

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, 2026
(With Summarized Comparative Information for June 30, 2025)

And Report of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

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Cherry Bekaert LLP
Your Guide Forward

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, 2026, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Foundation as of June 30, 2026, 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 2025 consolidated financial statements, and we have expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 28, 2025. In our opinion, the comparative information, including 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 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 is presented for purposes of additional analysis and is 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 29, 2026

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

JUNE 30, 2026
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2025)

	GMU Foundation, Inc.	Real Estate Subsidiaries	June 30, 2026	June 30, 2025
ASSETS				
Cash and cash equivalents	$ 7,378,061	$ 5,282,497	$ 12,660,558	$ 16,601,265
Restricted cash and cash equivalents	-	3,657,661	3,657,661	3,479,074
Contributions receivable, net	35,537,021	-	35,537,021	46,015,196
Investments	413,960,716	-	413,960,716	370,535,699
Beneficial interest in perpetual and remainder trusts	48,683,437	-	48,683,437	43,432,761
Property and equipment, net	13,614,435	-	13,614,435	10,991,754
Net investment in direct financing leases	-	57,125,994	57,125,994	61,652,889
Other assets	1,727,710	-	1,727,710	1,559,623
Total Assets	$ 520,901,380	$ 66,066,152	$ 586,967,532	$ 554,268,261
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accrued expenses	$ 4,435,142	$ 473,302	$ 4,908,444	$ 4,664,890
Amounts held for others	14,664,876	-	14,664,876	14,596,802
Bonds payable, net	-	60,630,952	60,630,952	65,815,779
Other liabilities	544,831	200,000	744,831	542,214
Total Liabilities	19,644,849	61,304,254	80,949,103	85,619,685
Net Assets:				
Without donor restrictions	51,239,315	4,761,898	56,001,213	49,211,061
With donor restrictions	450,017,216	-	450,017,216	419,437,515
Total Net Assets	501,256,531	4,761,898	506,018,429	468,648,576
Total Liabilities and Net Assets	$ 520,901,380	$ 66,066,152	$ 586,967,532	$ 554,268,261

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, 2026
(WITH SUMMARIZED TOTALS YEAR ENDED JUNE 30, 2025)

	GMU Foundation, Inc.		Real Estate Subsidiaries -		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	Year Ended June 30, 2026	Year Ended June 30, 2025
Support and Revenue:					
Contributions, net of loss on uncollectible contributions	$ 185,065	$ 47,695,134	$ -	$ 47,880,199	$ 92,722,277
In-kind contributions	1,447,845	874,252	-	2,322,097	1,705,078
Investment returns, net	6,522,983	37,878,452	237,215	44,638,650	38,954,285
Service fees	3,063,647	-	-	3,063,647	3,018,398
Rental income	500,692	-	-	500,692	613,079
Interest on direct financing leases	-	-	3,603,105	3,603,105	3,957,474
Trust and other income	80,508	5,219,421	-	5,299,929	5,363,047
Net assets released from restrictions	61,087,558	(61,087,558)	-	-	-
Total Support and Revenue	72,888,298	30,579,701	3,840,320	107,308,319	146,333,638
Operating Expenses:					
Program Support for George Mason University:					
Academic institutional support	62,839,978	-	-	62,839,978	81,023,624
Real estate operations	348,000	-	2,572,646	2,920,646	3,227,320
Management and general	3,536,963	-	-	3,536,963	3,561,526
Fundraising	640,879	-	-	640,879	706,243
Total Operating Expenses	67,365,820	-	2,572,646	69,938,466	88,518,713
Change in Net Assets Before Nonoperating Activities	5,522,478	30,579,701	1,267,674	37,369,853	57,814,925
Gain on sale of assets	-	-	-	-	3,084,161
Change in net assets	5,522,478	30,579,701	1,267,674	37,369,853	60,899,086
Net assets, beginning of year	45,716,837	419,437,515	3,494,224	468,648,576	407,749,490
Net assets, end of year	$ 51,239,315	$ 450,017,216	$ 4,761,898	$ 506,018,429	$ 468,648,576

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, 2026
(WITH SUMMARIZED TOTALS AS OF JUNE 30, 2025)

	GMUF Mason Administration, LLC	GMUF Prince William Housing, LLC	GMUF Prince William Life Sciences Lab, LLC	GMUF Potomac Heights, LLC	June 30, 2026	June 30, 2025
ASSETS						
Cash and cash equivalents	$ 2,650,807	$ 623,583	$ 753,056	$ 1,255,051	$ 5,282,497	$ 4,671,841
Restricted cash and cash equivalents	-	1,690,218	1,967,443	-	3,657,661	3,479,074
Net investment in direct financing leases	18,364,802	11,598,095	24,061,570	3,101,527	57,125,994	61,652,889
Total Assets	$ 21,015,609	$ 13,911,896	$ 26,782,069	$ 4,356,578	$ 66,066,152	$ 69,803,804
LIABILITIES AND NET ASSETS						
Liabilities:						
Accounts payable and accrued expenses	$ 54,658	$ 129,658	$ 282,851	$ 6,135	$ 473,302	$ 493,801
Bonds payable, net	18,814,044	12,605,702	26,161,100	3,050,106	60,630,952	65,815,779
Other liabilities	200,000	-	-	-	200,000	-
Total Liabilities	19,068,702	12,735,360	26,443,951	3,056,241	61,304,254	66,309,580
Net Assets (Deficit) - Without Donor Restrictions:						
GMUF Mason Administration, LLC	1,946,907	-	-	-	1,946,907	1,607,686
GMUF Prince William Housing, LLC	-	1,176,536	-	-	1,176,536	896,756
GMUF Prince William Life Sciences Lab, LLC	-	-	338,118	-	338,118	(79,805)
GMUF Potomac Heights, LLC	-	-	-	1,300,337	1,300,337	1,069,587
Total Net Assets - Without Donor Restrictions	1,946,907	1,176,536	338,118	1,300,337	4,761,898	3,494,224
Total Liabilities and Net Assets	$ 21,015,609	$ 13,911,896	$ 26,782,069	$ 4,356,578	$ 66,066,152	$ 69,803,804

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, 2026
(WITH SUMMARIZED TOTALS FOR YEAR ENDED JUNE 30, 2025)

	GMUF Mason Administration, LLC	GMUF Prince William Housing, LLC	GMUF Prince William Life Sciences Lab, LLC	GMUF Potomac Heights, LLC	Year Ended June 30, 2026	Year Ended June 30, 2025
Support and Revenue:						
Investment returns, net	$ 57,133	$ 76,247	$ 92,437	$ 11,398	$ 237,215	$ 263,481
Rental income	-	-	-	-	-	130,819
Interest on direct financing leases	989,763	661,173	1,577,313	374,856	3,603,105	3,957,474
Total Support and Revenue	1,046,896	737,420	1,669,750	386,254	3,840,320	4,351,774
Operating Expenses:						
Administrative	3,879	48,652	90,193	50,050	192,774	314,667
Interest expense	703,796	408,988	1,161,634	105,454	2,379,872	2,573,194
Utilities and other	-	-	-	-	-	95,082
Total Operating Expenses	707,675	457,640	1,251,827	155,504	2,572,646	2,982,943
Change in Net Assets Before Nonoperating Activities	339,221	279,780	417,923	230,750	1,267,674	1,368,831
Gain on sale of assets	-	-	-	-	-	3,245,813
Change in net assets	339,221	279,780	417,923	230,750	1,267,674	4,614,644
Net assets - without donor restrictions, beginning of year	1,607,686	896,756	(79,805)	1,069,587	3,494,224	2,530,762
Transfer of net assets to GMU Foundation, Inc.	-	-	-	-	-	(3,651,182)
Net assets - without donor restrictions, end of year	$ 1,946,907	$ 1,176,536	$ 338,118	$ 1,300,337	$ 4,761,898	$ 3,494,224

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, 2026
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2025)

	2026	2025
Cash flows from operating activities:		
Change in net assets	$ 37,369,853	$ 60,899,086
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation and amortization of property and leasing commissions	182,302	140,387
Amortization of debt issuance costs	70,173	121,296
Change in discount on contributions receivable	(1,403,186)	6,445,710
Unrealized and realized investment gains	(43,818,524)	(36,848,356)
Change in value of split interest agreements	(5,293,442)	(4,343,621)
Stock contributions	(4,930,580)	(284,011)
Contributions restricted for endowments	(4,230,696)	(21,090,424)
Loss (gain) on sale of assets	6,421	(3,084,161)
Donation of long-lived assets	(2,300,000)	-
Loss on uncollectible contributions	3,010,942	794,176
Change in assets and liabilities:		
Contributions receivable	8,870,419	(21,639,534)
Net investment in direct financing leases	4,526,895	4,379,580
Other assets	(168,087)	(22,372)
Accounts payable and accrued expenses	243,554	255,749
Amounts held for others	68,074	1,718,388
Other liabilities	202,617	106,916
Net cash flows from operating activities	(7,593,265)	(12,451,191)
Cash flows from investing activities:		
Proceeds from sale of investments	117,981,559	119,449,369
Purchases of investments	(112,614,706)	(126,929,770)
Purchases of property and equipment	(511,404)	(50,400)
Proceeds from sale of assets	-	5,770,000
Net cash flows from investing activities	4,855,449	(1,760,801)
Cash flows from financing activities:		
Proceeds from contributions in endowments	4,230,696	21,090,424
Repayments of debt	(5,255,000)	(7,574,099)
Net cash flows from financing activities	(1,024,304)	13,516,325
Net change in cash, cash equivalents, and restricted cash	(3,762,120)	(695,667)
Cash, cash equivalents, and restricted cash, beginning of year	20,080,339	20,776,006
Cash, cash equivalents, and restricted cash, end of year	$ 16,318,219	$ 20,080,339
Supplemental disclosure of cash flow activities		
Interest paid and expensed	$ 2,332,218	$ 2,520,586

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

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 Mason Administration, LLC,
GMUF Prince William Housing, LLC,
GMUF Prince William Life Sciences Lab, LLC,
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 (see 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 in fiscal year 2025.

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.

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 distinguishes 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.

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, 2023 through 2026 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 activities.

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:

	2026	2025
Cash and cash equivalents	$ 12,660,558	$ 16,601,265
Restricted cash and cash equivalents	3,657,661	3,479,074
	$ 16,318,219	$ 20,080,339

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 on the consolidated statements of activities.

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 contributions receivable are not included as support until the conditions are substantially met.

Note 2—Summary of significant accounting policies (continued)

Donated Goods and Space – During the years ended June 30, 2026 and 2025, 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 generally to contribute donated nonfinancial assets to the University, upon receipt, for University programs. Donated real estate and certain other assets may be retained and held for investment or sold, with proceeds used in support of the University or Foundation in accordance with donor intent.

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

	2026	2025
Donated rent	$ 37,845	$ 37,845
Computer and lab equipment	34,996	276,068
Residential property	1,550,000	-
Artwork, books, and other support	699,256	1,391,165
	$ 2,322,097	$ 1,705,078

Investments – Investments are recorded at cost when purchased or at fair value when donated. Thereafter, 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 and Remainder Trusts – The stated value of the beneficial interest in perpetual and remainder 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.

Note 2—Summary of significant accounting policies (continued)

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

Asset Class	Allocation Ranges
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 statements 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, 2026 and 2025 was $70,173 and $121,296, respectively, and is included in operating expenses on the consolidated statement of activities.

Revenue Recognition – Contributions represent the Foundation's primary source of revenue. Unconditional contributions, including unconditional promises to give, are recognized as revenue in the period received or promised. 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 were $3,063,647 and $3,018,398 in fiscal years 2026 and 2025, respectively, and are disclosed as service fees in the consolidated statements of activities.

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.

Note 2—Summary of significant accounting policies (continued)

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.

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 date, as of June 30 include:

	2026	2025
Cash and cash equivalents	$ 7,094,973	$ 10,574,092
Accounts receivable and other assets	-	2,000
Investments	5,950,293	2,342,553
	$ 13,045,266	$ 12,918,645

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, 2026 and 2025, the Foundation's operating reserve was $9,514,365 and $9,559,469, 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.

Note 4—Contributions receivable, net

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

	2026	2025
Due in less than one year	$ 13,298,187	$ 14,946,933
Due in one to five years	20,389,310	30,738,370
Due in more than five years	10,021,500	10,043,000
	43,708,997	55,728,303
Less allowance for doubtful accounts	(980,229)	(1,118,174)
Less discount present value	(7,191,747)	(8,594,933)
	$ 35,537,021	$ 46,015,196

Discount rates range from 0.16% to 6.19% for the year ended June 30, 2026 and 0.16% to 6.72% for the year ended June 30, 2025.

For the years ended June 30, 2026 and 2025, the Foundation recognized net losses on uncollectible contribution receivables of $3,010,942 and $794,176, respectively. These amounts represent contributions receivable deemed uncollectible during the year, net of recoveries.

As of June 30, 2026 and 2025, the Foundation had $14,360,000 and $4,597,415, 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:

	2026	2025
Cash and money market funds	$ 15,143,689	$ 20,583,910
Fixed income	126,928,118	121,188,246
Equities	38,574,358	34,038,361
Hedge funds	179,010,022	151,123,900
Private funds	54,304,529	43,601,282
	$ 413,960,716	$ 370,535,699

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, 2026 and 2025 was $11,754,377 and $10,595,837, respectively. Contributions from the trust were $479,992 and $472,188, respectively, for the years ended June 30, 2026 and 2025, and were included in support and revenue with donor restrictions. The change in value of the trust increased $1,158,540 and $468,811 during the years ended June 30, 2026 and 2025, 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.

Note 6—Split-interest agreements (continued)

100% Beneficiary – The fair value of the Foundation's portion of this trust at June 30, 2026 and 2025 was $2,699,141 and $2,509,822, respectively. Contributions from the trust were $40,000, for both of the years ended June 30, 2026 and 2025 and are included in support and revenue with donor restrictions. The change in value from the trust increased $189,319 and $150,708, during the years ended June 30, 2026 and 2025, 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 currently 38 years, the estimated investment return of the trust's assets, assumed discount rates (5.90% and 5.75% for the years ended June 30, 2026 and 2025, 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 interests in the remainder trusts were $34,229,919 and $30,327,102 as of June 30, 2026 and 2025, respectively. The change in value of the trusts increased $3,902,817 and $3,627,404 during the years ended June 30, 2026 and 2025, 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 18 years and discount rates range from 2% to 8%. The market value of the assets at June 30, 2026 and 2025 were $644,789 and $597,553, respectively, and is included with investments on the consolidated statement of financial position. Liabilities related to these agreements were $276,888 and $272,418 at June 30, 2026 and 2025, respectively, and are included with other liabilities. During fiscal year 2026, the Foundation received no new charitable remainder trusts or gift annuities. The Foundation received two new charitable remainder trusts in fiscal year 2025. 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 $42,766 and $96,698 for the years ended June 30, 2026 and 2025, 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 $246,100 and $269,586 as of June 30, 2026 and 2025, respectively, and is included in other liabilities.

Note 7—Endowment

The Foundation's endowment consists of approximately 688 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, 2026:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 24,636,359	$ -	$ 24,636,359
Donor-restricted endowment funds:			
Original donor-restricted gift required to be maintained in perpetuity by donor	-	180,150,696	180,150,696
Accumulated earnings	-	75,010,714	75,010,714
Total endowment funds	$ 24,636,359	$ 255,161,410	$ 279,797,769

Note 7—Endowment (continued)

Changes in endowment net assets for the year ended June 30, 2026:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 20,998,445	$ 219,527,086	$ 240,525,531
Total investment return, net	3,649,592	38,211,420	41,861,012
Contributions	-	7,367,774	7,367,774
Appropriation of endowment assets for expenditure	(4,288)	(9,354,008)	(9,358,296)
Other changes	(7,390)	(590,862)	(598,252)
Endowment net assets, end of year	$ 24,636,359	$ 255,161,410	$ 279,797,769

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

	Without Donor Restrictions	With Donor Restrictions	Total
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
Total endowment funds	$ 20,998,445	$ 219,527,086	$ 240,525,531

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

	Without Donor Restrictions	With Donor Restrictions	Total
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	$ 20,998,445	$ 219,527,086	$ 240,525,531

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, 2026, funds with an original gift value of $1,654,145 and fair value of $1,633,465 were underwater by $20,680. 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.

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 3.34% and 3.12% as of June 30, 2026 and 2025, 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) and the lowest priority to unobservable inputs (Level 3). 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.

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, 2026 and 2025, based on the level of input utilized to measure fair value. Measurement at fair value on a recurring basis as of June 30, 2026:

	Level 1	Level 2	Level 3	Reported at NAV *	Total
Financial assets:					
Cash and cash equivalents	$ 15,143,689	$ -	$ -	$ -	$ 15,143,689
Equities:					
Domestic large cap	25,318,751	-	-	-	25,318,751
Domestic small/mid cap	46,551	-	-	-	46,551
International (developed countries)	8,341,274	-	-	-	8,341,274
International (emerging countries)	4,867,782	-	-	-	4,867,782
Fixed income:					
Corporate bonds	32,903,949	-	-	-	32,903,949
Government and agency bonds	31,382,284	-	-	-	31,382,284
Intermediate government/credit		15,518,904	-	-	15,518,904
Mutual funds and exchange traded funds	30,977,365	-	-	-	30,977,365
Mortgage and asset backed securities	-	16,145,616	-	-	16,145,616
Hedge funds:					
Multi-strategies	-	-	-	94,880,792	94,880,792
Long/short	-	-	-	73,906,205	73,906,205
Credit/opportunistic	-	-	-	10,223,025	10,223,025
Private funds:					
Private equity	-	-	-	43,350,128	43,350,128
Private real estate	-	-	-	7,273,853	7,273,853
Private credit	-	-	-	3,167,762	3,167,762
Private resources	-	-	-	512,786	512,786
Investments	148,981,645	31,664,520	-	233,314,551	413,960,716
Beneficial interest in perpetual and remainder trusts	-	48,683,437	-	-	48,683,437
Total financial assets	$ 148,981,645	$ 80,347,957	$ -	$ 233,314,551	$ 462,644,153

* 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.

Note 8—Fair value measurements (continued)

Measurement at fair value on a recurring basis as of June 30, 2025:

	Level 1	Level 2	Level 3	Reported at NAV *	Total
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	$ 145,074,377	$ 74,168,901	$ -	$ 194,725,182	$ 413,968,460

* 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.

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, 2026:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Redemption Restrictions
Hedge funds - multi-strategies [(a)]	$ 94,880,792	N/A	Semi-Monthly, Monthly, Quarterly, Semi-Annually, Annually	6 days, 10 days, 15 days, 30 days, 45 days, 60 days, 90 days, 120 days, 365 days	Gates and Lock-up provisions range from 0 to 3 years
Hedge funds - long/short [(b)]	73,906,205	N/A	None, Daily, Quarterly, Semi-Annually, Annually, Every 2.5 years	60 days, 65 days, 75 days, 90 days, 120 days	Gates and Lock-up provisions range from no liquidity up to 3 years
Hedge funds - credit/opportunistic [(c)]	10,223,025	$ 516,000	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 [(d)]	43,350,128	22,630,023	N/A	N/A	N/A
Private real estate [(e)]	7,273,853	4,258,241	N/A	N/A	N/A
Private credit [(f)]	3,167,762	2,187,957	N/A	N/A	N/A
Private resources [(g)]	512,786	1,891,385	N/A	N/A	N/A
	$ 233,314,551	$ 31,483,606			

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

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Redemption Restrictions
Hedge funds - multi-strategies [(a)]	$ 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 [(b)]	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 [(c)]	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 [(d)]	34,195,798	21,746,239	N/A	N/A	N/A
Private real estate [(e)]	6,689,250	4,016,593	N/A	N/A	N/A
Private credit [(f)]	2,708,409	2,623,784	N/A	N/A	N/A
Private resources [(g)]	7,825	292,175			
	$ 194,725,182	$ 29,329,791			

[(a)] 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.

Note 8—Fair value measurements (continued)

(b) 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. Three funds in this class do not allow for redemption.

(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. Three funds in this class do 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 distributions 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:

	2026	2025
Land	$ 10,827,155	$ 10,212,155
Buildings	5,075,413	4,390,413
Building improvements	1,673,913	1,671,364
Furniture and equipment	452,373	352,367
Residential property held for sale	1,400,000	-
	19,428,854	16,626,299
Accumulated depreciation and amortization	(5,814,419)	(5,634,545)
Property and equipment, net	$ 13,614,435	$ 10,991,754

Depreciation expense was $182,302 and $140,387 for the years ended June 30, 2026 and 2025, respectively.

Property Held for Sale – Included in property and equipment at June 30, 2026 is a residential property with a carrying value of $1.4 million that was acquired during fiscal year 2026 through a bargain purchase transaction. The Foundation acquired the property for $500,000.

Note 9—Property and equipment (continued)

Management intends to monetize the property and has actively marketed the property for sale as of June 30, 2026. The property met the criteria for classification as held for sale. Management determined that estimated fair value less costs to sell exceeded carrying value and, accordingly, no impairment loss was recognized as of June 30, 2026.

The following summarizes the Foundation's property, including related direct financing leases and bonds payable at June 30, 2026:

Property	Description	Net Book Value Property and Equipment June 30, 2026	Net Investment in Direct Financing Leases June 30, 2026	Debt Issuer	Debt, net June 30, 2026
GMUF Mason Administration, LLC	Administration building, main campus, Fairfax County, VA	$ -	$ 18,364,802	FCEDA	$ 18,896,518
GMUF Prince William Housing, LLC	Graduate student housing, Science and Technology Campus, Prince William County, VA	-	11,598,095	IDA-PW	12,780,000
GMUF Prince William Life Sciences Lab, LLC	Research and office space, Science and Technology Campus, Prince William County, VA	-	24,061,570	IDA-PW	26,370,000
GMUF Potomac Heights, LLC	Dormitory, main campus, Fairfax County, VA	-	3,101,527	FCEDA	3,055,000
University Park	Graduate student townhomes and commercial office space, City of Fairfax, VA	934,138	-	N/A	-
Kelley Drive property	Office space, Fairfax County, VA	26,000	-	N/A	-
Mathy House	Residential rental, Fairfax County, VA	439,492	-	N/A	-
Liliana Mathy House	Residential rental, Fairfax County, VA	1,347,600	-	N/A	-
Mathy Lodge	Residential rental, Fairfax County, VA	1,226,321	-	N/A	-
Oakcrest Drive	Residential property, held for sale, Fairfax, VA	1,400,000	-	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	2,380	-	N/A	-
	Unamortized debt issuance costs	-	-	N/A	(470,566)
		$ 13,614,435	$ 57,125,994		$ 60,630,952

Note 10—Leases

Operating Leases – The Foundation leases certain properties, with a cost of $18,023,578 and $16,620,993 and accumulated depreciation of $5,811,487 and $5,633,342 as of June 30, 2026 and 2025, respectively, under operating lease agreements. The remaining lease agreements have base lease terms that terminate beginning in fiscal year 2028 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 $2,005,302 and $2,236,387 as of June 30, 2026 and 2025, 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.

The components of rental income for the years ended June 30, 2026 and 2025 are as follows, of which $474,161 and $589,079, respectively, were paid by the University for the years then ended:

	2026	2025
Fixed rental income	$ 500,692	$ 584,935
Variable rental income	-	28,144
	$ 500,692	$ 613,079

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

Years Ending June 30,	
2027	$ 565,359
2028	565,359
2029	438,829
2030	435,755
	$ 2,005,302

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.

Note 10—Leases (continued)

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:

Building	Loan Borrowing	Term	Final Fiscal Year of Payment
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.

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

	2026	2025
Total minimum lease payments to be received	$ 82,890,000	$ 91,020,000
Less unearned income	(25,764,006)	(29,367,111)
Net investment in direct financing lease	$ 57,125,994	$ 61,652,889

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

Years Ending June 30,	
2027	$ 8,130,000
2028	7,020,000
2029	5,910,000
2030	5,910,000
2031	5,910,000
Thereafter	50,010,000
	$ 82,890,000

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, 2026 and 2025, 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.

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.

Note 11—Debt (continued)

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 (see Note 2).

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

	2026	2025
Fairfax County Economic Development Authority Bonds (FCEDA):		
GMUF Potomac Heights, LLC Tax-Exempt Revenue Bonds, interest rate 2.41%, maturing on November 1, 2027	$ 3,055,000	$ 5,035,000
GMUF Mason Administration, LLC Tax-Exempt Revenue Bonds, interest rate 3.47%, maturing on April 1, 2036	18,896,518	20,491,518
Industrial Development Authority of the County of Prince William (IDA-PW):		
Prince William County Series 2017 Bonds, serial with interest rates ranging from 3.479% to 4.424%, maturing at various dates from October 1, 2025 to October 1, 2036	16,055,000	17,195,000
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 2.230% to 3.014%, maturing at various dates from September 1, 2025 to September 1, 2035	7,220,000	7,760,000
Prince William County Series 2020 Bonds, term interest rate 3.365%, maturing September 1, 2041	5,560,000	5,560,000
Bonds payable at face value	61,101,518	66,356,518
Less unamortized debt issuance costs	(470,566)	(540,739)
Total debt	$ 60,630,952	$ 65,815,779

Note 11—Debt (continued)

Scheduled maturities and sinking fund requirements are as follows:

Years Ending June 30,	
2027	$ 5,445,000
2028	4,615,000
2029	3,720,000
2030	3,855,000
2031	4,000,000
Thereafter	39,466,518
	$ 61,101,518

Interest expense on notes and bonds along with the amortization of deferred financing charges was $2,379,872 and $2,573,194 for the years ended June 30, 2026 and 2025, 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, 2026 and 2025, 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 $196,431 and $169,290 as of June 30, 2026 and 2025, 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, 2026, the Foundation had approximately $8.4 million of uninsured balances in checking and money market accounts.

In fiscal year 2026, six donors collectively contributed approximately 45% of the total contributions, and approximately 79% of total contributions receivable were due from ten contributors. In fiscal year 2025, sixteen donors collectively contributed approximately 69% of the total contributions and approximately 79% of total contributions receivable were due from twelve 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 were $55,799,459 and $70,140,952 for the years ended June 30, 2026 and 2025, respectively. Additionally, net assets released for scholarships were $5,288,099 and $4,297,119 for the years ended June 30, 2026 and 2025, respectively.

Note 15—Net assets

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

	2026	2025
Real estate operations	$ 4,761,898	$ 3,494,224
Board-designated funds, functioning as endowments	24,636,359	20,998,445
Board-designated funds, intended to be used as a reserve	9,514,365	9,559,469
Undesignated	17,088,591	15,158,923
	$ 56,001,213	$ 49,211,061

Net assets with donor restrictions consisted of the following at June 30, 2026:

	With Donor Restrictions for Time and Purpose	With Donor Restrictions for Perpetuity
Administrative support	$ 30,661,568	$ 558,117
Academic support	64,713,606	95,381,291
Athletics	3,898,657	405,729
Community/public service	19,144,667	12,026,524
Eminent scholars	11,534,764	26,172,319
Facilities	23,791,543	63,976
Library	1,276,294	1,305,082
Research	10,772,162	2,052,941
Student financial aid	40,875,223	105,382,753
	$ 206,668,484	$ 243,348,732

Note 15—Net assets (continued)

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

	With Donor Restrictions for Time and Purpose	With Donor Restrictions for Perpetuity
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	31,303,641	98,375,143
	$ 184,530,041	$ 234,907,474

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, 2026 and 2025, the Foundation had salaries payable to the University totaling $672,120 and $726,753, respectively.

The Foundation receives donated space located on the main campus in Fairfax, Virginia from the University. For both fiscal years 2026 and 2025, $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 2026 and 2025.

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 2026 and 2025, upon the approval of the Foundation's Board of Trustees, the Foundation gifted $58,170 and $4,971,951, 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, 2026 are as follows:

	Program Support for George Mason University				
	Academic Institutional Support	Real Estate Operations	Management and General	Fundraising	June 30, 2026
Distributions to George Mason University and affiliates:					
Program support	$ 35,646,079	$ 8,032	$ 47,845	$ -	$ 35,701,956
Student scholarships	4,776,986	-	-	-	4,776,986
Salaries and benefits	9,456,394	-	2,741,706	-	12,198,100
Interest	-	2,379,872	-	-	2,379,872
Professional and contracted services	5,819,942	259,412	478,125	136,882	6,694,361
Events and conferences	2,735,771	-	15,669	63,694	2,815,134
Travel	2,063,047	399	13,715	36,940	2,114,101
Depreciation and amortization	-	180,543	1,759	-	182,302
Utilities, repairs and maintenance	523,346	63,129	10,713	5,205	602,393
Student scholarships and assistance	511,112	-	-	-	511,112
Other	1,307,301	29,259	227,431	398,158	1,962,149
	$ 62,839,978	$ 2,920,646	$ 3,536,963	$ 640,879	$ 69,938,466

Expenses by function and natural classification for the year ended June 30, 2025 is as follows:

	Program Support for George Mason University				
	Academic Institutional Support	Real Estate Operations	Management and General	Fundraising	June 30, 2025
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	-	2,573,194	-	-	2,573,194
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	23,258	231,080	285,699	1,810,436
	$ 81,023,624	$ 3,227,320	$ 3,561,526	$ 706,243	$ 88,518,713

Note 18—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 19—Subsequent events

The Foundation evaluated subsequent events through October 29, 2026, 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.