this class is that distributions are received through liquidation of the underlying assets of the funds.

**Note 9—Property and equipment**

The following comprises property and equipment at June 30:

	<b>2025</b>	<b>2024</b>
Land	\$ 10,212,155	\$ 10,212,155
Buildings	4,390,413	4,390,413
Building improvements	1,671,364	1,626,241
Furniture and equipment	352,367	347,091
	16,626,299	16,575,900
Accumulated depreciation and amortization	(5,634,545)	(5,494,159)
Property and equipment, net	<u>\$ 10,991,754</u>	<u>\$ 11,081,741</u>

Depreciation expense was \$140,387, and \$131,980 for the years ended June 30, 2025 and 2024, respectively and excludes Arlington campus activity for fiscal year 2024.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
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**Note 9—Property and equipment (continued)**

The following summarizes the Foundation's property, including related direct financing leases and bonds and notes payable at June 30, 2025:

<b>Property</b>	<b>Description</b>	<b>Net Book Value Property and Equipment</b>	<b>Net Investment in Direct Financing Leases</b>	<b>Debt Issuer</b>	<b>Debt, net</b>
		<b>June 30, 2025</b>	<b>June 30, 2025</b>		<b>June 30, 2025</b>
GMUF Mason Administration, LLC	Administration building, main campus, Fairfax County, VA	\$ -	\$ 19,775,038	FCEDA	\$ 20,491,518
GMUF Prince William Housing, LLC	Graduate student housing, Science and Technology Campus, Prince William County, VA	-	12,034,922	IDA-PW	13,320,000
GMUF Prince William Life Sciences Lab, LLC	Research and office space, Science and Technology Campus, Prince William County, VA	-	24,896,258	IDA-PW	27,510,000
GMUF Potomac Heights, LLC	Dormitory, main campus, Fairfax County, VA	-	4,946,671	FCEDA	5,035,000
University Park	Graduate student townhomes and commercial office space, City of Fairfax, VA	947,878	-	N/A	-
Kelley Drive property	Office space, Fairfax County, VA	26,029	-	N/A	-
Mathy House	Residential rental, Fairfax County, VA	503,346	-	N/A	-
Mathy Lodge	Residential rental, Fairfax County, VA	1,271,894	-	N/A	-
Broadlands land	4.91 acres of vacant land, Loudoun County, VA	4,510,000	-	N/A	-
Point of View land	77.63 acres of vacant land, Fairfax County, VA	3,728,504	-	N/A	-
General fund assets	Furniture and fixtures, system assets	4,103	-	N/A	-
	Debt issuance costs	-	-	N/A	(540,739)
		<b>\$ 10,991,754</b>	<b>\$ 61,652,889</b>		<b>\$ 65,815,779</b>

**Note 10—Leases**

**Operating Leases** – The Foundation leases certain properties, with a cost of \$16,620,993 and \$16,575,906 and accumulated depreciation of \$5,633,342 and \$5,494,159 as of June 30, 2025 and 2024, respectively, under operating lease agreements. As further described in Note 18, the Foundation sold its Arlington campus property to the University during fiscal year 2024. The remaining lease agreements have base lease terms that terminate beginning in fiscal year 2026 and extending through fiscal year 2030. A portion of the above properties are leased to the University and, therefore, subject to state appropriation. The expected, future rental payments from the University are \$2,236,387 and \$512,272 as of June 30, 2025 and 2024, respectively.

The Foundation considers the likelihood of its tenants exercising renewal or termination terms in determining the ultimate term of the lease. The Foundation has not included tenant renewal terms as the tenants are not reasonably certain to exercise the renewal term options. There are no termination options or residual value guarantees included in the lease agreements.

The lease agreements include fixed rental payments, recognized as income over the lease term on a straight-line basis. Variable rental payments, related to operating costs and real estate taxes, are recognized as income in the period in which earned.

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**Note 10—Leases (continued)**

The components of rental income for the years ended June 30, 2025 and 2024, excluding discontinued operations of Arlington campus are as follows, of which \$589,079 and \$806,844, respectively, was paid by the University for the years then ended:

	<b>2025</b>	<b>2024</b>
Fixed rental income	\$ 584,935	\$ 760,180
Variable rental income	28,144	70,664
	<b><u>\$ 613,079</u></b>	<b><u>\$ 830,844</u></b>

The future minimum payments to be received under noncancelable operating leases are as follows:

2026	\$ 493,359
2027	435,759
2028	435,759
2029	435,755
2030	435,755
	<b><u>\$ 2,236,387</u></b>

Prior to the sale of the Arlington campus property to the University in fiscal year 2024, leasing commissions related to the GMUF Arlington Campus, LLC project were capitalized. The Foundation amortized these costs over the life of the related leases. No amortization expense was recorded for the year ended June 30, 2025. Amortization expense totaled \$26,053 for the year ended June 30, 2024.

*Direct Financing Leases* – In prior years, the Foundation has completed several construction projects for GMUF Mason Administration, LLC; GMUF Prince William Housing, LLC; GMUF Prince William Life Sciences Lab, LLC; GMUF Commerce Buildings, LLC; and GMUF Potomac Heights, LLC for subsequent leasing to the University. All of these leases meet the lessor's criteria to account for these building leases as direct financing leases and each agreement provides for transfer of ownership of the building to the University at the end of the lease term. As described in Note 2, the Foundation sold GMUF Commerce Buildings, LLC during fiscal year 2025 resulting in the termination of the direct financing lease attributable to this entity.

Under the terms of these lease agreements, the rent payments are calculated based on the annual debt service costs of the building, as well as additional rents to ensure the Foundation has sufficient funding to pay the principal, interest, carrying costs and development costs of the projects. The future minimum rentals are based on the following terms:

<b><u>Building</u></b>	<b>Loan Borrowing</b>	<b>Term</b>	<b>Final Fiscal Year of Payment</b>
			<b>2036</b>
GMUF Mason Administration, LLC	\$ 30,395,000	16.2 years	2036
GMUF Prince William Housing, LLC	15,370,000	21.6 years	2042
GMUF Prince William Life Sciences Lab, LLC	35,330,000	21.7 years	2042
GMUF Potomac Heights, LLC	18,175,000	10 years	2028

All direct financing leases are with the University and the rental payments are subject to annual state appropriation.

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**Note 10—Leases (continued)**

The components of the net investment in the direct financing leases as of June 30 are as follows:

	<b>2025</b>	<b>2024</b>
Total minimum lease payments to be received	\$ 91,020,000	\$ 102,132,389
Less unearned income	<u>(29,367,111)</u>	<u>(33,632,167)</u>
Net investment in direct financing lease	<u><u>\$ 61,652,889</u></u>	<u><u>\$ 68,500,222</u></u>

The future minimum payments to be received under the noncancelable direct financing lease are as follows:

2026	\$ 8,130,000
2027	8,130,000
2028	7,020,000
2029	5,910,000
2030	5,910,000
Thereafter	<u>55,920,000</u>
	<u><u>\$ 91,020,000</u></u>

The Foundation evaluates whether an allowance for credit losses is necessary with respect to its net investment in direct financing leases, considering the historical payment experience, current economic conditions that might impact payment, reasonable and supportable forecasts, and credit worthiness of the University. As of June 30, 2025 and 2024, the allowance for credit losses was not material.

**Note 11—Debt**

*GMUF Potomac Heights, LLC – Fairfax County Economic Development Authority Bonds*

During fiscal year 2018, the Foundation, through its newly established subsidiary, GMUF Potomac Heights, LLC, refinanced \$16,597,500 of Fairfax County Economic Development Authority (“FCEDA”) bonds with a commercial bank. Bonds were issued including \$16,795,000 of FCEDA Refunding Revenue Note, Series 2017A (GMUF Potomac Heights, LLC Issue) tax-exempt fixed rate bonds, and \$1,380,000 of FCEDA Refunding Revenue Note, Series 2017B (GMUF Potomac Heights, LLC Issue) taxable fixed rate bonds. The Foundation began leasing the property to the University in fiscal year 2018 with a 10-year lease term (see Note 10), and the lease payments service the bonds’ principal and interest payments.

*GMUF Mason Administration, LLC (Merten Hall) – Fairfax County Economic Development Authority Bonds*

During fiscal year 2018, the FCEDA issued its \$30,395,000 Refunding Revenue Bond, Series 2018 (GMUF Mason Administration, LLC Project) and sold such bonds to a commercial bank pursuant to a loan and financing agreement. Proceeds were used to retire the \$28,243,403 of outstanding bonds, as well as the related interest rate swap termination fee. The initial bond proceeds were used in the acquisition, construction, renovation, and equipping of a five-story administration building for classrooms, administrative office, and retail space. The Foundation began leasing the property to the University in fiscal year 2011 with a 25-year lease term (see Note 10), and the lease payments service the bonds’ principal and interest payments.

# GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### Note 11—Debt (continued)

#### *GMUF Prince William Housing, LLC (Beacon Hall) – Industrial Development Authority of the County of Prince William Bonds*

During fiscal year 2020, the Industrial Development Authority of the County of Prince William (“IDA-PW”) issued its \$15,370,000 Taxable Student Housing Refunding Revenue Bond Series 2020 (“Series 2020 Bonds”) pursuant to a Trust Indenture dated January 1, 2020. Proceeds were used by the Foundation to execute an advance refunding and to legally defease previously issued bonds through IDA-PW that financed the acquisition, construction, and equipping of a student residence hall, University program space, and retail space. The Foundation entered into this advance refunding to take advantage of historically low long-term interest rates. The University’s lease payments fund the debt service of the Series 2020 Bonds.

All of the term bonds for the Industrial Development Authority of the County of Prince William Series 2020 Bonds are subject to mandatory redemption by operation of sinking fund installments.

#### *GMUF Prince William Life Sciences Lab, LLC – Industrial Development Authority of the County of Prince William Bonds*

During fiscal year 2017, the IDA-PW issued its \$35,330,000 Revenue Bond Series 2017 (“Series 2017 Bonds”) pursuant to a Trust Indenture dated February 1, 2017. Proceeds were used by the Foundation to execute an advanced refunding and to legally defease previously issued bonds through IDA-PW that financed the acquisition, construction, and equipping of life sciences lab facilities and the acquisition and construction of space for commercial laboratory use. The Foundation entered into this advanced refunding to eliminate the private business use restrictions on the building, allowing the Foundation more flexibility in utilizing the space and to take advantage of historically low long-term interest rates. The University’s lease payments fund the debt service of the Series 2017 Bonds.

All of the term bonds for the Industrial Development Authority of the County of Prince William Series 2017 Bonds are subject to mandatory redemption by operation of sinking fund installments.

#### *GMUF Commerce Buildings, LLC Notes*

During fiscal year 2015, GMUF Commerce Buildings, LLC modified its existing loan with a commercial bank resulting in a taxable loan of \$5,720,000 at a fixed rate of 3.63%, maturing March 1, 2030. Prior to the sale of GMUF Commerce Buildings, LLC in fiscal year 2025, the Foundation leased the property to the University with a 15-year lease term and the lease payments made by the University serviced the notes’ principal and interest payments, as well as operating costs. In November 2024, the Foundation settled the outstanding debt of GMUF Commerce Buildings, LLC, using a portion of the proceeds generated from the Foundation’s sale of the property to the City of Fairfax as further described in Note 2.

#### *GMUF Arlington Campus, LLC Notes*

During fiscal year 2016, GMUF Arlington Campus, LLC negotiated a loan of \$60 million with a commercial bank at a fixed rate of 4.05%, maturing June 1, 2033. This loan is on the property located at 3434 North Washington Street, Arlington, Virginia. In November 2023, the Foundation settled the outstanding debt of GMUF Arlington Campus LLC, using a portion of the proceeds generated from the Foundation’s sale of Arlington campus property to the University as further described in Note 18.

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**Note 11—Debt (continued)**

The following represents the Foundation's bonds and notes payable at June 30:

	<b>2025</b>	<b>2024</b>
Fairfax County Economic Development Authority Bonds (FCEDA):		
GMUF Potomac Heights, LLC Tax-Exempt Revenue Bonds, interest rate 2.41%, maturing on November 1, 2027	\$ 5,035,000	\$ 6,965,000
GMUF Mason Administration, LLC Tax-Exempt Revenue Bonds, interest rate 3.47%, maturing on April 1, 2036	20,491,518	22,031,518
Industrial Development Authority of the County of Prince William (IDA-PW):		
Prince William County Series 2017 Bonds, serial with interest rates ranging from 2.922% to 4.424%, maturing at various dates from October 1, 2023 to October 1, 2036	17,195,000	18,295,000
Prince William County Series 2017 Bonds, term interest rate 4.524%, maturing October 1, 2041	10,315,000	10,315,000
Prince William County Series 2020 Bonds, serial with interest rates ranging from 1.976% to 3.014%, maturing at various dates from September 1, 2023 to September 1, 2035	7,760,000	8,250,000
Prince William County Series 2020 Bonds, term interest rate 3.365%, maturing September 1, 2041	5,560,000	5,560,000
Bank Notes:		
GMUF Commerce Buildings, LLC Note with interest rate of 3.63% maturing March 1, 2030	-	2,514,099
Notes and bonds payable at face value	66,356,518	73,930,617
Less debt issuance costs, net	<u>(540,739)</u>	<u>(662,035)</u>
Total debt	<u><u>\$ 65,815,779</u></u>	<u><u>\$ 73,268,582</u></u>
Scheduled maturities and sinking fund requirements are as follows:		
<b><u>Fiscal Years Ending June 30,</u></b>		
2026	\$ 5,255,000	
2027	5,445,000	
2028	4,615,000	
2029	3,720,000	
2030	3,855,000	
Thereafter	<u>43,466,518</u>	
	<u><u>\$ 66,356,518</u></u>	

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**Note 11—Debt (continued)**

Interest expense on notes and bonds along with the amortization of deferred financing charges was \$2,573,193 and \$3,411,590 for the years ended June 30, 2025 and 2024, respectively.

For certain debt issuances, on a periodic basis, the Foundation is required to comply with administrative reporting and debt covenant calculations. As of June 30, 2025 and 2024, the Foundation was in compliance with its required debt covenant calculations.

**Note 12—Life insurance policies and annuity contracts**

During fiscal year 2021, the Foundation received a donated life insurance policy with a death benefit of \$700,000, which includes the funding of the premium payments by the donor over five years. The Foundation is identified as the owner of the policy and will receive the full benefit of the policy at the time of death or the cash surrender value at any time during the policy period. The proceeds from the insurance policy are restricted to the University's Costello College of Business. The cash surrender value was \$169,290 and \$115,408 as of June 30, 2025 and 2024, respectively, and is recorded in other assets on the consolidated statement of financial position.

**Note 13—Concentrations of credit risk**

The Foundation maintains its cash in several commercial banks that are in excess of the Federal Deposit Insurance Corporation maximum of \$250,000 per depositor per institution. At June 30, 2025, the Foundation had approximately \$7.7 million of uninsured balances in checking and money market accounts.

In fiscal year 2025, 16 donors collectively contributed approximately 69% of the total contributions, and approximately 79% of total contributions receivable were due from 12 contributors.

**Note 14—Net assets released from restrictions**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets released for institutional program support totaled \$70,140,952 and \$64,253,720 for the years ended June 30, 2025 and 2024, respectively. Additionally, net assets released for scholarships totaled \$4,297,119 and \$4,043,438 for the years ended June 30, 2025 and 2024, respectively.

**Note 15—Net assets**

As of June 30, net assets without donor restrictions include:

	<b>2025</b>	<b>2024</b>
Real estate operations	\$ 3,494,224	\$ 2,530,762
Board-designated funds, functioning as endowments	20,998,445	18,390,493
Board-designated funds, intended to be used as a reserve	9,559,469	9,570,893
Undesignated	<u>15,158,923</u>	<u>11,498,930</u>
	<u><u>\$ 49,211,061</u></u>	<u><u>\$ 41,991,078</u></u>

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
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**Note 15—Net assets (continued)**

Net assets with donor restrictions consisted of the following at June 30, 2025:

	<b>With Donor Restrictions for Time and Purpose</b>	<b>With Donor Restrictions for Perpetuity</b>
Administrative support	\$ 30,034,517	\$ 585,618
Academic support	47,086,402	93,096,366
Athletics	2,680,454	383,736
Community/public service	13,230,533	9,108,338
Eminent scholars	8,738,365	26,883,047
Facilities	23,109,918	60,712
Library	969,326	1,221,929
Research	27,376,885	5,192,585
Student financial aid	<u>31,303,641</u>	<u>98,375,143</u>
	<u><u>\$ 184,530,041</u></u>	<u><u>\$ 234,907,474</u></u>

Net assets with donor restrictions consisted of the following at June 30, 2024:

	<b>With Donor Restrictions for Time and Purpose</b>	<b>With Donor Restrictions for Perpetuity</b>
Administrative support	\$ 29,405,815	\$ 583,118
Academic support	35,010,034	88,899,157
Athletics	1,471,039	350,336
Community/public service	11,506,864	9,008,576
Eminent scholars	6,593,289	26,807,505
Facilities	19,986,205	58,159
Library	749,574	1,210,356
Research	28,184,588	5,164,200
Student financial aid	<u>23,365,640</u>	<u>77,403,957</u>
	<u><u>\$ 156,273,048</u></u>	<u><u>\$ 209,485,364</u></u>

# GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES

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### Note 16—Related party transactions

The Foundation outsources its payroll processing to the University and reimburses the University for payroll costs incurred. As of June 30, 2025 and 2024, the Foundation had salaries payable to the University totaling \$726,753 and \$462,434, respectively.

The Foundation receives donated space located on the main campus in Fairfax, Virginia from the University. For both fiscal years 2025 and 2024, \$37,845 is reflected in the consolidated statement of activities as in-kind contribution revenue without donor restrictions and administrative expenses.

The Foundation also utilizes certain information technology support as part of a service level agreement with the University which totaled \$83,461 for both fiscal years 2025 and 2024.

In addition, the Foundation leases certain properties to the University and earns rental income on these leases (see Note 10).

As a general practice, the Foundation gifts donated goods to the University to provide greater resources towards their programs (see Note 2).

During fiscal years 2025 and 2024, upon the approval of the Foundation's Board of Trustees, the Foundation gifted \$4,971,951 and \$58,103,600, respectively, from its net assets without donor restriction, to the University to support key initiatives. These amounts are included as program support for the University in the consolidated statement of activities and in the functional classification of expenses in Note 17.

### Note 17—Functional classification of expenses

The Foundation's primary program service is support of George Mason University in its academics and real estate operations. Expenses by function and natural classification for the year ended June 30, 2025 is as follows:

	Program Support for George Mason University					June 30, 2025
	Academic Support	Real Institutional Estate Operations	Management and General	Fundraising		
Distributions to George Mason University and affiliates:						
Program support	\$ 47,452,950	\$ 6,810	\$ 37,845	\$ 1,089	\$ 47,498,694	
Student scholarships	3,511,959	-	-	-	-	3,511,959
Salaries and benefits	12,369,289	-	2,626,258	-	-	14,995,547
Interest	-	2,573,193	-	-	-	2,573,193
Professional and contracted services	7,545,272	318,625	572,527	207,309	8,643,733	
Events and conferences	3,682,737	-	13,462	138,347	3,834,546	
Travel	3,544,396	-	17,819	57,613	3,619,828	
Depreciation and amortization	-	139,215	1,172	-	140,387	
Utilities, repairs and maintenance	861,462	166,218	61,363	16,186	1,105,229	
Student scholarships and assistance	785,160	-	-	-	785,160	
Other	1,270,399	23,259	231,080	285,699	1,810,437	
	<u>\$ 81,023,624</u>	<u>\$ 3,227,320</u>	<u>\$ 3,561,526</u>	<u>\$ 706,243</u>	<u>\$ 88,518,713</u>	

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

**Note 17—Functional classification of expenses (continued)**

Expenses by function and natural classification for the year ended June 30, 2024 is as follows:

	Program Support for George Mason University					<b>June 30, 2024</b>
	Academic Institutional Support	Real Estate Operations	Management and General	Fundraising		
Distributions to George Mason University and affiliates:						
Program support	\$ 99,771,777	\$ 5,855	\$ 38,028	\$ 2,475	\$ 99,818,135	
Student scholarships	3,612,870	-	-	-	-	3,612,870
Salaries and benefits	10,328,767	-	2,257,497	-	-	12,586,264
Interest	-	2,794,095	-	-	-	2,794,095
Professional and contracted services	7,093,766	262,940	566,684	178,028	8,101,418	
Events and conferences	2,610,149	-	14,603	106,712	2,731,464	
Travel	2,199,841	-	22,244	54,878	2,276,963	
Depreciation and amortization	-	131,980	-	-	-	131,980
Utilities, repairs and maintenance	814,519	341,604	120,061	12,229	1,288,413	
Student scholarships and assistance	430,568	-	-	-	-	430,568
Taxes	-	133	-	-	-	133
Other	1,143,874	9,943	153,551	286,060	1,593,428	
	<b>\$ 128,006,131</b>	<b>\$ 3,546,550</b>	<b>\$ 3,172,668</b>	<b>\$ 640,382</b>	<b>\$ 135,365,731</b>	

**Note 18—Discontinued operations**

On October 27, 2023, the Foundation executed a real estate purchase agreement with the University to sell a substantial portion of the GMUF Arlington Campus, LLC assets, specifically Vernon Smith Hall and related land, furniture, fixtures, and equipment for a purchase price of \$107 million, based on a third party appraisal. This transaction closed on November 15, 2023 at which time the University took possession of the assets. With the closing of this transaction, the Foundation assigned its current leases with third parties to the University.

Certain assets of GMUF Arlington Campus, LLC, primarily cash, were retained by the Foundation. The Foundation was also responsible for settling any outstanding contracts with applicable parties. A portion of the proceeds was used to settle the outstanding debt of GMUF Arlington Campus, LLC as described in Note 11.

Accordingly, the rental activity was identified as a separate business component and is classified in the consolidated financial statements as discontinued operations. In addition, the property, plant, and equipment and transfer of certain accrued rent were identified and categorized as a disposal group and sold on November 15, 2023.

With the sale of Vernon Smith Hall to the University, the remaining net assets of GMUF Arlington Campus LLC, including the sales proceeds, were transferred to the Foundation and GMUF Arlington Campus LLC was dissolved. The Foundation captured this transaction as a transfer on the consolidated statement of activities after change in net assets.

There were no assets of the disposal group for the years ended June 30, 2025 and 2024. The income from discontinued operations presented in the consolidated statement of activities for the year ended June 30, 2024 totaled approximately \$54,400,000 which was primarily comprised of a gain on sale of land and building and assignment of leases for approximately \$62,900,000, rental and interest income of approximately \$4,300,000 offset by taxes of approximately \$9,600,000 and various other expenses of approximately \$3,200,000.

**GEORGE MASON UNIVERSITY FOUNDATION, INC. AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2025**  
**(WITH JUNE 30, 2024 COMPARATIVE TOTALS)**

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**Note 19—Commitments and contingencies**

The Foundation is subject to legal proceedings and claims, which arise in the ordinary course of business. In the opinion of management, there is no pending or threatened litigation or administrative proceeding that is expected to have a material, adverse impact on the Foundation's financial position or results of operations.

**Note 20—Subsequent events**

The Foundation evaluated subsequent events through October 28, 2025, which is the date the consolidated financial statements were available to be issued. The Foundation is not aware of any other subsequent events which would require recognition or disclosure in the consolidated financial statements.