GEORGE MASON UNIVERSITY

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Introduction

We are pleased to present this *Management's Discussion and Analysis* (MD&A) for George Mason University ("University" or "George Mason"). The MD&A is intended to make the University's financial statements easier to understand and to communicate George Mason's financial situation in an open and accountable manner. This section of the financial report provides an objective discussion and analysis of the financial performance of the University for the fiscal years ended June 30, 2025 (FY 2025) and June 30, 2024 (FY 2024). The MD&A provides an analysis of George Mason's financial activities based on currently known facts, decisions, or existing conditions. University Management is responsible for completeness and fairness of this discussion and analysis, the financial statements, and related footnote disclosures.

Financial Highlights

The University's net position increased by $88.2 million or 7 percent in FY 2025, compared to an increase of $123.8 million or 10 percent in FY 2024. Nonoperating resources, including state appropriations and investment income, continued to be a major factor in the University's net position growth.

Operating revenues declined in FY 2025 as a result of increased financial aid awarded to students. Enrollment has remained strong, but tuition revenue growth has been moderated by increased financial aid awards supporting access and affordability goals. Sponsored project activity has decreased as various Executive Orders issued by the Federal Government led to project-specific suspensions, stop work orders, and terminations across various federal agencies and sponsors.

Through cost savings mitigation strategies, including disciplined workforce planning, improved operational processes and efficiency, and strategic realignments across key areas, the university was able to slow the increase in operating expenses. Operating expense growth was moderated with the decrease in sponsored project activity.

Changes in Revenues, Expenses, and Net Position ($ in millions)	FY 2025		FY 2024	
Operating Revenues	$(20.9)	-2%	$69.2	9%
Operating Expenses	$20.2	2%	$105.7	9%
Net Nonoperating Activities	$46.4	12%	$64.5	19%
Net Other Activities	$(40.9)	-38%	$31.8	42%
Net Position	$88.2	7%	$123.8	10%

Beyond operational changes, the FY 2025 financial statements include two changes in accounting and financial reporting standards. During FY 2025, the University implemented GASB 101, Compensated Absences. This standard requires the University to recognize a liability for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability is also recognized for leave that has been used but not yet paid in cash or settled through noncash means. Under the previous guidance, a liability was recorded for leave that only required cash payments upon employee termination, exempting most sick leave from the accrual. With the new guidance, sick leave that is more likely than not to be used is accrued. GASB 101 is applied retroactively with a beginning net position restatement of $10.9 million.

GASB 102, Certain Risk Disclosures, was also effective for FY 2025. The objective of this statement is to provide users of financial statements with essential information about risks related to vulnerabilities due to certain concentrations or constraints. A *concentration* is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resources. A *constraint* is a limitation imposed by an external party or by formal action of the university's highest level of decision-making authority. If a concentration or constraint is known to the university, the concentration or constraint makes the university vulnerable to a substantial impact, and the events associated with the concentration or constraint have already occurred or are more likely than not to occur within 12 months of the date the financial statements are issued, disclosure is required. See Note 26.

Overview of the Financial Statements

Following is a high-level discussion of the University's primary financial statements with comparisons to the prior year. Since this presentation includes highly summarized data, it should be read in conjunction with the financial statements, and include:

- The ***Statement of Net Position*** presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the University's fiscal year (June 30). Its purpose is to present a financial snapshot of the University's financial position at a point in time. This statement aids readers in determining the assets available to continue the University's operations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the University is improving or deteriorating.

- The ***Statement of Revenues, Expenses and Changes in Net Position*** presents the total revenues earned and expenses incurred by the University for operating, nonoperating, and other related activities during a period of time (the fiscal year ended June 30). Its purpose is to identify the components leading to the change in net position during the fiscal year, including operating activities, nonoperating items, and other activities.

- The ***Statement of Cash Flows*** presents the University's cash receipts and payments during a period of time (the fiscal year ended June 30). Its purpose is to assess the University's ability to generate cash flows and meet its payment obligations as they come due.

- ***Notes to the Financial Statements*** present additional information to support the financial statements and are commonly referred to as Notes. Its purpose is to clarify and expand on the information in the financial statements. Notes are referenced in this discussion to indicate where details of the financial highlights may be found.

Financial Analysis

The financial analysis below can be combined with relevant nonfinancial indicators to assess the overall health of the University.

Statement of Net Position

A summary of the University's *Statement of Net Position* at June 30, 2025, and June 30, 2024, follows:

Condensed Statement of Net Position ($ in thousands)	June 30, 2025	June 30, 2024	Dollar Change	Percent Change
Assets:				
Current assets	$693,184	$721,167	$(27,983)	-4%
Capital assets, net	1,530,373	1,495,086	35,287	2%
Other noncurrent assets	204,358	195,876	8,482	4%
Total Assets	**2,427,915**	**2,412,129**	**15,786**	**1%**
Deferred Outflows of Resources	**89,253**	**89,399**	**(146)**	0%
Total Assets & Deferred Outflows	**2,517,168**	**2,501,528**	**15,640**	**1%**
Liabilities:				
Current liabilities	281,778	286,454	(4,676)	-2%
Noncurrent liabilities	723,998	779,358	(55,360)	-7%
Total Liabilities	**1,005,776**	**1,065,812**	**(60,036)**	**-6%**
Deferred Inflows of Resources	**69,080**	**70,759**	**(1,679)**	-2%
Total Liabilities & Deferred Inflows	**1,074,856**	**1,136,571**	**(61,715)**	**-5%**
Net Position:				
Net investment in capital assets	1,122,551	1,042,180	80,371	8%
Restricted: nonexpendable	7,167	7,167	-	0%
Restricted: expendable	46,952	40,688	6,264	15%
Unrestricted	265,642	274,922	(9,280)	-3%
Total Net Position	**$1,442,312**	**$1,364,957**	**$77,355**	**6%**

Assets

Assets are resources owned by the University that are measured at current or fair value, except for capital assets, which are stated at historical cost less an allowance for depreciation and amortization. Total assets increased by $15.8 million during FY 2025 due to the below factors.

Current assets decreased $28.0 million, primarily attributable to decreases in receivables:

- Grants and contracts receivable decreased by $14.1 million as a result of reductions in sponsored project activity described above.
- Due from the Commonwealth of Virginia decreased by $9.2 million. This receivable represents unreimbursed expenses for capital projects and equipment funded by the Commonwealth. The decrease is primarily related to VCBA 21st Century funding for the Life Sciences Building project.

An increase in net capital assets of $35.3 million, the majority of the increase resulting from the following:

- Land and financed purchased buildings decreased by $1.7 million and $4.4 million, respectively, due to the termination of the lease on the Commerce building.
- Construction-in-Progress increased by $97.7 million as a result of continued construction on FUSE at Mason Square, Life Sciences and Engineering Building and Aquatic Fitness Center renovation projects. This increase was offset by a decrease of $286.9 million due to the completion of FUSE at Mason Square, the Life Sciences and Engineering Building, and other small renovation projects.
- Buildings increased by $268.2 million, primarily due to costs related to FUSE at Mason Square and the Life Sciences and Engineering Building completions and capitalization.

- Equipment increased by $36.9 million, offset by $10.7 million in equipment disposals. The increase is attributable to FY 2025 purchases of lab equipment, audio visual equipment and furniture, much for the new buildings opened during the fiscal year.
- Right-to-use subscription assets increased by $20.2 million for new and renewal subscriptions to access vendor-provided IT software.
- Capital assets are offset by an increase of $86.9 million in accumulated depreciation and amortization.

An increase in other noncurrent assets of $8.5million, primarily due to an increase in Appropriations available – capital projects related to the Life Sciences and Engineering project.

Deferred Outflows of Resources

Deferred Outflows of Resources are a consumption of net position that are applicable to a future reporting period. During 2025, deferred outflows of resources remained stable at 89 million.

Liabilities

Liabilities are amounts the University owes to others or resources it has collected from others before the University has provided services. Total liabilities decreased by $60.0 million during FY 2025. This change included a decrease in current liabilities of $4.7 million and a decrease in noncurrent liabilities of $55.3 million.

The majority of the decrease in current liabilities was due to:

- A decrease of $24 million in Accounts payable and accrued expenses related to reduced construction work on the FUSE at Mason Square and Life Sciences and Engineering buildings and reduced spending on grants.
- Offset by increases in
    - Unearned revenue ($8.8 million), primarily caused by a larger percentage of the summer term occurring after June 30 than in the previous year.
    - Compensated absences ($5.2 million), due to the change in accounting principle described above.
    - Obligations under securities lending ($2.3 million)
    - Long-term debt current ($1.4 million)
    - Faculty early retirement incentive liability, current ($1 million)

The decrease in noncurrent liabilities was largely due to the following:

- Noncurrent long-term debt decreased by $48.4 million, representing principal payments on revenue bonds, notes payable, financed purchase obligations, installment purchases, lease liability, and subscription liability, offset by additions to the subscription liability
- $5.5 million decrease in the pension liability
- $8.4 million decrease in the noncurrent portion of the OPEB liability
- Offset by an $8.5 million increase in the noncurrent portion of the compensated absences liability, described above.

Deferred Inflows of Resources

Deferred Inflows of Resources are an acquisition of net position that are applicable to a future reporting period. FY 2025 deferred inflows of resources decreased by $1.7 million.

Net Position

Net position is the excess of the University's total assets/deferred outflows over total liabilities/deferred inflows and is divided into three categories.

- "Net investment in capital assets" provides the University's equity in the property, plant and equipment that it owns or leases.
- "Restricted net position" includes amounts that have been restricted as to use by an external party and is further broken down into nonexpendable and expendable. Restricted nonexpendable net position consists of endowments and similar funds in which the principal is to be maintained inviolate and in perpetuity. Restricted expendable net position is available for expenditure but must be spent as determined by external entities that have placed purpose restrictions on the use of the assets.
- "Unrestricted net position" is available to the University for any lawful purpose of the institution.

Total net position increased by $88.2 million in FY 2025 due to the following factors:

- $80.4 million increase in net investment in capital assets including capital appropriations to support construction projects, as well as use of unrestricted university funds for capital acquisitions and projects.
- $6.3 million increase in restricted expendable net position.
- $1.5 million increase in unrestricted net position.

The Total Net Position also reflects the $10.9 million restatement of beginning net position described in the Financial Highlights section.

Capital Asset and Debt Administration

Development and renewal of capital assets is one of the critical factors in sustaining the high quality of the University's academic, research, and residential life functions. The University continues to maintain and upgrade current structures, and to add new facilities.

Note 6 of the Notes to Financial Statements describes the University's cumulative investment in capital assets, with $2.75 billion in capital assets, less accumulated depreciation and amortization of $1.22 billion for net capital assets of $1.53 billion. Depreciation and amortization expense increased by $4.2 million over the prior year to $104.1 million. The following table summarizes the University's capital assets, net of accumulated depreciation and amortization, as of June 30, 2025 and June 30, 2024:

Capital Assets, Net ($ in thousands)				
	June 30, 2025	June 30, 2024	Dollar Change	Percent Change
Land	$37,819	$39,544	$(1,725)	-4%
Construction in Progress	55,421	244,624	(189,203)	-77%
Works of Art & Historical Treasures	6,665	5,645	1,020	18%
Buildings	1,194,558	984,701	209,857	21%
Improvements	4,459	3,891	568	15%
Infrastructure	78,289	81,376	(3,087)	-4%
Equipment	99,197	83,596	15,601	19%
Library Materials	6,597	7,785	(1,188)	-15%
Intangibles:				
Computer Software	2,730	254	2,476	975%
Right-to-use lease assets:				
Buildings	13,481	16,590	(3,109)	-19%
Equipment	2,318	2,589	(271)	-10%
Right-to-use Subscription assets	28,839	24,491	4,348	18%
Total Capital Assets, Net	**$1,530,373**	**$1,495,086**	**$35,287**	**2%**

Two large projects were completed during FY 2025, causing the significant decrease in Construction in Progress at June 30, 2025:

- FUSE at Mason Square. FUSE houses a mix of university R&D and related education programs, as well as corporate innovation labs, incubators, accelerators, co-working facilities, retail, a parking garage, and enhanced public spaces. It incorporates state of the art smart and green building technologies, as well as advanced cyberinfrastructure essential to advance the digital innovation goals of universities, industry, and community innovators who will use the FUSE facilities.
- Life Sciences and Engineering Building at the SciTech Campus. The building's design focuses on George Mason's growth and need for highly specialized instructional labs, classrooms, and support spaces. The project supports the increasing graduate level curricula in science, technology, engineering and health.

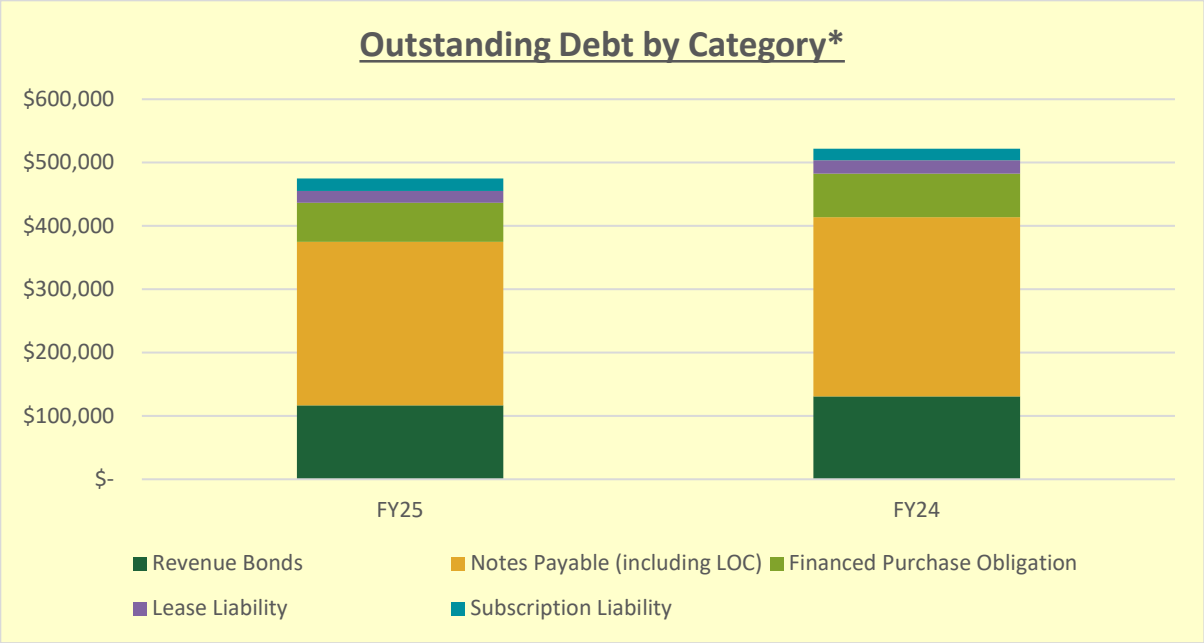
Accumulated costs for both projects were transferred to Buildings upon completion.

Numerous projects remain in Construction in Project including:

- The Aquatic Fitness Center on the Fairfax Campus is undergoing significant renovations. Constructed in 1988, the facility required updates to the HVAC system, fire alarm, elevator, roofing, and other aging components. Renovations are expected to be complete in August 2025.
- The telecommunications infrastructure project transitions network infrastructure to the next generation in direct support of the university's strategic goals by offering expanded virtual classroom capability and improved research infrastructure to better retain and attract students and faculty as well as improve the user experience. It improves network resilience and increases network data serviceability across all three campuses and is expected to be complete in phases, beginning in August 2026.
- The Activities Community Wellness Building is under construction on the Fairfax campus. The 25,000 square foot facility is designed to enhance student life by providing space for engagement and belonging at the university. It includes a full-sized basketball court for intramural games, additional athletic courts, yoga and exercise rooms, conference rooms, and office space. It is expected to be completed in Fall 2025.

Financial stewardship requires the effective management of resources, including the use of long-term debt to finance capital projects. Notes 9-14 of the Notes to Financial Statements describe changes in the University's long-term debt. At June 30, 2025, the University had $474.8 million in outstanding long-term debt. The debt

primarily consists of bonds and notes issued to finance major construction projects such as student housing, student activity centers and parking garages. During FY 2024, the University drew $68 million from a line of credit with a local bank. The funds remain invested until required for capital projects. The following graph illustrates debt by category:



* In thousands

Long-term debt outstanding decreased by $46.9 million in FY 2025, as compared to a decrease of $10.1 million in FY 2024. Principal payments on revenue bonds, notes payable, financed purchase obligations, installments, lease liability and subscription liability reduced outstanding debt by $64.3 million. Long-term debt was further reduced by $2.5 million as a result of the termination of the Commerce lease and by $0.8 million from revenue bond refunding savings. These reductions were partially offset by a $21.0 million increase in the subscription liability.

Contractual construction commitments at year end decreased from $69.4 million in FY 2024 to $8.6 million in FY 2025. This decrease is attributable to the completion of the FUSE at Mason Square and Life Sciences and Engineering projects. These obligations are for future efforts and therefore have not been accrued as expenses or liabilities on the University's financial statements.

Statement of Revenues, Expenses, and Changes in Net Position

The *Statement of Revenues, Expenses and Changes in Net Position* presents the University's operating revenues earned, operating expenses incurred and all other revenues, expenses, gains and losses during the fiscal year.

A summary of the University's *Statement of Revenues, Expenses, and Changes in Net Position* follows:

Condensed Statement of Revenues, Expenses, and Changes in Net Position ($ in thousands) For the Year Ended	June 30, 2025	June 30, 2024	Dollar Change	Percent Change
Operating Revenues:				
Student tuition and fees, net of allowances	$358,826	$363,345	$(4,519)	-1%
Grants and contracts	221,251	233,464	(12,213)	-5%
Auxiliary enterprises and other	244,851	248,991	(4,140)	-2%
Total Operating Revenues	**824,928**	**845,800**	**(20,872)**	**-2%**
Operating Expenses:				
Educational and general	976,106	971,498	4,608	0%
Depreciation and amortization	104,133	99,932	4,201	4%
Auxiliary enterprises	172,209	160,799	11,410	7%
Total Operating Expenses	**1,252,448**	**1,232,229**	**20,219**	**2%**
Operating Income (loss)	**(427,520)**	**(386,429)**	**(41,091)**	**-11%**
Nonoperating revenues and expenses (net)	**449,416**	**403,041**	**46,375**	**12%**
Income (loss) before other revenue/expense/gain/loss	**21,896**	**16,612**	**5,284**	**32%**
Other revenue/expense/gain/loss	**66,337**	**107,188**	**(40,851)**	**-38%**
Net increase in net position	**88,233**	**123,800**	**(35,567)**	**-29%**
Net position at beginning of year, restated	1,354,079	1,241,157	112,922	9%
Net position at end of year	**$1,442,312**	**$1,364,957**	**$77,355**	**6%**

Operating Revenues

Operating revenues are earned for providing goods and services to the students and other constituencies of the institution. Total operating revenues, consisting primarily of tuition and fees, grants and contracts, and auxiliary enterprises, decreased by $20.9 million from the prior year, as detailed below:

- Student tuition and fees and auxiliary enterprises and other revenue, both net of scholarship allowances, decreased by $4.5 million and $4.1 million, respectively. While student tuition and fees and auxiliary revenues increased modestly, the decrease was caused by increased financial aid awards to students. See additional details below on scholarships and fellowships.
- As detailed in Financial Highlights, sponsored projects activity has decreased by $12.2 million.

Total scholarships and fellowships, which is the sum of scholarship allowances and student aid expense, increased by $7.8 million to $280.7 million in FY 2025. The increase is a result of the University's commitment to access and affordability by providing financial assistance to promote graduation success, supported in part by increased state appropriations restricted to financial aid awards.

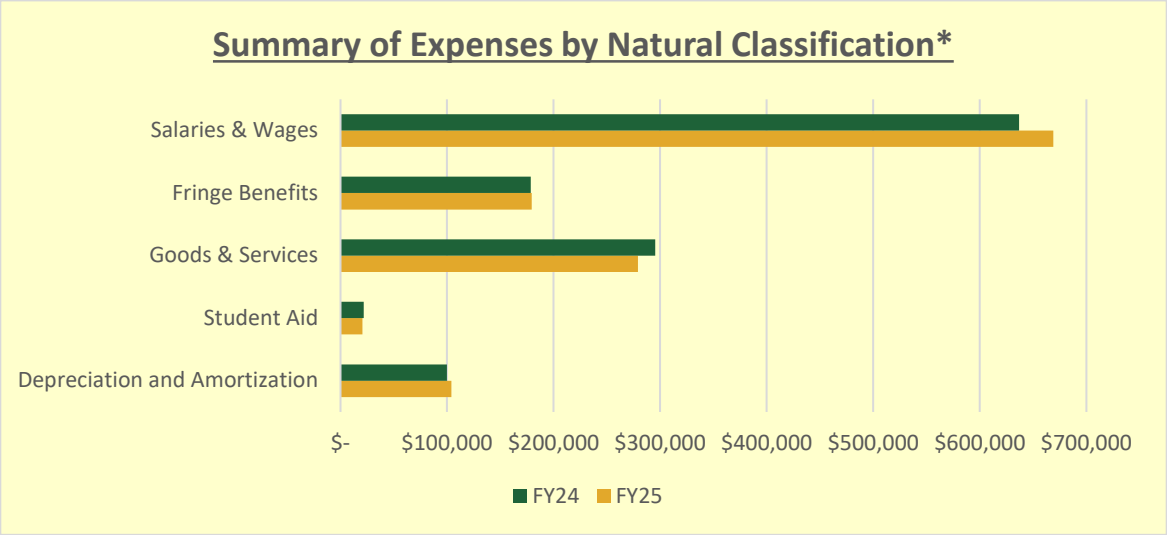
Operating Expenses

Operating expenses are those expenses incurred to acquire or produce the goods and services to carry out the mission of the institution provided in return for the operating revenues. Total operating expenses increased by $20.2 million as compared to FY 2024, mainly due to the following:

- Increase of $32.1 million in salaries and wages, as a result of state-mandated bonus and salary increases as well as hiring additional and open positions at market rates.

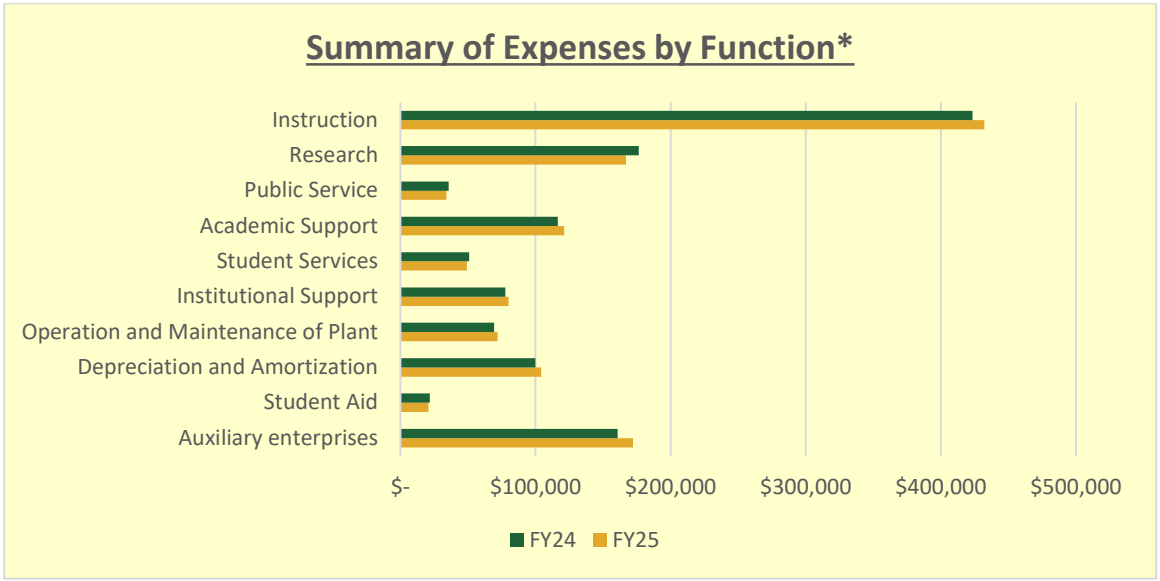
- Decrease in the purchase of goods and services of $16.3 million, mainly as a result of reduced research spending.
- $4.2 million increase in depreciation and amortization expense as a result of increases in capital assets.

Note 16 of the Notes to Financial Statements describes the University's classification of operating expenses both by functional and natural classification. The following graphs depict a two-year comparison of expenses by both classifications.



* In thousands

While the total operating expenses increased by $20.2 million, on a functional basis, Instruction, Academic Support, and Auxiliary Enterprises experienced the largest increases, primarily in the area of compensation and benefits. There was also a significant decrease in goods and services within Research as noted above and below.



* In thousands

Nonoperating and Other Revenues, Expenses, Gains and Losses

Nonoperating revenues are revenues received for which goods and services are not provided to the resource provider in exchange, such as gifts and governmental support. Nonoperating revenues net of nonoperating expenses increased by $46.4 million, primarily due to a $38.3 million increase in state general fund appropriations, a $13.8 million increase in Pell Grant receipts, and $11.0 million increase in investment income due to increased investing activities, offset by a decrease of $11.5 million in relief funding and $5.5 million in interest revenue.

While the Operating Income (Loss) depicts a loss in FY 2025, an important number to note in the *Statement of Revenues, Expenses, and Changes in Net Position* is "Income/(loss) before other revenues, expenses, gains or losses" because this number is a better representation of the true operating results of the University. This number includes other non-capital revenues such as state appropriations which are intended to fund operating expenses. These items are reported separately from other operating results due to GASB's reporting requirements, but from a financial perspective should be combined to understand operating results. In FY 2025, "Income/(loss) before other revenues, expenses, gains or losses" was $21.9 million, as compared to $16.6 million in FY 2024. See chart on page 8 for additional detail.

The final category on the *Statement of Revenues, Expenses, and Changes in Net Position* is called Other revenues, expenses, gains and losses which generally includes capital-related items. This category decreased by $40.9 million from FY 2024. The decrease was primarily attributable to reduced capital projects spending on FUSE at Mason Square and the Life Sciences and Engineering buildings, decreasing capital appropriations from the Virginia College Building Authority 21st Century capital reimbursement program.

Statement of Cash Flows

The *Statement of Cash Flows* provides information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. This statement assists in evaluating the University's ability to generate cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows are reported in four groupings:

- **Cash flows from operating activities** show the net cash used by the operating activities of the University. Due to the categorization of operating and nonoperating expenses by GASB, cash flows from operating activities typically reflect a net use of cash.
- **Cash flows from noncapital financing activities** is a major funding source for operating expenses and includes state appropriations, federal Pell grants, donations and other activities not covered in the other sections.
- **Cash flows from capital financing activities** include cash outflows to purchase or construct capital assets and related long-term debt activities.
- **Cash flows from investing activities** show the net source and use of cash related to purchasing or selling investments, and earning income on those investments.

A summary of the University's *Statement of Cash Flows* follows:

Condensed Statement of Cash Flows ($ in thousands)	June 30, 2025	June 30, 2024
Cash Provided (Used) by:		
Operating activities	($321,734)	($314,541)
Noncapital financing activities	427,386	449,729
Capital financing activities	(144,328)	(188,293)
Investing activities	35,080	(106,148)
Net Increase (Decrease) in Cash and Cash Equivalents	**(3,596)**	**(159,253)**
Cash and Cash Equivalents, Beginning of Year	551,374	710,627
Cash and Cash Equivalents, End of Year	**$547,778**	**$551,374**

Economic Outlook

George Mason maintains a positive economic outlook, the result of prudent financial stewardship, high operational efficiency, and continued enrollment growth. The University's fiscal health remains closely tied to that of the Commonwealth of Virginia, as well as to the economic and population growth of Northern Virginia (NoVA), both of which remain strong. George Mason receives ongoing support from the Commonwealth in the form of operating and capital appropriations, as well as from student tuition and fees, while continuing to make strategic investments in operational efficiency and long-term strategic goals in support of its students and academic excellence.

The Commonwealth's economic outlook remains positive, as noted in a May 2025 memo from the Secretary of Finance highlighting that Virginia's FY 2025 general fund revenues were $1.5 billion higher (5.9%) than the prior year. A full overview of Virginia's economic health can be found in the Commonwealth's Annual Comprehensive Financial Report (ACFR).

George Mason is the largest 4-year public university in the Commonwealth of Virginia. The University is designated by the Carnegie Foundation and American Council on Education (ACE) in the highest tier of Opportunity Colleges and Universities for its combination of Higher Access, Higher Earnings and being top research university. George Mason has continued to grow, enrolling more than 40,000 students in the 2024-2025 academic year (highest enrollment to date).

In the Fall of 2025, George Mason welcomed the largest incoming freshman class in the University's history. The incoming undergraduate class, freshmen and transfers combined, also reached an all-time high for the University. In addition to enrolling a larger number of students, the University is seeing an increase in the quality of students coming to George Mason. The number of students with a high school GPA of 4.0+ has remained steady at 27% among the Fall 2025 entering freshman class, and more than 70% of the entering class has a GPA of 3.5 or above.

The number of Northern Virginia (NoVA) high school graduates is expected to continue rising through at least 2026 before potentially leveling off. With more than 80% of George Mason's students coming from NoVA, the University expects at least two additional years of enrollment growth. While George Mason anticipates increased regional competition as other institutions recruit from NoVA, George Mason admits and enrolls a broader cross-section of students than most other universities given its commitment to access. Innovative programs such as ADVANCE partnerships with community colleges, as well as direct admission for graduating high school seniors, will continue to make George Mason a viable opportunity for more students, helping bolster the University's enrollment rates from increased regional competition and potential demographic shifts. The University is working towards expanding direct entry into George Mason and doubling the Early Identification Program (EIP), a program dedicated to empowering first-generation students in achieving their

goal of higher education and thriving in academic environments by providing access to academic and socio-emotional resources.

In addition to strong enrollment statistics, the University's philanthropic efforts exceeded expectations. George Mason's historic fundraising campaign, *Mason Now: Power the Possible*, is making steady progress toward its $1B goal having raised $530 million in gifts, pledges and matching gifts. Additionally, George Mason has risen dramatically in many college rankings in recent years, having been recognized as Virginia's top public university for innovation, cybersecurity, homeland security, service to military veterans, and service to students outside the traditional college ages. George Mason achieved a new distinction from U.S. News, as a top 20 school nationally and No. 1 in Virginia for internships, reflecting its commitment to developing the talent needed for today's dynamic workforce demands.

George Mason continues to manage budgetary pressures from a combination of increasing operating expenses, federal policy changes, and constrained revenue growth to maintain affordability, by pursuing innovative approaches to improving operating efficiency. Salaries and benefits have grown due to state-mandated salary increases, as well as continued hiring to support a growing student population but George Mason remains highly efficient with a lower employee-to-student ratio than almost all of its peers. Like other schools, George Mason has experienced inflationary cost escalations impacting the cost of purchased goods and services. The University continues to keep tuition affordable for students and has limited tuition and fee increases, while increasing funds provided for need-based financial aid. George Mason continues to make strategic investments in initiatives that will provide long-term benefits and further enhance operational efficiency, such as improved systems and infrastructure, reorganizations and process improvements, and strategic capital acquisitions. George Mason has made strategic draws from reserves, while seeking more equitable support from the Commonwealth and diversifying its revenue streams through the growth of the self-managed Patriot Investment Fund, which generated $10.5 million in FY 2025. Overall, the net position of the university increased by 6% in FY 2025, an indication of its successful financial management.

The University's continued pursuit of operational and administrative efficiencies, prudent fiscal management, and commitment to innovation in the delivery of affordable, high-quality education and research programs make us confident that we will continue to attract a broad and talented population of students, faculty and staff, and that our research programs will continue to prosper. The strong leadership and resilience of the George Mason community have positioned the University to navigate a successful course through economic uncertainties and geopolitical risks, while our commitment to academic excellence compels us to find new paradigms for higher education. Our vision is to leverage, lift, and integrate our past experiences to better serve our student community through more accessible, flexible, and high-quality academic programs that provide greater choice and opportunity for our students, and ultimately equip them for successful post-graduation careers.

FINANCIAL STATEMENTS

Statement of Net Position as of June 30, 2025

ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	$	595,444,841
Accounts receivable, net of allowance of $11,710,471 (Note 4)		71,880,625
Due from the Commonwealth of Virginia		4,858,013
Lease receivable (Note 5)		4,091,125
Prepaid expenses		6,582,431
Inventories		1,709,109
Short-term investments (Note 2)		8,617,628
Total current assets		**693,183,772**
Noncurrent assets		
Appropriations available- capital projects, restricted		23,691,854
Restricted cash and cash equivalents in custody of others (Note 2)		3,796,587
Restricted long-term investments (Note 2)		68,000,000
Long-term investments (Note 2)		79,257,017
Lease receivable (Note 5)		16,900,988
Depreciable and amortizable capital assets, net (Note 6)		1,430,467,681
Nondepreciable capital assets (Note 6)		99,905,498
Other post-employment benefits asset (Note 20)		12,711,734
Total noncurrent assets		**1,734,731,359**
Total assets		**2,427,915,131**
DEFERRED OUTFLOWS OF RESOURCES (Note 7)		**89,252,436**
Total assets and deferred outflows of resources		**2,517,167,567**
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses (Note 8)		87,744,377
Unearned revenue		70,020,356
Obligations under securities lending		51,463,327
Deposits held in custody for others		1,039,518
Long-term debt - current portion (Notes 9 - 14)		53,386,240
Other post-employment benefits liability - current portion (Note 9 and Note 20)		1,559,370
Accrued compensated absences- current portion (Note 9)		15,194,581
Other current liabilities (Note 9 and Note 18)		1,369,951
Total current liabilities		**281,777,720**
Noncurrent liabilities		
Long-term debt (Notes 9 - 14)		421,376,290
Net pension liability (Note 9 and Note 19)		189,845,698
Other post-employment benefits liability (Note 9 and Note 20)		76,634,728
Accrued compensated absences (Note 9)		30,062,554
Other noncurrent liabilities (Note 9 and Note 18)		6,079,256
Total noncurrent liabilities		**723,998,526**
Total liabilities		**1,005,776,246**
DEFERRED INFLOWS OF RESOURCES (Note 15)		**69,079,573**
Total liabilities and deferred inflows of resources		**1,074,855,819**
NET POSITION		
Net investment in capital assets		1,122,551,017
Restricted: nonexpendable (Note 22)		7,166,911
Restricted: expendable (Note 22)		46,952,072
Unrestricted		265,641,748
Total net position	**$**	**1,442,311,748**

The accompanying Notes to Financial Statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2025

Operating revenues		
Student tuition and fees (net of scholarship allowances of $224,970,955)	$	358,825,776
Federal grants and contracts		173,393,388
State, local, and nongovernmental grants and contracts		47,857,271
Auxiliary enterprises (net of scholarship allowances of $35,103,243)		228,150,926
Other operating revenue		16,700,475
Total operating revenues		**824,927,836**
Operating expenses (Note 16)		
Instruction		432,275,359
Research		166,827,500
Academic support		121,272,649
Student service		49,103,893
Public service		33,996,769
Operations and maintenance		71,872,692
Institutional support		80,089,981
Auxiliary enterprises		172,208,661
Student aid		20,668,259
Depreciation and amortization		104,133,067
Total operating expenses		**1,252,448,830**
Operating income (loss)		**(427,520,994)**
Nonoperating revenues (expenses)		
State appropriations (Note 17)		366,103,670
Pell grant receipts		63,018,917
Gifts		2,477,691
ARRA Build America Bonds subsidy		497,890
Investment income/(loss)		14,499,837
Other nonoperating revenue/(expense)		(123,586)
Interest revenue		20,078,906
Interest (expense)		(17,136,849)
Net nonoperating revenues		**449,416,476**
Income (loss) before other revenues, expenses, gains, and losses		**21,895,482**
Other revenues, expenses, gains, and losses		
Capital grants and gifts		7,736,654
Capital appropriations		54,969,689
Gain/(loss) on disposal of capital assets		2,339,973
Transfer from/(to) Component Unit		1,290,769
Net other revenues, expenses, gains, and losses		**66,337,085**
Increase in net position		**88,232,567**
Net position beginning of year		1,364,956,506
Restatement of beginning net position (Note 25)		(10,877,325)
Net position beginning of year - restated		1,354,079,181
Net position end of year	**$**	**1,442,311,748**

The accompanying Notes to Financial Statements are an integral part of this statement.

Statement of Cash Flows for the Year Ended June 30, 2025

Cash flows from operating activities		
Student tuition and fees	$	360,210,772
Grants and contracts		239,297,852
Auxiliary enterprises		228,422,833
Other receipts		19,102,581
Payments to suppliers		(292,630,899)
Payments to employees		(855,197,199)
Payments for scholarships and fellowships		(20,668,259)
Federal Direct Loan Program receipts		131,273,953
Federal Direct Loan Program disbursements		(131,273,953)
Custodial receipts		1,083,411
Custodial disbursements		(937,079)
Perkins loan disbursements		(418,436)
Net cash used by operating activities		**(321,734,423)**
Cash flows from noncapital financing activities		
State appropriations		366,103,670
Pell Grant receipts		63,018,917
Other net nonoperating revenue/(expense)		(1,724,875)
Noncapital gifts		2,477,691
Interest paid on noncapital related debt		(2,488,800)
Net cash provided by noncapital financing activities		**427,386,603**
Cash flows from capital and related financing activities		
Proceeds from capital appropriations available		53,742,540
Capital grants and contributions		8,675,672
Proceeds from sale of capital assets		3,813,938
Principal paid on capital related debt		(61,573,404)
Interest paid on capital related debt		(16,137,471)
Purchases of capital assets		(132,849,497)
Net cash used by capital and related financing activities		**(144,328,222)**
Cash flows from investing		
Proceeds from sales and maturities of investments and interest on investments		15,627,330
Interest on auxiliary balances, securities lending and Build America bonds		19,453,227
Net cash used by investing activities		**35,080,557**
Net decrease in cash		**(3,595,485)**
Cash and cash equivalents - beginning of the year		600,529,333
Less: Securities Lending - Treasurer of Virginia		(49,155,747)
Net cash and cash equivalents - beginning of the year		**551,373,586**
Cash and cash equivalents - end of the year (see next page)	**$**	**547,778,101**

The accompanying Notes to Financial Statements are an integral part of this statement.

Statement of Cash Flows for the Year Ended June 30, 2025

RECONCILIATION OF STATEMENT OF CASH FLOWS, STATEMENT OF NET POSITION

Statement of Net Position		
Cash and cash equivalents (Unrestricted and Restricted)	$	599,241,428
Less: Securities lending - Treasurer of Virginia		(51,463,327)
Net cash and cash equivalents	**$**	**547,778,101**

RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Operating loss	$	(427,520,994)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization expense		104,133,067
Changes in assets, liabilities, deferred outflows and deferred inflows:		
Accounts receivable (net)		(823,830)
Restricted assets receivable (net)		14,148,459
Lease Receivable		4,355,244
Inventory		113,140
Prepaid expenses		(426,048)
OPEB asset		(1,321,514)
Deferred outflows of resources- pension		(4,343,982)
Deferred outflows of resources- OPEB		2,739,964
Accounts payable and accrued liabilities		(11,446,466)
Unearned revenue		8,816,350
Perkins loan liability		(418,436)
Net pension liability		(5,515,911)
OPEB liability		(5,241,423)
Faculty Early Retirement liability		(124,161)
Compensated absences		2,772,119
Deferred inflows of resources- pension		7,588,938
Deferred inflows of resources- OPEB		(4,975,250)
Deferred inflows of resources- leases		(4,087,085)
Deferred inflows of resources- PPP		(302,935)
Custodial transactions, net		146,331
Net cash used by operating activities	**$**	**(321,734,423)**

Noncash investing, capital and financing activities:

The following transactions occurred prior to the Statement of Net Position date:		
Capital assets acquired through assumption of a liability (GASB 87, 96)	$	22,450,308
Capital assets acquired through gifts		1,954,578
Proceeds from bond refunding		841,827
Amortization of bond premium/discount and gain/loss on debt refinancing		(1,978,380)
Gain on disposal of capital assets/termination of leases		2,339,973
Unrealized gain/(loss) on investments		2,906,130
VRS and VaLORS Special Revenue Allocation		2,884,364

The accompanying Notes to Financial Statements are an integral part of this statement.

Component Units - Combined Statement of Financial Position as of June 30, 2025

		Total Component Units
ASSETS		
Cash and cash equivalents	$	62,307,892
Restricted cash and cash equivalents		3,479,074
Accounts receivable, net		853,314
Contributions receivable, net		46,015,196
Prepaid expenses and other assets		2,317,492
Net investment in direct financing lease		61,652,889
Beneficial interest in perpetual trusts		43,432,761
Investments		381,965,783
Property and equipment, net		18,833,620
Total assets	**$**	**620,858,021**
LIABILITIES AND NET ASSETS		
LIABILITES		
Accounts payable and accrued expenses	$	7,835,480
Grants and student research awards payable		2,233,155
Unearned revenue		285,563
Charitable gift annuities		193,222
Other liabilities		542,214
Long-term debt including loan payable		65,815,779
Amounts held for others		14,596,802
Total liabilities		**91,502,215**
NET ASSETS		
Net assets without donor restrictions		94,904,980
Net assets with donor restrictions		434,450,826
Total net assets		**529,355,806**
Total liabilities and net assets	**$**	**620,858,021**

The accompanying Notes to Financial Statements are an integral part of this statement.

Component Units - Combined Statement of Activities for the Year Ended June 30, 2025

	Total Component Units
Operating revenues	
Contributions	$ 96,609,995
Grants	31,437,052
Interest on direct financing lease	3,957,474
Investment and trust return	41,070,103
Miscellaneous and other income	6,813,809
Rental income, net	2,357,291
Service fees	15,559,687
Total operating revenues	**197,805,411**
Operating expenses	
Academic program support	118,500,679
Depreciation	176,392
Fundraising	2,893,427
Insurance	62,131
Interest expense	2,578,946
Management fees	1,932,113
Office and other administrative expenses	1,864,273
Salaries and wages	11,704,012
Rent, utilities and other	1,687,234
Total operating expenses	**141,399,207**
Change in net assets before nonoperating items and other changes	**56,406,204**
Nonoperating items	1,014,711
Change in net assets	57,420,915
Beginning net assets (Note 25)	471,934,891
Ending net assets	**$ 529,355,806**

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

George Mason University is a comprehensive, doctoral institution that is part of the Commonwealth of Virginia's statewide system of higher education. The Board of Visitors, appointed by the Governor, is responsible for overseeing the governance of the University. A separate report is prepared for the Commonwealth of Virginia that includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority. The University is a component unit of the Commonwealth of Virginia and is included in the general-purpose financial statements of the Commonwealth.

The George Mason University Foundation, Inc. (GMUF), George Mason University Instructional Foundation, Inc. (GMUIF), Mason Korea, LLC (MK), and Mercatus Center, Inc. (Mercatus) are private, independent organizations whose close relationships with the University require them to be reported as component units of the University. GMUF, GMUIF, MK and Mercatus are discretely presented herein by separate page display.

GMUF was established to receive, hold, invest and administer property, and to make expenditures for the benefit of the University. GMUF has a June 30th fiscal year-end. During the year ended June 30, 2025, GMUF distributed $81,729,867 to, or on behalf of, the University for both restricted and unrestricted purposes. Separate financial information for GMUF may be obtained by writing to the GMUF Business Office at 4400 University Drive, MSN 1A3, Fairfax, VA 22030.

GMUIF was established to transmit educational and public affairs programming to the greater Washington, DC metropolitan area for a program fee under licenses issued by the Federal Communications Commission. GMUIF has a March 31st fiscal year-end. During FY 14 the University and GMUIF agreed that GMUIF would establish, and be the sole member of, Mason Global Pathways, LLC. The purpose of Mason Global Pathways LLC is to invest in, and own 50% of, INTO Mason, LLC. INTO Mason, LLC was established to manage a new program to recruit international students and create pathways programs, providing the students the opportunity to become degree seeking students at the University. Separate financial information for GMUIF may be obtained by writing to GMUIF, Attn.: CFO, Kelley II - 10716 Kelley Drive, MSN 1D2, Fairfax, VA 22030.

MK was established to develop and operate a campus for the University on the Incheon Global Campus in Songdo, South Korea. MK has a December 31st fiscal year-end. Separate financial information for MK may be obtained by writing to Mason Korea, LLC, Attn.: General Accounting, 4400 University Drive, MSN 3C1, Fairfax, VA 22030.

Mercatus supports the University by providing a research center that conducts research, works with students to apply ideas to problems in the world and makes research findings available to the general public to connect academic learning with real-world practice. Mercatus has an August 31st fiscal year-end. Separate financial information for Mercatus may be obtained by writing to Mercatus Center, Inc., Attn.: Gary Leff, 3434 Washington Blvd., 4th Floor, Arlington, VA 22201.

B. BASIS OF PRESENTATION

The University's accounting policies conform with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), in the Codification of Governmental Accounting and

Financial Reporting Standards. The University follows accounting and reporting standards for "reporting by special-purpose governments engaged only in business-type activities."

GMUF, GMUIF, MK, and Mercatus are private, nonprofit organizations that report under Financial Accounting Standards Board (FASB) standards. The financial statements included herein are presented in accordance with those standards.

C. BASIS OF ACCOUNTING

The University's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus considers all inflows, outflows, and balances affecting an entity's net position. Under the accrual basis, revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The University's policy is to spend restricted resources before unrestricted resources when both are available for expenses that are properly chargeable to restricted resources.

D. PREPAID EXPENSES

The University records a prepaid if an invoice is paid in advance as of June 30, 2025 and if total invoice amount exceeds $50,000. The University's prepaid expenses consist primarily of membership dues, short term software subscriptions, and software maintenance and support expenses for fiscal years 2026 and beyond.

E. INVENTORY

Inventory is composed of on-hand stock of materials, supplies, and parts for use in maintaining the University's physical plant. Inventory is stated at the lower of cost (determined using the first-in, first-out method) or market value.

F. LEASE RECEIVABLE

The University determines if an arrangement contains a lease at the inception of a contract and the lease classification is determined at the commencement date. Short-term leases with an initial term of 12 months or less, including all renewal options, are not recorded on the *Statement of Net Position* and are recognized as revenue in the period to which the payments relate. Long-term leases are capitalized and the lease term includes renewal options that are reasonably certain of being exercised. The University's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under some lease agreements, the University may receive variable payments based on future performance by the lessee. These variable payments are not included in the measurement of the lease receivable and are recognized as revenue in the period to which those payments relate. Any component of the variable payments that is fixed in substance is included in the measurement of the lease receivable. The University uses its incremental borrowing rate to discount the lease payments. The incremental borrowing rate is based on the University's estimated rate of interest for borrowing over a similar term as the lease term.

The University also has certain sublease arrangements. Subleases are accounted for as transactions separate from the original lease. Payments to be received from subleases are included in the measurement of lease receivables.

A deferred inflow of resources is recorded at the commencement of a lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

G. INVESTMENTS

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as modified by GASB Statement No. 59, *Financial Instruments Omnibus*, and GASB Statement No. 72, *Fair Value Measurement and Application*, require that purchased investments, interest-bearing temporary investments classified with cash, and investments received as gifts be recorded at fair value (see Note 2). All investment income/(loss), including changes in the value of investments (unrealized gains and losses), is reported as nonoperating revenues/(expenses) in the *Statement of Revenues, Expenses, and Changes in Net Position*. Short-term investments include investments with an original maturity over 90 days but less than one year at the time of purchase.

The University's investment policy, which governs investment activity managed by the University, is established by the Board of Visitors and monitored by the Finance and Land Use Committee of the Board. Authorized investments are those permitted by the Virginia Investment of Public Funds Act, Section 2.2-4500 et seq., *Code of Virginia*, and include US Treasury and agency securities, corporate debt securities, asset-backed securities, mortgage-backed securities, AAA rated obligations of foreign governments, banker's acceptances and bank notes, negotiable certificates of deposit, repurchase agreements, commercial paper, and money market funds.

The University's investments also consist of an interest in an internal investment pool managed by GMUF, consisting of both restricted and endowment investments for the University. Investment policies approved by the GMUF Board of Trustees govern the treatment and risk parameters of each portfolio. Restricted investments are temporarily restricted investable funds that are intended to fund donor supported University programs. Restricted funds are invested in highly liquid fixed income holdings, short in duration. Endowment funds are invested with the primary objective to achieve a real rate of return over inflation sufficient to support, in perpetuity, University programs. GMUF 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). GMUF diversifies endowment assets among several asset classes in order to achieve its long-term return objectives within prudent risk constraints. The internal investment pool functions like an external investment pool. Consistent with FASB's measurement principles for investment companies, investments in external investment pools are measured at the net asset value (NAV) per share, or its equivalent, determined by the pool. The University has the capacity to liquidate or retrieve its funds allocated within the internal investment pool at its discretion, with no limitations or restrictions placed on such transactions.

H. CAPITAL ASSETS

Capital assets include land, buildings, library materials, works of art and historical treasures, equipment, improvements, infrastructure assets such as sidewalks, electrical and computer network cabling systems, and intangible assets. Intangible assets include computer software, right-to-use lease assets, and right-to-use subscription assets. Capital assets generally are defined by the University as assets with an initial cost of $5,000 or more and an estimated useful life in excess of one year. Equipment that does not individually meet the $5,000 threshold but is purchased at the same time and is significant in aggregate is also capitalized. Computer software with an acquisition cost of $10,000 or more is capitalized. Other intangible assets are capitalized when their acquisition cost is $50,000 or greater. Internally generated software is subject to a higher capitalization threshold and is capitalized when costs equal or exceed $100,000. Library books and materials are valued at averaged actual cost of purchase for library acquisitions.

Right-to-use lease assets and subscription assets represent the University's right to use an underlying asset for a lease/subscription term, and are initially measured as the sum of the following:

- Amount of the initial measurement of the related lease/subscription liability
- Payments made prior to the commencement of the lease/subscription term, less any incentives
- Initial direct costs that are ancillary charges necessary to place the lease asset into service or any capitalizable initial implementation costs necessary to place the subscription asset into service

Other capital assets are recorded at historical cost if purchased or constructed. Donated capital assets, including library books, are recorded at estimated acquisition value at the date of donation, with the exception of intra-entity capital asset donations which are recorded at the carrying value of the asset on the transferor's books as of the date of transfer. Expenses for major capital assets and improvements are capitalized as projects are constructed (construction in progress). The costs of normal maintenance and repairs that do not enhance the use of an asset, or materially extend its useful life, are not capitalized.

Depreciation is computed using the straight-line method over the estimated useful life of the asset with no residual value. Depreciation is not allocated to the functional expense categories. Normal useful lives by asset categories are listed below:

- Buildings - 25-50 years*
- Improvements and infrastructure - 10-30 years
- Equipment - 3-20 years
- Library materials - 10 years

* Research buildings are depreciated using the component method. The estimated useful lives of research building components range from 10-50 years.

Amortization for computer software is computed using the straight-line method over the estimated useful life of the asset. Normal useful life for computer software is between 5 to 10 years. Right-to-use lease assets and right-to-use subscription assets are amortized on a straight-line basis over the shorter of the lease/subscription term or the useful life of the underlying asset. Amortization is not allocated to the functional expense categories. Amortization expense is combined with depreciation expense in the *Statement of Revenues, Expenses, and Changes in Net Position*.

I. NONCURRENT CASH AND INVESTMENTS

Cash and investments that are externally restricted for expenditure in the acquisition or construction of noncurrent assets, to make debt service payments, or maintain sinking or reserve funds are classified as noncurrent assets in the *Statement of Net Position*.

J. UNEARNED REVENUE

Unearned revenue represents revenues collected but not earned as of June 30, 2025. This is primarily composed of student tuition and advance payments on grants and contracts. An estimate based on summer session credit hours earned after June 30, 2025 is used to approximate unearned revenue related to summer tuition.

K. LEASE LIABILITY

The University determines if an arrangement contains a lease at the inception of a contract. The lease classification is determined at the commencement date; the date the University has the right to control the property. The lease term includes renewal options that are reasonably certain of being exercised. Short-term

leases with an initial term of 12 months or less, including all renewal options, are not recorded on the *Statement of Net Position* and are recognized as expenses in the period to which the payments relate. Lease liabilities are measured at the present value of payments expected to be made during the lease term. Measurement of the lease liability includes the following, if required by a lease:

- Fixed payments
- Variable payments that are fixed in substance
- Amounts that are reasonably certain of being required to be paid under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain that the University will exercise that option
- Payments for penalties for terminating the lease
- Any lease incentives
- Any other payments that are reasonably certain of being required based on an assessment of all relevant factors

Variable payments are not included in the measurement of the lease liability and are recognized as expenses in the period to which those payments relate. For real estate leases, the present value of payments expected to be made during the lease term is calculated using the discount rate implicit in the lease agreement. If the implicit rate is unavailable, the University will obtain the lessor's internal borrowing rate. If that is also unavailable, then the University will use the rate derived from market data by property location at the beginning of the lease term. For equipment leases, the present value of payments expected to be made during the lease term is calculated using the discount rate implicit in the lease agreement and if unavailable, the University will use its incremental borrowing rate to discount the lease payments. The incremental borrowing rate is based on the University's estimated rate of interest for borrowing over a similar term as the lease term.

L. SUBSCRIPTION LIABILITY

The University recognizes a subscription liability at the commencement of the subscription term. The subscription term includes renewal options that are reasonably certain of being exercised. Short-term subscriptions with an initial term of 12 months or less, including all renewal options, are not recorded on the *Statement of Net Position* and are recognized as expenses in the period to which the payments relate. Subscription liabilities are measured at the present value of payments expected to be made during the subscription term and includes the following:

- Fixed payments
- Variable payments that are fixed in substance
- Payments for penalties for terminating the arrangement, if the subscription term reflects the University exercising (1) an option to terminate the arrangement or (2) a fiscal funding or cancellation clause
- Any subscription contract incentives
- Any other payments that are reasonably certain of being required based on an assessment of all relevant factors

Variable payments are not included in the measurement of the subscription liability and are recognized as expenses in the period to which those payments relate.

The present value of payments expected to be made during the subscription term is calculated using the discount rate implicit in the subscription agreement and if unavailable, the University will use its incremental borrowing rate to discount the subscription payments. The incremental borrowing rate is based on the University's estimated rate of interest for borrowing over a similar term as the subscription term.

M. ACCRUED COMPENSATED ABSENCES

The amount of leave earned but not taken by salaried employees and administrative faculty members is recorded as a liability. The amount reflects, as of June 30, 2025, vacation, sick, and other types of leave that are attributable to services already rendered, accumulated, and are more likely than not to be used for time off or otherwise paid in cash or settled through non cash means. The applicable share of salary-related payments is also included.

N. FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The University participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants, Federal Work-Study, and Direct Loan programs. Federal programs are audited in accordance with generally accepted governmental auditing standards.

O. NET POSITION

The *Statement of Net Position* reports the difference between assets plus deferred outflows and liabilities plus deferred inflows as net position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization less outstanding debt that is attributable to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when constraints on the net position use are either externally imposed by creditors, grantors, or contributors; or imposed by law. Unrestricted net position consists of net position that does not meet the definitions above.

P. REVENUE CLASSIFICATIONS

Operating revenues include activities that have the characteristics of exchange transactions, such as: (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship allowances; and (3) federal, state, local and nongovernmental grants and contracts.

Governmental financial aid grants are treated as operating revenue, with the exception of Pell grants which are treated as nonoperating revenue in the University's financial statements.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and state appropriations. Nonoperating expenses include interest on debt related to the purchase of capital assets.

Q. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fees revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the *Statement of Revenues, Expenses, and Changes in Net Position*. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the student's behalf.

R. ELIMINATIONS

Some auxiliary units provide goods and services to internal customers. These include activities such as print services, parking services, and other auxiliaries with interdepartmental activities. The net effect of these internal transactions has been eliminated in the *Statement of Revenues, Expenses and Changes in Net Position* to avoid inflating revenue and expenses.

S. DISCOUNTS, PREMIUMS, AND BOND ISSUANCE COSTS

General Obligation Bonds and notes payable on the *Statement of Net Position* are reported net of related discounts and premiums, which are recognized over the life of the bond. Deferred gains and losses on debt refundings are recorded as deferred inflows of resources and deferred outflows of resources, respectively. The deferred inflows and outflows are recognized as a component of interest expense over the remaining life of the old bond or the life of the new bond, whichever is shorter. Bond issuance costs are expensed.

T. COMMONWEALTH EQUIPMENT AND CAPITAL PROJECT REIMBURSEMENT PROGRAMS

The Commonwealth has established several programs to provide state-supported institutions of higher education with bond proceeds for financing the acquisition of instructional and research equipment and facilities. The Commonwealth issues bonds and uses the proceeds to reimburse the University, and other institutions of higher education, for expenses incurred in the acquisition of equipment and facilities. The bond liability is assumed by the Commonwealth and is not reflected as a liability on the University's financial statements.

During Fiscal Year 2025, funding has been provided to the University from two Reimbursement Programs:

- 21st Century Capital Project
- Equipment Trust Fund (ETF)

The *Statement of Net Position* line item "Due from the Commonwealth of Virginia" includes pending reimbursements at year-end from these programs. The *Statement of Revenues, Expenses, and Changes in Net Position* line item "Capital grants and gifts" includes reimbursements from the Equipment Trust Fund (ETF) program and the "Capital appropriations" line item includes reimbursements from the 21st Century Capital Project programs.

U. DEFINED BENEFIT PENSIONS

The Virginia Retirement System (VRS) State Employee Retirement Plan and the Virginia Law Officers' System (VaLORS) Retirement Plan are single employer pension plans that are treated like cost-sharing plans. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS State Employee Retirement Plan and the Virginia Law Officers' System (VaLORS) Retirement Plan; and the additions to/deductions from the VRS State Employee Retirement Plan's and the VaLORS Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

V. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

State Employee Health Insurance Credit Program

The Virginia Retirement System (VRS) State Employee Health Insurance Credit Program is a single employer plan that is presented as a multiple-employer, cost-sharing plan. The State Employee Health Insurance Credit Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The State Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired state employees. For purposes of measuring the net State Employee Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the State Employee Health Insurance Credit Program OPEB, and the State Employee Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the VRS State Employee Health Insurance Credit Program; and the additions to/deductions from the VRS State Employee Health Insurance Credit Program's fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Line of Duty Act Program

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) is a multiple-employer, cost-sharing plan. The Line of Duty Act Program was established pursuant to §9.1-400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Line of Duty Act Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. For purposes of measuring the net Line of Duty Act Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Line of Duty Act Program OPEB, and Line of Duty Act Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Line of Duty Act Program OPEB Plan and the additions to/deductions from the VRS Line of Duty Act Program OPEB Plan's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

VRS Disability Insurance Program

The Virginia Retirement System (VRS) Disability Insurance Program (Virginia Sickness and Disability Program) is a single employer plan that is presented as a multiple-employer, cost-sharing plan. The Disability Insurance Program was established pursuant to §51.1-1100 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Disability Insurance Program is a managed care program that provides sick, family and personal leave and short-term and long-term disability benefits for State Police Officers, state employees, and VaLORS employees. For purposes of measuring the net Disability Insurance Program OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to the Disability Insurance Program OPEB, and Disability Insurance Program OPEB expense, information about the fiduciary net position of the Virginia Retirement System (VRS) Disability Insurance Program OPEB Plan and the additions to/deductions from the VRS Disability Insurance Program OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pre-Medicare Retiree Healthcare Plan

Pre-Medicare Retiree Healthcare is a single-employer defined benefit Other Post Employment Benefits (OPEB) plan that is treated like a cost-sharing plan for financial reporting purposes. This program was established by Title 2.2, Chapter 28 of the *Code of Virginia* for retirees who are not yet eligible to participate in Medicare. It is the same health insurance program offered to active employees and managed by the Virginia Department of Human Resource Management. After retirement, the University no longer subsidizes the retiree's premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, retiree rates are effectively lower than what might otherwise be available outside of this benefit.

W. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net position applicable to a future reporting period and increase net position similar to assets. The University has three items that meet this criterion: pension and OPEB deferrals and refundings of debt. Deferred inflows of resources represent an acquisition of net position applicable to a future reporting period and decrease net position similar to liabilities. The University has four items that meet this criterion: pension and OPEB deferrals, leases, and refundings of debt.

X. NEW ACCOUNTING PRONOUNCEMENTS

In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The statement aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The University implemented GASB Statement No. 100 on July 1, 2024 on a retroactive basis. See Notes 9 and 25.

In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures. The objective of this statement is to provide users of the financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The University implemented GASB Statement 102 on July 1, 2024. See Note 26.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. CASH AND CASH EQUIVALENTS

Pursuant to Section 2.2-1800, et seq., *Code of Virginia*, the Treasurer of Virginia, who is responsible for the collection, disbursement, custody, and investment of state funds, maintains all state funds of the University. Cash deposits held by the University are maintained in accounts that are collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400, et seq., *Code of Virginia*. Cash and cash equivalents represent cash on hand, cash with the Treasurer of Virginia, cash deposits including certificates of deposit and temporary investments with original maturities of 90 days or less.

B. INVESTMENTS

In November 2023, the University launched an investment pool, the *Patriot Investment Fund*, to maximize return on funds held outside of the state treasury. It is governed by the University's investment policy. The University also maintained an interest in an internal investment pool, managed by GMUF, for restricted and endowment investments. Both investment policies are described in footnote 1.G.

C. SECURITIES LENDING TRANSACTIONS

Securities Lending represents the University's allocated share of cash collateral received and reinvested and securities received for the State Treasury's securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the *Commonwealth of Virginia's Annual Comprehensive Financial Report*. The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies.

D. FAIR VALUE MEASUREMENT OF INVESTMENTS

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are pricing inputs other than quoted prices in active markets; Level 3 inputs are not readily observable and require significant management estimation. Investments in internal investment pools are measured at the net asset value (NAV) per share, or its equivalent, determined by the pool.

E. RISKS

The University's deposits and investments are subject to the following risks:

Custodial Credit Risk - the custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of investment or collateral securities that are in possession of an outside party. Exposure to custodial credit risk relates to investment securities that that are held by someone other than the University and are not registered in the University's name. The University's investment policy does not address custodial credit risk. The University has no custodial credit risk related to the *Patriot Investment Fund* as of June 30, 2025.

The University's internal investment pool managed by GMUF contains corporate stocks and corporate bonds, both of which are subject to custodial credit risk. The other investments held by GMUF in the investment pool are not subject to custodial credit risk. The University has no other custodial credit risk related to investments as of June 30, 2025.

Credit Risk - is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality ratings are not required for U.S. government securities or other obligations explicitly guaranteed by the U.S. government. Investments in the *Patriot Investment Fund* that are subject to credit risk are outlined in the accompanying chart.

GMUF's investment pool contains corporate bonds, which are debt securities, and therefore subject to credit risk. Credit risk relative to these bonds is mitigated by GMUF's endowment investment policy guidelines on the credit quality of fixed income investments which state that the percentage of core fixed income assets rated below investment grade by one of the major reporting agencies (Standard and Poor's and Moody's) cannot exceed 25% of the total core fixed income allocation. The other investments held by GMUF in the investment pool are not investments of a type that are subject to credit risk.

Concentration of Credit Risk - is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments with any one issuer that represent five percent or more of total investments constitute concentration of credit risk. However, investments issued or explicitly guaranteed by the U.S. government, and investments in mutual funds, internal investment pools, and other pooled investments are excluded from the requirement. The University minimizes this risk by diversifying its investments. As of June 30, 2025, the *Patriot Investment Fund* included a 7.98% interest in Federal Home Loan Mortgage Corp. Excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools, and other pooled investments, the University had no other issuer representing 5% or more of its total investments.

The University's interest in the internal investment pool managed by GMUF is a portion of the total investment pool managed by GMUF. In order to achieve a prudent level of portfolio diversification, GMUF's endowment investment policy guidelines require that not more than 5% of the portfolio may be invested in the securities of any one issuer, at cost, unless the issue is U.S. Government guaranteed, or an agency of the U.S. Government.

The University also has cash and cash equivalents with the Treasurer of Virginia and an allocated share of the State Treasury's securities lending program. Information related to the credit risk is available in the *Commonwealth of Virginia's Annual Comprehensive Financial Report*.

Interest Rate Risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The longer the duration of an investment, the greater the interest rate risk. The University reduces interest rate risk by limiting the maximum maturity lengths of investments and structuring its portfolio to maintain adequate liquidity to meet operating requirements. Investments in the *Patriot Investment Fund* that are subject to interest rate risk at June 30, 2025 are outlined in the accompanying chart.

GMUF's investment pool contains money market funds. These money market funds have a maturity of less than one year. GMUF's investment pool also contains corporate bonds. These corporate bonds are subject to interest rate risk. The interest rate risk relative to these bonds is mitigated by GMUF's endowment investment policy guidelines on fixed income investments, which state that the weighted average portfolio duration of the core bond portfolio should not exceed 125% of the weighted average portfolio duration of the Barclays Aggregate Bond Index. The other investments held by GMUF in the investment pool are not investments of a type that are subject to interest rate risk.

Foreign Currency Risk - is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The University's *Patriot Investment Fund* had no foreign investments or foreign deposits for FY 2025. The University may, at times, be exposed to limited currency risk through its investments in GMUF's investment pool.

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Details of the University's investment risks and fair value measurements as of June 30, 2025 are outlined below:

	Credit Rating*	Less than 1 Year	1-5 Years	6-10 years	> 10 Years	Balance At June 30, 2025	Fair Value Measurement Level 1	Fair Value Measurement Level 2	NAV	Amounts Not Measured At FV
Cash and cash equivalents										
Local cash	N/A	N/A	N/A	N/A	-	$7,776,338	$-	$-	$-	$7,776,338
Treasurer of Virginia	N/A	N/A	N/A	N/A	-	516,613,128	-	-	-	516,613,128
Securities Lending	N/A	N/A	N/A	N/A	-	51,463,327	-	-	-	51,463,327
Money Market**	AAA	13,857,073	-	-	-	13,857,073	-	-	-	13,857,073
Money Market**	AAA	4,739,963	-	-	-	4,739,963	4,739,963	-	-	-
Commercial Paper**	A-1	995,012	-	-	-	995,012	-	995,012	-	-
Total cash and cash equivalents		**$19,592,048**	**$-**	**$-**	**$-**	**$595,444,841**	**$4,739,963**	**$995,012**	**$-**	**$589,709,866**
Restricted cash and cash equivalents										
Held in custody of others	N/A	N/A	N/A	N/A		$3,796,587	$-	$-	$-	$3,796,587
Total restricted cash and cash equivalents		N/A	N/A	N/A	**$-**	**$3,796,587**	**$-**	**$-**	**$-**	**$3,796,587**
Investments by fair value level										
US Treasury	AA+	8,617,628	6,977,990	82,322,356	-	97,917,974	97,917,974	-	-	-
Federal Agency	AA+	-	1,912,790	-	-	1,912,790	-	1,912,790	-	-
Federal Agency Collateralized Mortgage-Backed Securities	AA+	-	11,945,275	-	-	11,945,275	-	11,945,275	-	-
Mortgage-Backed Securities	AA+	-	-	-	709,583	709,583	-	709,583	-	-
Collateralized Mortgage Obligation	AA+	-	-	-	514,863	514,863	-	514,863	-	-
Supranational	AAA	-	1,479,692	-	-	1,479,692	-	1,479,692	-	-
Municipal	AA+	-	200,282	-	-	200,282	-	200,282	-	-
Municipal	AA	-	435,033	-	-	435,033	-	435,033	-	-
Municipal	NR	-	147,742	-	-	147,742	-	147,742	-	-
Certificate of Deposit	A+	-	483,748	-	-	483,748	-	483,748	-	-
Corporate Note	AAA	-	103,350	-	-	103,350	-	103,350	-	-
Corporate Note	AA-	-	5,387,119	-	-	5,387,119	-	5,387,119	-	-
Corporate Note	A+	-	5,204,859	-	-	5,204,859	-	5,204,859	-	-
Corporate Note	A	-	1,768,975	-	-	1,768,975	-	1,768,975	-	-
Corporate Note	A-	-	2,982,529	-	-	2,982,529	-	2,982,529	-	-
Corporate Note	NR	-	229,380	-	-	229,380	-	229,380	-	-
Asset-Back Security	AAA	-	7,273,146	-	-	7,273,146	-	7,273,146	-	-
Asset-Back Security	NR	-	2,554,093	-	-	2,554,093	-	2,554,093	-	-
Total Investments by fair value		**$8,617,628**	**$49,086,003**	**$82,322,356**	**$1,224,446**	**$141,250,433**	**$97,917,974**	**$43,332,459**	**$-**	**$-**
Investments measured at net asset value (NAV)										
GMUF Investment Pool	N/A	N/A	N/A	N/A	N/A	**$14,624,212**	N/A	N/A	**$14,624,212**	**$-**
Total Investments		**$8,617,628**	**$49,086,003**	**$82,322,356**	**$1,224,446**	**$155,874,645**	**$97,917,974**	**$43,332,459**	**$14,624,212**	**$-**

* Rating based on S&P Global Ratings ** These securities have original maturities of 90 days or less

The valuation method for investments measured at NAV per share or its equivalent is presented in the following table:

	Balance At June 30, 2025	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Investments measured at net asset value (NAV)				
GMUF Investment pool	$14,624,212	N/A	N/A	N/A

3. DONOR-RESTRICTED ENDOWMENTS

The University's endowment is managed by the GMUF. During FY 2025, the net change on the investments of donor-restricted endowments was an overall investment income of $1,158,686.

Net appreciation/loss of donor restricted-endowments is recorded in the Net position of the University as an increase/decrease in Net position restricted- expendable to reflect the fact that the net appreciation must be spent in accordance with the stipulations set forth in the underlying endowment agreements.

The state law regarding the ability to spend net appreciation of donor-restricted endowments is the *Uniform Prudent Management of Institutional Funds Act*, Section 64.2-11 of the Code of Virginia.

GMUF's endowment policy seeks to maintain the growth of the present value of existing assets at a rate at least equal to the inflation rate plus the current spending rate. Effective fiscal year 2020, GMUF implemented a banded inflation spending policy. For endowments in which the market value exceeds the original gift value, the prior year payout distribution will increase at the rate of the Consumer Price Index, with annual distributions to remain above 3% but not to exceed 6% of prior year fair market value. The endowment payout for accounts for which the market value is below the original gift value will receive a payout equal to 2% of the prior year fair market value. If the fair market value of an endowment is below 80% of the original gift value, no endowment payout will be made. Payout distributions for new, fully funded endowments, or gifts to existing endowments of $25,000 or more, are calculated at 1.25% of the gift.

4. ACCOUNTS AND NOTES RECEIVABLE

Accounts receivable consisted of the following at June 30, 2025:

Accounts Receivable	
Current:	
Student tuition and fees	$28,168,656
Grants and contracts receivable (restricted)	44,933,630
INTO Mason receivable	7,418,313
Receivable from VDEM	219,812
Other accounts receivable	2,850,685
Less allowance for doubtful accounts	(11,710,471)
Net current accounts receivable	$71,880,625

The university formerly participated in the Federal Perkins Loan program, a campus-based student loan program. In 2017, the authority for schools to make new Perkins loans expired. Since then, the university has been in the process of liquidating its remaining Perkins Loan Program portfolio in accordance with guidance from the Department of Education (DOE). During FY 2025, the university assigned all outstanding Perkins loans and remitted the federal share of the Perkins Loan Fund's cash-on-hand to DOE. As a result, the Perkins Loan Receivable (Notes Receivable) and federal payable (Loan liability), were removed from the *Statement of Net Position*.

5. LEASE RECEIVABLE

The University leases out certain office space, retail space, antenna sites, and ATM space, some of which are subleases. The University also has an embedded lease arrangement with a catering and food services management provider for operating George Mason's dining space and dining equipment. Initial terms are typically 1 to 15 years and may contain rent escalation clauses, revenue share, commissions, and renewal options ranging from 1 to 10-year intervals. Discount rates ranged from 2.6%-3.6%. See note 1.F. for additional details on discount rates. In fiscal year 2025, the University recognized lease revenue of $4,331,170 and interest revenue of $623,916 included in Auxiliary Revenue and Other Operating Revenue. The University also recognized $7,135,267 in Auxiliary Revenue for variable payments received that were not previously included in the measurement of the lease receivable. These variable payments were calculated based on a percentage of net sales and a tiered percentage of the lessee's net sales.

The lease and interest receivables for fiscal years subsequent to June 30, 2025 are as follows:

Year	Lease Receivable	Interest	Total
2026	$4,091,125	$522,563	$4,613,688
2027	2,883,295	421,559	3,304,854
2028	2,759,661	339,207	3,098,868
2029	2,227,363	268,736	2,496,099
2030	2,238,050	207,819	2,445,869
2031-2035	6,406,832	333,890	6,740,722
2036-2040	385,787	13,003	398,790
Total	$20,992,113	$2,106,777	$23,098,890

During FY 2024, the University entered into a lease-leaseback transaction, for office space. The term of the lease is 2 years and 7 months, with rent escalating 2.5% each year. The lease-leaseback was accounted for as a net transaction. As of June 30, 2025, the gross amounts related to the lease-leaseback transaction, where George Mason is the lessor, are outlined in the table below. See Note 13 for the amounts related to the lease-leaseback transaction where George Mason is the lessee.

Year	ST Lease Receivable	LT Lease Receivable	Deferred Inflow of Resources
2025	$1,783,714	-	$1,714,617

6. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2025 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Non-depreciable capital assets:				
Land	$39,544,273	$-	$1,724,865	$37,819,408
Construction-in-progress	244,624,300	97,730,951	286,934,126	55,421,125
Works of art and historical treasures	5,645,036	1,046,115	26,186	6,664,965
Total non-depreciable capital assets	$289,813,609	$98,777,066	$288,685,177	$99,905,498
Depreciable and amortizable capital assets:				
Buildings	$1,661,639,383	$102,034,089	$-	$1,763,673,472
Buildings – financed purchase	101,980,822	166,152,158	4,395,490	263,737,490
Improvements	38,436,927	1,374,534	862,702	38,948,759

	Beginning Balance	Additions	Reductions	Ending Balance
Infrastructure assets	122,697,383	-	-	122,697,383
Equipment	210,577,096	36,881,859	10,665,465	236,793,490
Equipment – financed purchase	1,825,932	-	-	1,825,932
Library materials	110,530,786	641,073	79,153	111,092,706
Intangible assets:				
Computer software	12,632,031	2,741,887	548,274	14,825,644
Right-to-use lease assets:				
Buildings	21,487,544	193,743	2,508,996	19,172,291
Equipment	4,588,932	1,210,115	346,033	5,453,014
Right-to-use subscription assets	52,121,096	21,794,836	1,545,233	72,370,699
Total depreciable and amortizable capital assets	$2,338,517,932	$333,024,294	$20,951,346	$2,650,590,880
Less accumulated depreciation and amortization				
Buildings	$746,218,583	$52,164,807	$-	$798,383,390
Buildings – financed purchase	32,701,132	4,258,857	2,490,778	34,469,211
Improvements	34,545,746	807,196	862,702	34,490,240
Infrastructure assets	41,321,233	3,087,148	-	44,408,381
Equipment	126,982,114	21,003,692	10,389,455	137,596,351
Equipment – financed purchase	1,825,932	-	-	1,825,932
Library materials	102,746,073	1,829,292	79,153	104,496,212
Computer software	12,378,088	204,414	486,683	12,095,819
Right-to-use lease assets:				
Buildings	4,897,587	1,903,111	1,109,162	5,691,536
Equipment	1,999,586	1,428,005	292,699	3,134,892
Right-to-use subscription assets	27,629,917	17,446,551	1,545,233	43,531,235
Total accumulated depreciation and amortization	$1,133,245,991	$104,133,073	$17,255,865	$1,220,123,199
Total depreciable and amortizable capital assets, net	$1,205,271,941	$228,891,221	$3,695,481	$1,430,467,681
Total capital assets, net	**$1,495,085,550**	**$327,668,287**	**$292,380,658**	**$1,530,373,179**

7. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources consisted of the following at June 30, 2025:

Deferred Outflows of Resources	
Refundings of debt	$3,300,258
Pension	62,144,236
Other post-employment benefits	23,807,942
Total deferred outflows of resources	$89,252,436

8. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at June 30, 2025:

Accounts Payable and Accrued Expenses	
Employee salaries, wages and fringe benefits payable	$52,341,491
Vendors and suppliers accounts payable	20,566,579
Interest payable	3,125,844
Capital projects retainage payable	4,564,337
Capital projects and equipment accounts payable	7,146,126
Total accounts payable and accrued expenses	$87,744,377

9. LONG-TERM LIABILITIES

Long-term liabilities consist of long-term debt, accruals for compensated absences and other noncurrent liabilities. A summary of changes in long-term liabilities for the year ended June 30, 2025 is as follows:

	Beginning Balance Restated**	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Long-term debt:						
Revenue bonds	$125,596,287	$16,215,000	$29,240,663	$112,570,624	$12,802,000	$99,768,624
Notes payable	204,065,000	-	22,545,000	181,520,000	22,995,000	158,525,000
Notes payable - LOC	68,000,000	-	-	68,000,000	-	68,000,000
Financed purchase obligation	68,500,222	-	6,847,333	61,652,889	4,526,894	57,125,995
Installment purchases	517,722	-	517,722	-	-	-
Lease liability	21,267,833	1,403,857	4,343,169	18,328,521	2,551,422	15,777,099
Subscription liability	17,867,915	21,046,450	19,117,848	19,796,517	8,136,881	11,659,636
Bond premium	15,876,983	938,046	3,921,050	12,893,979	2,374,043	10,519,936
Total long-term debt	$521,691,962	$39,603,353	$86,532,785	$474,762,530	$53,386,240	$421,376,290
Net pension liability	195,361,609	-	5,515,911	189,845,698	-	189,845,698
OPEB liability	86,319,885	-	8,125,787	78,194,098	1,559,370	76,634,728
Accrued compensated absences	42,485,016	2,772,119*	-	45,257,135	15,194,581	30,062,554
Other noncurrent liabilities:						
Faculty early retirement incentive liability	7,573,368	-	124,161	7,449,207	1,369,951	6,079,256
Loan funds	418,436	-	418,436	-	-	-
Total long-term liabilities	**$853,850,276**	**$42,375,472**	**$100,717,080**	**$795,508,668**	**$71,510,142**	**$723,998,526**

* The change in the compensated absences liability is presented as a net change ** See Note 25

10. BONDS PAYABLE

A. GENERAL OBLIGATION BONDS

The Commonwealth issues General Obligation Bonds, pursuant to Article X, Section 9c of the Constitution of Virginia. These General Obligation Bonds are backed by the full faith, credit, and taxing power of the Commonwealth, and are issued to finance capital projects which, when completed, are expected to generate revenue to repay the debt. The following schedule describes each of the bonds outstanding:

Bond Title	Calendar Year Issued	Original Amount	Original Interest Rate	Original Bond Term	Fiscal Year Final Payment Due	Balance Outstanding at June 30, 2025
Housing VIII	2010	$39,420,000	2.1 to 5.0%	25 Years	2035	$20,095,000
Smithsonian CRC - Housing	2010	5,415,000	2.1 to 5.0%	25 Years	2035	2,760,000

Bond Title	Calendar Year Issued	Original Amount	Original Interest Rate	Original Bond Term	Fiscal Year Final Payment Due	Balance Outstanding at June 30, 2025
Renovate Commons	2010	1,325,000	2.1 to 5.0%	20 Years	2030	430,000
2015B Refunding (2006B)	2015	11,765,000	3.0 to 5.0%	16 Years	2031	4,945,000
2015B Refunding (2007B)	2015	7,670,410	3.0 to 5.0%	17 Years	2032	3,158,624
2015B Refunding (Housing VII 2008B)	2015	1,366,447	3.0 to 5.0%	18 Years	2033	441,353
2015B Refunding (Housing VIIC 2008B)	2015	17,565,586	3.0 to 5.0%	18 Years	2033	5,648,647
2016B Refunding (2009B)	2016	12,420,000	2.0 to 5.0%	17 Years	2034	8,370,000
2020B Refunding (Housing VIIC 2011A)	2020	865,000	0.55 to 1.91%	16 Years	2036	685,000
2020B Refunding (Housing VIII 2011A)	2020	16,255,000	0.55 to 1.91%	16 Years	2036	13,550,000
2020B Refunding (SMSC Housing 2011A)	2020	3,350,000	0.55 to 1.91%	16 Years	2036	2,790,000
2020B Refunding (Renov Commons 2011A)	2020	10,345,000	0.55 to 1.41%	11 Years	2031	7,170,000
2021A Refunding (Housing VIII 2010A-2)	2021	3,145,000	2%	16 Years	2037	3,145,000
2021A Refunding (SMSC Housing 2010A-2)	2021	440,000	2%	16 Years	2037	440,000
2021A Refunding (Reno Commons 2010A-2)	2021	120,000	3.0 to 5.0%	11 Years	2032	120,000
2021A Refunding (SH VII 2007B, 2013B)	2021	80,000	2%	12 Years	2033	80,000
2021A Refunding (SH VIIC & Entr Rd 2007B, 2013B)	2021	610,000	2%	12 Years	2033	610,000
2021A Refunding (Housing VIII 2014A)	2021	95,000	2%	14 Years	2035	95,000
2021A Refunding (Housing VII 2008B, 2015B)	2021	75,000	2%	13 Years	2034	75,000
2021A Refunding (Housing VII-C 2008B, 2015B)	2021	885,000	2%	13 Years	2034	885,000
2021A Refunding (Reno Pres Park Ph II 2008B, 2015B)	2021	135,000	5%	8 Years	2029	135,000
2021A Refunding (Housing VII-C 2009B, 2016B)	2021	310,000	2%	14 Years	2035	310,000
2021A Refunding (Housing VIII 2009B, 2016B)	2021	315,000	2%	14 Years	2035	315,000
2021A Refunding (Housing VII 2005, 2009D, 2019B)	2021	825,000	5%	10 Years	2031	825,000
2021A Refunding (Housing VII 2006B, 2009D, 2019B)	2021	1,410,000	3%	11 Years	2032	1,410,000
2021B Refunding (SH VII 2007B, 2013B)	2021	90,000	2.15%	13 Years	2034	90,000
2021B Refunding (SH VIIC & Entr Rd 2007B, 2013B)	2021	710,000	2.15%	13 Years	2034	710,000
2021B Refunding (Housing VIII 2014A)	2021	110,000	2.20%	15 Years	2036	110,000
2021B Refunding (Housing VII 2008B, 2015B)	2021	80,000	2.15%	14 Years	2035	80,000
2021B Refunding (Housing VII-C 2008B, 2015B)	2021	1,030,000	2.15%	14 Years	2035	1,030,000
2021B Refunding (Reno Pres Park Ph II 2008B, 2015B)	2021	180,000	3%	9 Years	2030	180,000
2021B Refunding (Housing VII-C 2009B, 2016B)	2021	355,000	2.20%	15 Years	2036	355,000
2021B Refunding (Housing VIII 2009B, 2016B)	2021	360,000	2.20%	15 Years	2036	360,000
2021B Refunding (Housing V 2001, 2009C, 2019B)	2021	1,370,000	3%	5 Years	2026	1,370,000
2021B Refunding (Housing VII 2005, 2009D, 2019B)	2021	1,265,000	1.85%	11 Years	2032	1,265,000
2021B Refunding (Housing VII 2006B, 2009D, 2019B)	2021	1,850,000	1.95%	12 Years	2033	1,850,000
2024B Refunding (2005, 2013B)	2024	8,738,000	5%	6 Years	2030	7,320,000
2024B Refunding (2006, 2013B)	2024	4,002,000	5%	2 Years	2026	2,047,000
2024B Refunding (Housing VIII 2014A)	2024	1,195,000	5%	10 Years	2034	1,100,000
2025B Refunding (2006B, 2015B)	2025	6,435,000	5%	4 Years	2029	6,435,000
2025B Refunding (2007B, 2015B)	2025	3,700,000	5%	4 Years	2029	3,700,000
2025B Refunding (Housing VII 2008B, 2015B)	2025	390,000	5%	4 Years	2029	390,000
2025B Refunding (Housing VIIC 2008B, 2015B)	2025	5,000,000	5%	4 Years	2029	5,000,000
2025B Refunding (Renov Pres Park II 2008B, 2015B)	2025	690,000	5%	3 Years	2028	690,000
Total bonds payable		$173,757,443				$112,570,624

Long-term debt from bonds payable as of June 30, 2025 matures as follows:

Year	Principal	Interest	BAB Interest Subsidy*	Total Net of Subsidy
2026	$12,802,000	$3,737,641	$(367,543)	$16,172,098
2027	11,665,000	3,310,236	(339,852)	14,635,384
2028	11,840,000	2,846,274	(306,896)	14,379,378
2029	12,035,000	2,395,620	(273,016)	14,157,604
2030	12,720,114	1,915,970	(238,135)	14,397,949
2031-2035	45,413,510	4,291,713	(619,343)	49,085,880
2036-2040	6,095,000	158,234	-	6,253,234
Total	$112,570,624	$18,655,688	$(2,144,785)	$129,081,527

* The University expects the BAB (Build America Bonds) subsidy to occur as displayed. However, the subsidy is subject to intervening Congressional action and thus is not guaranteed.

B. 2025 DEFEASANCE OF DEBT

In June 2025, the Treasury Board, on behalf of the University, issued $16,215,000 of General Obligation Refunding Bonds, Series 2025B to refund $17,056,827 of Series 2015B bonds. The resulting net gain of $527,878 will be amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The details of each bond issue refunded are below:

Bond Title	Bonds Refunded	Interest Rate (Bonds Refunded)	Refunding Bonds Issued	Interest Rate (Refunding Bonds)	Accounting Gain (Loss)	Reduction in Debt Service	Economic Gain (Loss)
Housing VII, 2015B/2006B	$6,820,000	5.0%	$6,435,000	5.0%	$181,738	$464,056	$418,065
Housing VII, 2015B/2007B	427,140	5.0%	410,000	5.0%	8,821	20,746	18,939
Housing VIIC Entr Rd, 2015B/2007B	3,449,859	5.0%	3,290,000	5.0%	62,918	191,822	174,965
Housing VII, 2015B/2008B	404,948	5.0%	390,000	5.0%	20,045	18,363	16,651
Housing VIIC, 2015B/2008B	5,241,458	5.0%	5,000,000	5.0%	230,951	289,833	264,371
Reno Pres Park, 2015B/2008B	713,422	5.0%	690,000	5.0%	23,405	28,143	26,167
Total	$17,056,827		$16,215,000		$527,878	$1,012,963	$919,158

11. NOTES PAYABLE

A. VCBA NOTES

The University participates in the Public Higher Education Financing Program (Pooled Bond Program) created by the Virginia General Assembly in 1996. Through the Pooled Bond Program, the Virginia College Building Authority (VCBA) issues 9(d) bonds and uses the proceeds to purchase debt obligations (notes) of the University and various other institutions of higher education. VCBA Pooled Bonds are reported as Notes Payable by the University. The University's general revenue secures these notes.

The following schedule describes each of the notes outstanding:

Note Title	Calendar Year Issued	Original Amount	Original Interest Rate	Original Note Term	Fiscal Year Final Pymt Due	Balance Outstanding at June 30, 2025
Student Union II Renovation	2010	$2,935,000	3.75 to 5.5%	20 Years	2031	$1,140,000
Student Union I Addition/Renovation	2010	5,390,000	3.75 to 5.5%	20 Years	2031	2090,000
Smithsonian CRC-Dining	2010	2,395,000	3.75 to 5.6%	25 Years	2036	1,340,000
Krasnow Institute Addition II	2010	5,215,000	2.0 to 5.5%	20 Years	2031	1,960,000
Fieldhouse Life/Safety/Code Renovation	2010	1,395,000	3.75 to 5.5%	20 Years	2031	540,000
2013B Refunding (Patriot Center 2006A)	2013	7,280,000	1.0 to 4.0%	14 Years	2028	1,840,000
2013B Refunding (Patriot Center 2009A)	2013	1,845,000	1.0 to 4.0%	15 Years	2029	580,000
2014B Refunding (2005A)	2014	1,455,000	3.0 to 5.0%	12 Years	2027	1,035,000
2014B Refunding (2007A)	2014	28,290,000	3.0 to 5.0%	11 Years	2026	4,170,000
2015B Refunding (Arlington Ph II 2009A)	2015	5,595,000	3.0 to 5.0%	18 Years	2034	3,895,000
2015B Refunding (PW Perf Arts 2009A)	2015	10,375,000	3.0 to 5.0%	13 Years	2029	5,195,000
2015B Refunding (Parking Deck III, Ph I 2009A)	2015	6,520,000	3.0 to 5.0%	18 Years	2034	4,585,000
2015B Refunding (PE Bldg, Ph I 2009A)	2015	1,580,000	3.0 to 5.0%	13 Years	2029	790,000
2015B Refunding (Surge Space/Fit Out 2009A)	2015	6,185,000	3.0 to 5.0%	13 Years	2029	3,095,000
2015B Refunding (Acad VI/Rsch II 2009A)	2015	11,750,000	3.0 to 5.0%	13 Years	2029	5,880,000
2015B Refunding (PE Bldg, Ph II 2009A)	2015	3,020,000	3.0 to 5.0%	13 Years	2029	1,510,000
2015B Refunding (Biomed Rsch Lab 2009A)	2015	3,685,000	3.0 to 5.0%	13 Years	2029	1,840,000
2015B Refunding (Hotel & Conf Ctr 2009A)	2015	15,790,000	3.0 to 5.0%	23 Years	2039	12,225,000
2015B Refunding (SUB I Add/Reno 2009A)	2015	4,600,000	3.0 to 5.0%	13 Years	2029	2,305,000
2015B Refunding (Park Deck III, Ph II 2009A)	2015	9,275,000	3.0 to 5.0%	18 Years	2034	6,520,000
2015B Refunding (W Campus Connect 2009A)	2015	3,460,000	3.0 to 5.0%	13 Years	2029	1,730,000
2016A Refunding (Krasnow 2006A)	2016	390,000	3.00%	10 Years	2027	265,000
2016A Refunding (PE Add/Reno 2006A)	2016	1,750,000	3.0 to 5.0%	12 Years	2029	1,395,000

Note Title	Calendar Year Issued	Original Amount	Original Interest Rate	Original Note Term	Fiscal Year Final Pymt Due	Balance Outstanding at June 30, 2025
2016A Refunding (PE Bldg Add, Ph II 2006A)	2016	805,000	3.0 to 5.0%	12 Years	2029	640,000
2016A Refunding (PW Bio Lab 2006A)	2016	3,825,000	3.0 to 5.0%	12 Years	2029	3,045,000
2016A Refunding (PW Perf Arts Ctr 2006A)	2016	3,105,000	3.0 to 5.0%	12 Years	2029	2,475,000
2016A Refunding (Student Union III 2006A)	2016	1,315,000	3.0 to 5.0%	11 Years	2028	995,000
2016A Refunding (Surge Space Fit Out 2006A)	2016	390,000	3.0 to 5.0%	11 Years	2028	295,000
2016A Refunding (Surge Space Bldg 2006A)	2016	1,595,000	3.0 to 5.0%	11 Years	2028	1,205,000
2016A Refunding (PW Perf Arts Ctr 2007A)	2016	1,285,000	3.0 to 5.0%	11 Years	2028	1,285,000
2016A Refunding (Parking Deck III 2007A)	2016	7,795,000	3.0 to 5.0%	16 Years	2033	7,795,000
2016A Refunding (PE Bldg, Ph I 2007A)	2016	1,285,000	3.0 to 5.0%	11 Years	2028	1,285,000
2016A Refunding (Surge Space Bldg 2007A)	2016	450,000	3.0 to 5.0%	11 Years	2028	450,000
2016A Refunding (Acad VI/Rsch II 2007A)	2016	745,000	3.0 to 5.0%	11 Years	2028	745,000
2016A Refunding (PE Bldg Add, Ph II 2007A)	2016	575,000	3.0 to 5.0%	11 Years	2028	575,000
2016A Refunding (Hotel & Conf Ctr 2007A)	2016	8,345,000	3.0 to 5.0%	21 Years	2038	8,345,000
2016A Refunding (Sub I Reno 2007A)	2016	765,000	3.0 to 5.0%	11 Years	2028	765,000
2016A Refunding (Student Union III 2007A)	2016	2,255,000	3.0 to 5.0%	16 Years	2033	2,255,000
2016A Refunding (Arl Ph II 2009B)	2016	3,520,000	3.0 to 5.0%	18 Years	2035	2,500,000
2016A Refunding (PW Perf Arts Ctr 2009B)	2016	2,195,000	3.0 to 5.0%	13 Years	2030	1,205,000
2016A Refunding (Surge Space Fit Out 2009B)	2016	1,020,000	3.0 to 5.0%	13 Years	2030	560,000
2016A Refunding (Biomed Rsch Lab 2009B)	2016	1,225,000	3.0 to 5.0%	13 Years	2030	675,000
2016A Refunding (Hotel & Conf Ctr 2009B)	2016	5,955,000	3.0 to 5.0%	23 Years	2040	4,725,000
2016A Refunding (Sub I Add/Reno 2009B)	2016	4,980,000	3.0 to 5.0%	13 Years	2030	2,740,000
2016A Refunding (SUB II Reno 2009B)	2016	3,120,000	3.0 to 5.0%	13 Years	2030	1,715,000
Utilities Distribution Infrastructure	2017	3,240,000	2.125 to 5.0%	20 Years	2038	2,395,000
Utilities Distribution Infrastructure	2018	21,925,000	4.0 to 5.0%	20 Years	2039	17,435,000
2021B Refunding (Smithsonian CRC Dining 2011A)	2021	1,725,000	0.48 to 2.4%	17 Years	2039	1,515,000
2021B Refunding (Central Utility Plant 2011A)	2021	455,000	0.48 to 2.4%	17 Years	2039	405,000
2021B Refunding (Parking Deck II 2003A, 2012A)	2021	3,925,000	0.48 to 0.77%	5 Years	2027	2,030,000
2021B Refunding (Fairfax Research I 2004A, 2012A)	2021	3,505,000	0.48 to 0.94%	6 Years	2028	2,135,000
2021B Refunding (Student Union III 2005A, 2012A)	2021	1,320,000	0.48 to 1.13%	7 Years	2029	680,000
2021B Refunding (Krasnow Institute 2005A, 2012A)	2021	1,205,000	0.48 to 1.13%	7 Years	2029	640,000
2021B Refunding (W Campus Connect 2013A)	2021	560,000	0.48 to 0.61%	4 Years	2026	280,000
2021B Refunding (Ike's Dining 2013A)	2021	6,150,000	0.48 to 2.11%	14 Years	2036	5,580,000
2021B Refunding (Central Utility Plant 2013A)	2021	2,595,000	0.48 to 2.11%	14 Years	2036	2,395,000
2021B Refunding (Renovate Fieldhouse 2013B)	2021	810,000	0.48 to 0.61%	4 Years	2026	405,000
2021B Refunding (Patriot Ctr 2006A, 2013B)	2021	1,105,000	1.13 to 1.33%	8 Years	2030	1,105,000
2021B Refunding (Patriot Ctr 2009A, 2013B)	2021	250,000	1.33 to 1.53%	9 Years	2031	250,000
2021B Refunding (Krasnow 2006A, 2014B)	2021	245,000	0.94 to 1.13%	7 Years	2029	245,000
2021B Refunding (PE Add/Reno 2006A, 2014B)	2021	690,000	1.33 to 1.53%	9 Years	2031	690,000
2021B Refunding (PE Bldg Add, Ph II 2006A, 2014B)	2021	315,000	1.33 to 1.53%	9 Years	2031	315,000
2021B Refunding (PW Bio Lab 2006A, 2014B)	2021	1,505,000	1.33 to 1.53%	9 Years	2031	1,505,000
2021B Refunding (PW Perf Arts Ctr 2006A, 2014B)	2021	1,215,000	1.33 to 1.53%	9 Years	2031	1,215,000
2021B Refunding (Student Union III 2006A, 2014B)	2021	620,000	1.13 to 1.33%	8 Years	2030	620,000
2021B Refunding (Surge Space Fit Out 2006A, 2014B)	2021	180,000	1.13 to 1.33%	8 Years	2030	180,000
2021B Refunding (Surge Space Building 2006A, 2014B)	2021	755,000	1.13 to 1.33%	8 Years	2030	755,000
2021B Refunding (PW Perf Arts Ctr RB#2 2007A, 2014B)	2021	1,065,000	1.13 to 1.33%	8 Years	2030	1,065,000
2021B Refunding (Parking Deck III 2007A, 2014B)	2021	1,775,000	1.91 to 2.01%	13 Years	2035	1,775,000
2021B Refunding (PE Bldg Reno Ph I, RB#2 2007A, 2014B)	2021	1,060,000	1.13 to 1.33%	8 Years	2030	1,060,000
2021B Refunding (Surge Space Bldg, RB#2 2007A, 2014B)	2021	370,000	1.13 to 1.33%	8 Years	2030	370,000
2021B Refunding (Acad VI/Research II 2007A, 2014B)	2021	615,000	1.13 to 1.33%	8 Years	2030	615,000
2021B Refunding (PE Bldg Reno Ph II, RB#2 2007A, 2014B)	2021	480,000	1.13 to 1.33%	8 Years	2030	480,000
2021B Refunding (Hotel & Conf Ctr 2007A, 2014B)	2021	1,110,000	2.4 to 2.5%	18 Years	2040	1,110,000
2021B Refunding (Sub I Reno 2007A, 2014B)	2021	635,000	1.13 to 1.33%	8 Years	2030	635,000
2021B Refunding (Student Union III 2007A, 2014B)	2021	510,000	1.91 to 2.01%	13 Years	2035	510,000
2021B Refunding (Arl Phase II 2009A, 2015B)	2021	720,000	2.01 to 2.11%	14 Years	2036	720,000
2021B Refunding (PW Perf Arts Ctr RB#3 2009A, 2015B)	2021	2,200,000	1.33 to 1.53%	9 Years	2031	2,200,000
2021B Refunding (Parking Deck III, Ph I 2009A, 2015B)	2021	825,000	2.01 to 2.11%	14 Years	2036	825,000
2021B Refunding (PE Bldg, Phase I 2009A, 2015B)	2021	335,000	1.33 to 1.53%	9 Years	2031	335,000
2021B Refunding (Surge Space & Fit-Out 2009A, 2015B)	2021	1,310,000	1.33 to 1.53%	9 Years	2031	1,310,000

Note Title	Calendar Year Issued	Original Amount	Original Interest Rate	Original Note Term	Fiscal Year Final Pymt Due	Balance Outstanding at June 30, 2025
2021B Refunding (Acad VI/Rsch II, RB#2 2009A, 2015B)	2021	2,490,000	1.33 to 1.53%	9 Years	2031	2,490,000
2021B Refunding (PE Bldg Phase II 2009A, 2015B)	2021	645,000	1.33 to 1.53%	9 Years	2031	645,000
2021B Refunding (BRL, RB#2 2009A, 2015B)	2021	785,000	1.33 to 1.53%	9 Years	2031	785,000
2021B Refunding (Hotel & Conf Ctr 2009A, 2015B)	2021	1,515,000	2.5 to 2.6%	19 Years	2041	1,515,000
2021B Refunding (Sub I Add/Reno 2009A, 2015B)	2021	975,000	1.33 to 1.53%	9 Years	2031	975,000
2021B Refunding (Parking Deck III, Ph II 2009A, 2015B)	2021	1,170,000	2.01 to 2.11%	14 Years	2036	1,170,000
2021B Refunding (W Campus Connect 2009A, 2015B)	2021	735,000	1.33 to 1.53%	9 Years	2031	735,000
2021B Refunding (Arl Phase II 2009B, 2016A)	2021	435,000	2.11 to 2.21%	15 Years	2037	435,000
2021B Refunding (PW Perf Arts Ctr 2009B, 2016A)	2021	425,000	1.53 to 1.71%	10 Years	2032	425,000
2021B Refunding (Surge Space Fit Data Ctr 2009B, 2016A)	2021	195,000	1.53 to 1.71%	10 Years	2032	195,000
2021B Refunding (BRL 2009B, 2016A)	2021	235,000	1.53 to 1.71%	10 Years	2032	235,000
2021B Refunding (Hotel & Conf Ctr 2009B, 2016A)	2021	520,000	2.6 to 2.65%	20 Years	2042	520,000
2021B Refunding (Sub I Add/Reno 2009B, 2016A)	2021	945,000	1.53 to 1.71%	10 Years	2032	945,000
2021B Refunding (Sub II Reno 2009B, 2016A)	2021	590,000	1.53 to 1.71%	10 Years	2032	590,000
2021B Refunding (Utilities Distrib Infra 2017A)	2021	265,000	2.4 to 2.5%	18 Years	2040	265,000
2021B Refunding (Utilities Distrib Infra 2018A)	2021	1,610,000	2.5 to 2.6%	19 Years	2041	1,610,000
Total notes payable		$277,565,000				$181,520,000

Long-term debt from notes payable as of June 30, 2025 matures as follows:

Year	Principal	Interest	BAB Interest Subsidy*	Total Net of Subsidy
2026	$22,995,000	$5,810,693	$(126,096)	$28,679,597
2027	23,090,000	4,956,517	(107,844)	27,938,673
2028	22,945,000	4,089,417	(88,064)	26,946,353
2029	21,585,000	3,205,112	(67,563)	24,722,549
2030	20,045,000	2,488,551	(46,292)	22,487,259
2031-2035	48,765,000	6,750,652	(56,981)	55,458,671
2036-2040	19,995,000	1,633,237	(1,421)	21,626,816
2041-2045	2,100,000	34,389	-	2,134,389
Total	$181,520,000	$28,968,568	$(494,261)	$209,994,307

* The University expects the BAB (Build America Bonds) subsidy to occur as displayed. However, the subsidy is subject to intervening Congressional action and thus is not guaranteed.

B. OTHER NOTES PAYABLE

In October 2022, the University entered into a Revolving Credit Agreement with Atlantic Union Bank (AUB) and signed a Promissory Note for $68 million. This Note is payable to AUB from any or all Pledged Revenues of the University, which Pledged Revenues have been pledged to AUB by the University on a parity basis with all other Parity Revenue Obligations.

On February 7, 2024, the University drew the principal amount of $68 million. The proceeds will be used to provide financing for capital projects. Through October 15, 2032, interest accrues on the outstanding amount at a fixed rate of 3.66%. Thereafter, the interest rate resets to a fixed rate of interest equal to the sum of (a) the 5-Year Treasury Note as of Oct 12, 2032, and (b) 81 basis points. Interest is due and payable quarterly and principal is due at maturity on October 15, 2037, but may be prepaid at any time without penalty. During FY 2025, the University recognized interest expense of $2,488,800 on the outstanding $68 million.

12. FINANCED PURCHASE OBLIGATIONS

The University has entered into the following financed purchases with George Mason University Foundation (GMUF):

- 150,000 square foot administration building at the Fairfax campus (FY11)
- 80,858 square foot residence hall at the Prince William campus (FY13)
- 31,879 square foot office building and land in downtown Fairfax, close to the Fairfax campus (FY14)
- 75,000 square foot lab building at the Prince William campus (FY15)
- 183,000 square foot residence hall at the Fairfax campus (FY18)

The University has accounted for the financed purchases as additions to capital assets in the year of the agreement and recorded a corresponding financed purchase obligation in long-term debt, both of which are on the *Statement of Net Position* as of June 30, 2025. Payments of principal, interest, and operating expenses on these commitments for fiscal years subsequent to June 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Operating Expenses	Total
2026	$4,526,894	$3,603,106	$313,155	$8,443,155
2027	4,857,633	3,272,367	313,155	8,443,155
2028	4,082,835	2,937,165	313,155	7,333,155
2029	3,175,927	2,734,073	313,155	6,223,155
2030	3,360,315	2,549,684	234,866	6,144,865
2031-2035	19,969,082	9,580,918	-	29,550,000
2036-2040	15,091,759	4,258,241	-	19,350,000
2041-2042	6,588,444	431,556	-	7,020,000
Total	$61,652,889	$ 29,367,110	$1,487,486	$92,507,485

The University entered into an agreement with a development partner on April 5, 2022 related to the FUSE building at Mason Square at the Arlington Campus. Under the terms of this agreement, approximately 122,800 rentable square feet ("Commercial Space") will be made available to lease to public and private sector tenants, while approximately 187,365 rentable square feet ("University Space") will be subleased back to the University. To facilitate development, the University has leased the land to the developer for $1 per year for a 75-year term. Under the sublease agreement, the University prepaid rent in tranches during construction. FUSE was completed during FY25, at which time the prepayments were moved to Buildings within the *Statement of Net Position.* No participation rent was received in FY25. At the end of the lease term or upon earlier termination, ownership of the building and title to all improvements will automatically transfer to the University. The transaction is being accounted for as a financed purchase.

13. LEASE LIABILITY

The University leases certain office space, academic space, training space, laboratory space, and equipment. Initial terms are typically 3 to 15 years and may contain rent escalation clauses and renewal options ranging from 3 to 10-year intervals. Discount rates ranged from 2.9% to 10.3% for real estate leases and 2.5% to 6.0% for equipment leases. See note 1.K. for details on determining discount rates. Of the total $18,328,521 lease liability, $1,696,730 is due to the George Mason University Foundation. In fiscal year 2025, the University recognized $381,767 in Auxiliary Expense for variable payments made that were not previously included in the measurement of the lease liability. These variable payments were calculated based on actual usage of equipment throughout the fiscal year.

The future minimum lease obligations for fiscal years subsequent to June 30, 2025 are as follows:

Year	Liability Reduction	Interest	Total
2026	$2,551,422	$1,433,285	$3,984,707
2027	1,323,950	1,325,010	2,648,960
2028	1,320,638	1,245,530	2,566,168
2029	1,323,955	1,020,789	2,344,744
2030	1,243,554	850,165	2,093,719
2031-2035	4,788,491	2,994,681	7,783,172
2036-2040	3,529,558	1,540,552	5,070,110
2041-2045	2,246,953	191,399	2,438,352
Total	$18,328,521	$10,601,411	$28,929,932

During FY 2024, the University entered into a lease-leaseback transaction, for office space. The term of the lease is 2 years and 7 months, with rent escalating 2.5% each year. The lease-leaseback was accounted for as a net transaction. As of June 30, 2025, the gross amounts related to the lease-leaseback transaction, where George Mason acted as the lessee, are outlined in the table below. See Note 5 for the amounts related to the lease-leaseback transactions where George Mason is the lessor.

Year	ST Lease Liability	LT Lease Liability	Accumulated Amortization	Gross Asset Balance
2025	$452,082	-	$664,095	$1,072,072

14. SUBSCRIPTION LIABILITY

The University has subscription-based information technology arrangements (SBITAs). Initial terms are typically 2 to 5 years and may contain payment escalation clauses and renewal options ranging from 1 to 5 years. Discount rates applied to the measurement of subscription liability ranged from 2.5% to 3.6%. See note 1.L. for details on determining discount rates.

In fiscal year 2025, the University recognized $2,991,794 in Operating Expense for variable payments made that were not previously included in the measurement of the subscription liability. These variable payments were calculated based on actual usage throughout the fiscal year.

The future minimum SBITA obligations for fiscal years subsequent to June 30, 2025 are as follows:

Year	Liability Reduction	Interest	Total
2026	$8,136,881	$549,076	$8,685,957
2027	6,378,081	376,663	6,754,744
2028	2,150,019	181,599	2,331,618
2029	2,167,972	107,834	2,275,806
2030	668,151	33,637	701,788
2031-2035	295,413	20,976	316,389
Total	$ 19,796,517	$1,269,785	$21,066,302

15. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources consisted of the following at June 30, 2025:

Deferred Inflows of Resources	
Refundings of debt	$4,359,890
Pension	26,733,397
Other post-employment benefits	18,682,367
Leases	19,303,919
Total deferred inflows of resources	$69,079,573

16. EXPENSES BY NATURAL CLASSIFICATION

The following table shows a classification of expenses both by function as listed in the *Statement of Revenues, Expenses, and Changes in Net Position* and by natural classification, which is the basis for amounts shown in the Statement of Cash Flows.

	Salaries & Wages	Fringe Benefits	Goods & Services	Student Aid	Depreciation & Amortization	Total
Instruction	$317,725,000	$78,566,148	$35,984,211	$-	$-	$432,275,359
Research	78,562,722	16,077,768	72,187,010	-	-	166,827,500
Academic support	78,296,736	23,431,078	19,544,835	-	-	121,272,649
Student service	30,352,927	11,948,038	6,802,928	-	-	49,103,893
Public service	15,424,002	3,474,116	15,098,651	-	-	33,996,769
Operation & maintenance	33,452,770	12,042,571	26,377,351	-	-	71,872,692
Institutional support	55,444,147	17,953,929	6,691,905	-	-	80,089,981
Auxiliary enterprises	59,679,389	16,083,784	96,445,488	-	-	172,208,661
Student aid	-	-	-	20,668,259	-	20,668,259
Depreciation & amortization	-	-	-	-	104,133,067	104,133,067
Total	$668,937,693	$179,577,432	$279,132,379	$20,668,259	$104,133,067	$1,252,448,830

17. STATE APPROPRIATIONS

George Mason University receives state appropriations from the General Fund of the Commonwealth. The Appropriation Act specifies that unexpended General Fund appropriations that remain on the last day of the current fiscal year shall be reappropriated for expenditure in the subsequent fiscal year beginning July 1, 2025, except as may be specifically provided otherwise by the General Assembly. The Governor may, at his discretion, unallot funds from the reappropriated balances that relate to unexpended appropriations.

The following is a summary of General Fund appropriations received by the institution including all supplemental appropriations and reversions:

General Fund Appropriations	
Original legislative appropriations:	
Educational and general programs	$251,619,051
Student financial assistance	84,263,686
Grants and contracts	2,357,818
Central appropriations distribution	12,403,920
VMSDEP Funding for E&G	7,923,200
TTIP award	5,797,737
VIVA	28,478
Interest earnings and credit card rebates	1,709,780
Total	$366,103,670

18. FACULTY INCENTIVE RETIREMENT PLAN

On September 28, 2023, the Board of Visitors of the University approved a Faculty Incentive Retirement Plan for tenured instructional and research faculty members, which provides for payout of 125-150% of their base annual salary over a two to five-year period based on years of service. The plan was designed as a tool for the University to respond to financial and organizational challenges by releasing faculty resources for budget reallocation or reduction in accordance with strategic plan goals, enrollment changes, and other University needs. The Plan also provides a health care subsidy subject to section 213(d) of the Internal Revenue Code.

Since inception, 32 faculty members have elected to enroll in the plan. Four participants retired under this plan during FY 2024 and 28 retired during FY 2025. The University makes equal monthly installment payments to the employee's retirement account over the payout period. If the full retirement incentive cannot be made within a five-year period due to the annual IRS limit, the University pays the difference in a single lump sum payment.

The plan payment schedule, calculated using the net present value of future plan payments, is as follows:

Year Ended June 30	Supplemental Plan Liability
2026	$1,369,951
2027	2,122,936
2028	1,995,149
2029	1,238,112
2030	595,757
2031	127,302
Total	$7,449,207

19. RETIREMENT AND PENSION SYSTEMS

A. VIRGINIA RETIREMENT SYSTEM (VRS) STATE EMPLOYEE DEFINED BENEFIT RETIREMENT PLAN AND VIRGINIA LAW OFFICERS SYSTEM (VaLORS) DEFINED BENEFIT RETIREMENT PLAN

Plan Description

All full-time, salaried permanent employees of state agencies are automatically covered by the VRS State Employee Retirement Plan or the VaLORS Retirement Plan upon employment. These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees in the VRS State Employee Retirement Plan – Plan 1, Plan 2, and Hybrid; and two different benefit structures for covered employees in the VaLORS Retirement Plan – Plan 1 and Plan 2. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About Plan 2** Same as Plan 1.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
Eligible Members Members are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund. *Hybrid Opt-In Election* VRS Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.	**Eligible Members** Members are in Plan 2 if their membership date is from July 1, 2010 to December 31, 2013, and they have not taken a refund, or their membership date is prior to July 1, 2010, and they were not vested as of January 1, 2013. *Hybrid Opt-In Election* Same as Plan 1.	**Eligible Members** Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Full-time permanent, salaried state employees.* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 **Non-Eligible Members* Some members are not eligible to participate in the Hybrid Retirement Plan. They include: • Members of the Virginia Law Officers' Retirement System (VaLORS) Those members eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions State members, excluding state elected officials, and optional retirement plan participants, contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payments.	**Retirement Contributions** Same as Plan 1.	**Retirement Contributions** A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	**Service Credit** Same as Plan 1.	**Service Credit** *Defined Benefit Component:* Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. *Defined Contributions Component:* Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan.	**Vesting** Same as Plan 1.	**Vesting** *Defined Benefit Component:* Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.		at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. *Defined Contributions Component:* Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distributions not required, except as governed by law.
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** *Defined Benefit Component:* See definition under Plan 1. *Defined Contribution Component:* The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest	**Average Final Compensation** A member's average final compensation is the average of their 60 consecutive months of highest	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
compensation as a covered employee.	compensation as a covered employee.	
Service Retirement Multiplier ***VRS:*** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. ***VaLORS:*** The retirement multiplier for VaLORS employees is 1.70% or 2.00%.	**Service Retirement Multiplier** ***VRS:*** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members, the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. ***VaLORS:*** The retirement multiplier for VaLORS employees is 2.00% applied to hazardous duty service and 1.70% applied to non-hazardous duty service and no supplement.	**Service Retirement Multiplier** *Defined Benefit Component:* ***VRS:*** The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. ***VaLORS:*** Not applicable. *Defined Contribution Component:* Not applicable.
Normal Retirement Age ***VRS:*** Age 65. ***VaLORS:*** Age 60.	**Normal Retirement Age** ***VRS:*** Normal Social Security retirement age. ***VaLORS:*** Same as Plan 1.	**Normal Retirement Age** *Defined Benefit Component:* ***VRS:*** Same as Plan 2. ***VaLORS:*** Not applicable. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility ***VRS:*** Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. ***VaLORS:*** Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	**Earliest Unreduced Retirement Eligibility** ***VRS:*** Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90. ***VaLORS:*** Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** *Defined Benefit Component:* ***VRS:*** Same as Plan 2. ***VaLORS:*** Not applicable. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility ***VRS:*** Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. ***VaLORS:*** Age 50 with at least five years of service credit.	**Earliest Reduced Retirement Eligibility** ***VRS:*** Age 60 with at least five years (60 months) of service credit. ***VaLORS:*** Same as Plan 1.	**Earliest Reduced Retirement Eligibility** *Defined Benefit Component:* ***VRS:*** Same as Plan 2. ***VaLORS:*** Not applicable. *Defined Contribution Component:*

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. *Eligibility:* For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. *Exceptions to COLA Effective Dates:* The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. *Eligibility:* Same as Plan 1. *Exceptions to COLA Effective Dates:* Same as Plan 1.	**Cost-of-Living Adjustment (COLA) in Retirement** *Defined Benefit Component:* Same as Plan 2. *Defined Contribution Component:* Not applicable. *Eligibility:* Same as Plan 1. *Exceptions to COLA Effective Dates:* Same as Plan 1.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
beneficiary is eligible for a monthly death-in-service benefit.		
Disability Coverage For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.	**Disability Coverage** For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.	**Disability Coverage** State employees (including Plan 1 and Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VSDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** *Defined Benefit Component:* Same as Plan 1, with the following exception: • Hybrid Retirement Plan members are ineligible for ported service. *Defined Contribution Component:* Not applicable.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each state agency's contractually required employer contribution rate for the year ended June 30, 2025, was 12.52% of covered employee compensation for employees in the VRS State Employee Retirement Plan. For employees in the VaLORS Retirement Plan, the contribution rate was 24.60% of covered employee compensation. These rates were the final approved General Assembly rates which were based on actuarially determined rates from an actuarial valuation as of June 30, 2023. The actuarially determined rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the University to the VRS State Employee Retirement Plan were $27,458,885 and $27,639,230 for the years ended June 30, 2025 and June

30, 2024, respectively. Contributions from the University to the VaLORS Retirement Plan were $951,168 and $998,090 for the years ended June 30, 2025 and June 30, 2024, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the University reported a liability of $183,048,378 for its proportionate share of the VRS State Employee Retirement Plan Net Pension Liability and a liability of $6,797,320 for its proportionate share of the VaLORS Retirement Plan Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The University's proportion of the Net Pension Liability was based on the University's actuarially determined employer contributions to the pension plans for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the University's proportion of the VRS State Employee Retirement Plan was 3.71628% as compared to 3.74218% at June 30, 2023. At June 30, 2024, the University's proportion of the VaLORS Retirement Plan was 1.01938% as compared to 0.93033% at June 30, 2023.

For the year ended June 30, 2025, the University recognized pension expense of $24,371,129 for the VRS State Employee Retirement Plan and $1,873,238 for the VaLORS Retirement Plan. Since there was a change in proportionate share between June 30, 2023, and June 30, 2024, a portion of the pension expense was related to deferred amounts from changes in proportion and differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$30,420,543	$1,009,401
Net difference between projected and actual earnings on pension plan investments	-	24,591,696
Change in assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,313,640	1,132,300
Employer contributions subsequent to the measurement date	28,410,053	-
Total	$62,144,236	$26,733,397

$28,410,053 reported as deferred outflows of resources related to pensions resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	
FY 2026	$(3,655,129)
FY 2027	18,236,563
FY 2028	(2,364,069)
FY 2029	(5,216,578)

Actuarial Assumptions

The total pension liability for the VRS State Employee Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

Pre-retirement:

Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Post-retirement:

Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

Post-disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the standard rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

The total pension liability for the VaLORS Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation	3.5% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

Pre-retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the standard rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net Pension Liability

The net pension liability (NPL) is calculated separately for each plan and represents that particular plan's total pension liability determined in accordance with GASB Statement No. 67, less that plan's fiduciary net position. As of June 30, 2024, NPL amounts for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan are as follows (amounts expressed in thousands):

	State Employee Retirement Plan	VaLORS Retirement Plan
Total Pension Liability	$ 29,769,365	$ 2,743,541
Plan Fiduciary Net Position	(24,843,784)	(2,076,732)
Employers' Net Pension Liability (Asset)	$ 4,925,581	$ 666,809
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.45%	75.70%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP-Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00%)	3.50%	(0.11%)
Total	**100.00%**		**7.07%**
Expected arithmetic nominal return*			**7.07%**

** The above allocation provides a one-year expected return of 7.07% (includes 2.5% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.*

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the

difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the University for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 102% of the actuarially determined contribution rate. From July 1, 2024, on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the VRS State Employee Retirement Plan net pension liability using the discount rate of 6.75%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
University's proportionate share of the VRS State Employee Retirement Plan Net Pension Liability	$312,016,751	$183,048,378	$75,495,859

The following presents the University's proportionate share of the VaLORS Retirement Plan net pension liability using the discount rate of 6.75%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
University's proportionate share of the VaLORS Employee Retirement Plan Net Pension Liability	$10,451,344	$6,797,320	$3,837,968

Pension Plan Fiduciary Net Position

Detailed information about the VRS State Employee Retirement Plan's Fiduciary Net Position or the VaLORS Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/media/shared/pdf/publications/archive/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

As of June 30, 2025, the University had a payable to VRS pension plans in the amount of $1,696,179. Of this amount, $1,604,405 was for the VRS State Employee Retirement Plan and $91,774 was for VaLORS. These amounts represent current legally required contributions to the pension plan not yet remitted to VRS in accordance with the payment terms.

The University's employer pension contribution amounts for each month are calculated based on creditable compensation as of the first business day of each month multiplied by the legally required contribution rate and paid to VRS no later than the 10th of the following month.

B. HYBRID RETIREMENT PLAN – DEFINED CONTRIBUTION COMPONENT

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory 1% of this covered payroll which totaled $1,238,776 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $1,762,921 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $123,877,556 for the year ended June 30, 2025.

C. FACULTY RETIREMENT PLANS

Most full-time faculty and certain administrative faculty participate in one faculty retirement plan with two investment providers rather than the VRS. These are defined contribution plans where the retirement benefits received are based upon the employer's and employee's contributions plus interest and dividends.

For plan participants hired prior to July 1, 2010, the employer's contribution was 10.4% and the participant was not required to make contributions to the plan. Plan participants hired after June 30, 2010 received an employer contribution of 8.5% and were required to contribute 5%. The plan structure for participants hired after June 30, 2010 is designated in the table below with a 2 following the investment providers' names.

Individual contracts issued under the plan provide for full and immediate vesting of the University's contributions. Total pension expense under these plans was $26,293,132 for the fiscal year ended June 30, 2025 based on total covered payroll of $287,628,486. The University's outstanding liability for accrued pension expense as of June 30, 2025 was $1,022,689. The change in the accrued liability amount from the prior year end was an increase of $504,614, which accounts for the difference between the pension contributions made to plan trustees, as set forth in the table below, and the pension expense amount stated above. FY 2025 pension contributions were calculated using the plan's covered payroll of $282,046,472 for fiscal year 2025.

The following table summarizes the contributions and participation in the optional retirement plans:

Faculty Retirement Plan	Pension Contributions Made to Plan Trustees	Plan's Covered Payroll	Contribution Percentage
TIAA-CREF*	$6,868,575	$66,043,990	10.4%
TIAA-CREF 2	6,426,461	75,605,420	8.5%
Fidelity Investments	3,063,800	29,459,611	10.4%
Fidelity Investments 2	9,429,683	110,937,451	8.5%
Total	$25,788,519	$282,046,472	

*Teachers Insurance and Annuity Association/College Retirement Equities Fund

D. DEFERRED COMPENSATION

Employees of the University are employees of the Commonwealth of Virginia. State employees may participate in the Commonwealth's Deferred Compensation Plan. Participating employees can contribute to the plan each

pay period with the Commonwealth matching up to $20 per pay period. The dollar amount match can change depending on the funding available in the Commonwealth's budget. The Commonwealth's Deferred Compensation Plan is a qualified defined contribution plan under Section 401(a) of the Internal Revenue Code.

Employees may also participate in a University sponsored 403(b) plan or Roth plan, and receive Employer matching contributions on the same basis as the Commonwealth's plan. Employer contributions under these Deferred Compensation Plans were $1,269,070 for the fiscal year ended June 30, 2025.

20. OTHER POSTEMPLOYMENT BENEFITS

The University participates in postemployment benefit programs that are sponsored by the Commonwealth and administered by the Virginia Retirement System. These programs include the Group Life Insurance Program (GLI), Retiree Health Insurance Credit Program (HIC), Line of Duty Act Program (LODA) and Virginia Sickness and Disability Program (VSDP). The University also participates in the Pre-Medicare Retiree Healthcare Plan (PMRH), which is sponsored by the Commonwealth and administered by the Department of Human Resources Management.

Virginia Retirement System OPEB Plans			
GLI	**HIC**	**LODA**	**VSDP**
Plan Description All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.	*Plan Description* All full-time, salaried permanent employees of state agencies are automatically covered by the VRS State Employee Health Insurance Credit Program. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.	*Plan Description* All paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the Line of Duty Act Program (LODA). As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.	*Plan Description* All full-time and part-time permanent salaried state employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS) or the Virginia Law Officers' Retirement System (VaLORS) hired on or after January 1, 1999, are automatically covered by the Disability Insurance Program (VSDP) upon employment. The Disability Insurance Program also covers state employees hired before January 1, 1999 who elected to transfer to VSDP rather than retain their eligibility to be considered for disability retirement. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

Virginia Retirement System OPEB Plans			
GLI	**HIC**	**LODA**	**VSDP**
In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.			
Eligible Employees The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.	**Eligible Employees** The State Employee Retiree Health Insurance Credit Program was established January 1, 1990, for retired state employees covered under VRS, SPORS, VaLORS and JRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time and part-time permanent salaried state employees covered under VRS, SPORS, VaLORS and JRS.	**Eligible Employees** The eligible employees of the LODA Program include paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under VRS, SPORS, or VaLORS.	**Eligible Employees** The Virginia Sickness and Disability Program (VSDP), also known as the Disability Insurance Trust Fund was established January 1, 1999, to provide short-term and long-term disability benefits for non-work-related and work-related disabilities. Eligible employees are enrolled automatically upon employment. They include: • Full-time and part-time permanent salaried state employees covered under VRS, SPORS, and VaLORS (members new to VaLORS following its creation on October 1, 1999, have been enrolled since the inception of VSDP). • State employees hired before January 1, 1999, who elected to transfer to VSDP rather than retain their eligibility to be considered for VRS disability retirement.

Virginia Retirement System OPEB Plans			
GLI	**HIC**	**LODA**	**VSDP**
			• Public college and university faculty members who elect the VRS defined benefit plan. They may participate in VSDP or their institution's disability program, if offered. If the institution does not offer the program or the faculty member does not make an election, he or she is enrolled in VSDP.
Benefit Amounts The benefits payable under the Group Life Insurance Program have several components. • **Natural Death Benefit:** The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • **Accidental Death Benefit:** The accidental death benefit is double the natural death benefit. • **Other Benefit Provisions:** In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: o Accidental dismemberment benefit o Seatbelt benefit o Repatriation benefit o Felonious assault benefit o Accelerated death benefit option. **Reduction in Benefit Amounts**	**Benefit Amounts** The State Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees: **At Retirement** – For State employees who retire, the monthly benefit is $4.25 per year of service per month with no cap on the benefit amount. **Disability Retirement** • For State employees, other than state police officers, who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP), the monthly benefit is $120.00 or $4.25 per year of service, whichever is higher. • For State police officer employees with a non-work-related disability who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP), the monthly benefit is $120.00 or $4.25 per year of service, whichever is higher.	**Benefit Amounts** LODA provides death and health insurance benefits for eligible individuals: **Death** – The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: • $100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after. • $25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date. The benefit will be $75,000 for approved presumptive deaths occurring on or after January 1, 2025. • An additional $20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001. **Health Insurance** – The LODA program provides health insurance benefits.	**Benefit Amounts** The Virginia Sickness and Disability Program (VSDP) provides the following benefits for eligible employees: • **Leave** – Sick, family and personal leave. Eligible leave benefits are paid by the employer. • **Short-Term Disability** – The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. The benefit provides income replacement beginning at 100% of the employee's pre-disability income, reducing to 80% and then 60% based on the period of the disability and the length of service of the employee. Short-term disability benefits are paid by the employer. • **Long-Term Disability (LTD)**– The program provides a long-term disability benefit beginning after 125 workdays of short-term disability and continuing until the employee reaches his or her normal retirement age. The benefit provides income

Virginia Retirement System OPEB Plans			
GLI	**HIC**	**LODA**	**VSDP**
The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.	• For State police officers with a work-related disability, there is no benefit provided under the State Employee Retiree Health Insurance Credit Program if the premiums are being paid under the Virginia Line of Duty Act. However, they may receive the credit for premiums paid for other qualified health plans.	• The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.	replacement of 60% of the employee's pre-disability income. If an employee becomes disabled within five years of his or her normal retirement age, the employee will receive up to five years of VSDP benefits, provided he or she remains medically eligible. Long-term disability benefits are paid for by the Virginia Disability Insurance Program (VSDP) OPEB Plan. • **Income Replacement Adjustment** – The program provides for an income replacement adjustment to 80% for catastrophic conditions. • **VSDP Long-Term Care Plan** – The program also includes a self-funded long-term care plan that assists with the cost of covered long-term care services.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $9,532 as of June 30, 2025.	**Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)** Not Applicable	**Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)** Not Applicable	**Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)** During periods an employee receives long-term disability benefits, the LTD benefit may be increased annually by an amount recommended by the actuary and approved by the Board. • Plan 1 employees vested as of 1/1/2013 – 100% of the VRS Plan 1 COLA (The first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%). • Plan 1 employee non-vested as of 1/1/2013, Plan 2 and Hybrid Plan

Virginia Retirement System OPEB Plans			
GLI	**HIC**	**LODA**	**VSDP**
			employees – 100% of the VRS Plan 2 and Hybrid COLA (The first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%). For participating full-time employees taking service retirement, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement. • 100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS, and VaLORS Plans, with a maximum COLA of 4.00% For participating full-time employees receiving supplemental (work-related) disability benefits, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the Board, from the date of the commencement of the disability to the date of retirement • 100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS, and VaLORS Plans, with a maximum COLA of 4.00%.
	Health Insurance Credit Program Notes: • The monthly Health Insurance Credit benefit		**Disability Insurance Program (VSDP) Plan Notes:**

Virginia Retirement System OPEB Plans			
GLI	**HIC**	**LODA**	**VSDP**
	cannot exceed the individual's premium amount. • Employees who retire after being on long-term disability under VSDP must have at least 15 years of service credit to qualify for the Health Insurance Credit as a retiree.		• Employees hired or rehired on or after July 1, 2009, must satisfy eligibility periods before becoming eligible for non-work-related short-term disability benefits and certain income-replacement levels. • A state employee who is approved for VSDP benefits on or after the date that is five years prior to his or her normal retirement date is eligible for up five years of VSDP benefits. • Employees on work-related short-term disability receiving only a workers' compensation payment may be eligible to purchase service credit for this period if retirement contributions are not being withheld from the workers' compensation payment. The rate will be based on 5.00% of the employee's compensation.

Department of Human Resources Management OPEB Plan
Pre-Medicare Retiree Healthcare Plan (PMRH)
Plan Description
The Commonwealth provides a healthcare plan established by Title 2.2, Chapter 28 of the *Code of Virginia* for retirees who are not yet eligible to participate in Medicare. This fund is reported as part of the Commonwealth's Healthcare Internal Service Fund. Benefit payments are recognized when due and payable in accordance with the benefit terms. Pre-Medicare Retiree Healthcare is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes and is administered by the Department of Human Resource Management. There were approximately 3,235 retirees and 96,895 active employees in the program as of June 30, 2024. There are no inactive employees entitled to future benefits who are not currently receiving benefits. There are no assets accumulated in a trust to pay benefits.
The following are eligibility requirements for Virginia Retirement System retirees: • You are a retired state employee who is eligible for a monthly retirement benefit from the Virginia Retirement System (VRS), and • You start receiving (do not defer) your retirement benefits immediately upon retirement*, and • Your last employer before retirement was the Commonwealth of Virginia, and • You were eligible for (even if you were not enrolled in) coverage as an active employee in the State Health Benefits Program until your retirement date (not including Extended Coverage/COBRA), and • You enroll no later than 31 days from your retirement date.

Department of Human Resources Management OPEB Plan

*For VRS retirees, this means your employing agency reported a retirement contribution or leave without pay status for retirement in the month immediately prior to your retirement date. Some faculty members may also be eligible if they are paid on an alternate pay cycle but maintain eligibility for active coverage until their retirement date.

Effective January 1, 2017**, following are eligibility requirements for Optional Retirement Plan retirees:

- You are a terminating state employee who participates in one of the qualified Optional Retirement Plans, and
- Your last employer before termination was the Commonwealth of Virginia, and
- You were eligible for (even if you were not enrolled in) coverage in the State Employee Health Benefits Program for active employees at the time of your termination, and
- You meet the age and service requirements for an immediate retirement benefit under the non-ORP Virginia Retirement System plan that you would have been eligible for on your date of hire had you not elected the ORP, and
- You enroll in the State Retiree Health Benefits Program no later than 31 days from the date you lose coverage (or lost eligibility for coverage) in the State Health Benefits Program for active employees due to your termination of employment.

**This change applies to ORP terminations effective January 1, 2017, or later. Eligibility for those who terminated employment prior to January 1 should be determined based on the policy in place at the time of their termination.

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the University were $2,468,325 and $2,659,357 for the years ended June 30, 2025 and June 30, 2024, respectively.

The contribution requirement for the HIC program active employees is governed by § 51.1-1400(D) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each state agency's contractually required employer contribution rate for the year ended June 30, 2025, was 1.12% of covered employee compensation for employees in the VRS State Employee Health Insurance Credit Program. This rate was the approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the University to the VRS State Employee Health Insurance Credit Program were $5,743,086 and $5,538,120 for the years ended June 30, 2025 and June 30, 2024, respectively.

In June 2024, the Commonwealth made a special contribution of approximately $52.8 million which was applied to the Health Insurance Credit Plan for state employees. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 1, 2024 Acts of Assembly, Special Session I, and is classified as a special employer contribution. The University's proportionate share of this special contribution is reported as revenue in the Other nonoperating revenue/(expense) line.

The contribution requirements for the LODA Program are governed by § 9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2025, was $1,015.00 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2024, and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the University were $44,660 and $43,420 for the years ended June 30, 2025 and June 30, 2024, respectively.

The contribution requirements for the Disability Insurance Program (VSDP) are governed by §51.1-1140 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the Disability Insurance Program (VSDP) for the year ended June 30, 2025, was 0.50% of covered employee compensation. This rate was the General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits payable during the 2025 year, with an adjustment to amortize the accrued OPEB assets. Contributions to the Disability Insurance Program (VSDP) from the University were $1,054,532 and $1,210,100 for the year ended June 30, 2025 and June 30, 2024, respectively.

Under the PMRH program, the University does not pay a portion of the retirees' healthcare premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, this generally results in a higher rate for active employees. Therefore, the University effectively subsidizes the costs of the participating retirees' healthcare through payment of the employer's portion of the premiums for active employees.

OPEB Liabilities (Assets), OPEB Expense (Gain), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VRS OPEB Plans and Pre-Medicare Retiree Healthcare

At June 30, 2025, the University reported the following liabilities (assets) for its proportionate share of these programs:

GLI	$21,604,586
HIC	38,745,149
LODA	1,132,257
VSDP	(12,711,734)
PMRH	16,712,106

The VRS net OPEB liabilities (assets) were measured as of June 30, 2024 and the total OPEB liability used to calculate each net OPEB Liability (Asset) was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The Pre-Medicare Retiree Healthcare OPEB liability was based on an actuarial valuation with a valuation date of June 30, 2024 (one year prior to the end of the fiscal year). The University's proportion of the Net OPEB Liability (Asset) for GLI, HIC and VSDP was based on the University's actuarially determined employer contributions to these programs for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. The University's proportion of the Net LODA OPEB Liability was based on the University's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2024 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers.

At June 30, 2025, the collective total PMRH OPEB liability was $356.5 million. The University's proportion of the PMRH OPEB liability was based on each employer's calculated healthcare premium contributions as a percentage of the total employer's calculated healthcare premium contributions for all participating employers.

The University's proportion for each plan at June 30, 2024 and June 30, 2023 are as follows:

	GLI	HIC	LODA	VSDP	PMRH
June 30, 2024	1.94%	5.46%	0.29%	3.59%	4.69%
June 30, 2023	1.94%	5.56%	0.21%	3.61%	4.69%

For the year ended June 30, 2025, the University recognized the following expenses (gains) for these programs:

GLI	$1,128,371
HIC	4,219,824
LODA	159,166
VSDP	26,560
PMRH	(3,435,470)

Since there was a change in proportionate share between measurement dates, a portion of these expenses were related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to these programs from the following sources:

GLI	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$3,407,540	$527,728
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,821,041
Change in assumptions	123,146	1,070,679
Changes in proportionate share	1,352,778	95,487
Employer contributions subsequent to measurement date	2,468,325	-
Total	$7,351,789	$3,514,935

HIC	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$-	$3,064,296
Net difference between projected and actual earnings on State HIC OPEB program investments	-	131,145
Change in assumptions	624,154	-
Changes in proportionate share and differences between actual and expected contributions	2,404,954	775,872
Employer contributions subsequent to measurement date	5,743,086	-
Total	$8,772,194	$3,971,313

LODA	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$39,396	$276,576
Net difference between projected and actual earnings on LODA OPEB plan investments	-	3,743
Change in assumptions	208,721	228,042
Changes in proportionate share	387,124	127,707
Employer contributions subsequent to measurement date	44,660	-
Total	$679,901	$636,068

VSDP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$568,369	$1,398,277
Net difference between projected and actual earnings on VSDP OPEB program investments	-	606,168
Change in assumptions	16,684	41,259
Changes in proportionate share	59,633	611,145
Employer contributions subsequent to measurement date	1,054,532	-
Total	$1,699,218	$2,656,849

PMRH	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$335,019	$2,011,941
Change in assumptions	327,697	5,881,010
Changes in proportion	3,121,841	10,251
Amounts associated with transactions subsequent to the measurement date	1,520,283	-
Total	$5,304,840	$7,903,202

The following amounts reported as deferred outflows of resources related to each program, resulting from the University's contributions (transactions for PMRH) subsequent to the measurement date, will be recognized as a reduction (increase) of each program's liability or net liability (asset) in the fiscal year ending June 30, 2026:

GLI	$2,468,325
HIC	5,743,086
LODA	44,660
VSDP	1,054,532
PMRH	1,520,283

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB programs will be recognized in each program's expense in future reporting periods as follows:

Year Ended June 30	GLI	HIC	LODA	VSDP	PMRH
FY 2026	(394,635)	(9,206)	(2,609)	(974,849)	(2,512,791)
FY 2027	811,136	20,313	10,773	(292,172)	(1,251,885)
FY 2028	301,689	(318,625)	7,200	(292,160)	(458,034)
FY 2029	324,316	(449,933)	(13,072)	(206,297)	126,228
FY 2030	326,024	(184,754)	(14,469)	(84,327)	(22,165)
Thereafter	-	-	11,351	(162,356)	-

Actuarial Assumptions

The total OPEB liability for all VRS programs was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation 2.50%

Salary increases, including inflation per plan:

Employee Type	GLI	HIC	LODA	VSDP
General state employees	3.50 – 5.35%	3.50 – 5.35%	N/A	3.50 – 5.35%
Teachers	3.50 – 5.95%	N/A	N/A	N/A
SPORS employees	3.50 – 4.75%	3.50 – 4.75%	N/A	3.50 – 4.75%
VaLORS employees	3.50 – 4.75%	3.50 – 4.75%	N/A	3.50 – 4.75%
JRS employees	4.00%	4.00%	N/A	N/A
Locality – General employees	3.50 – 5.35%	N/A	N/A	N/A
Locality – Hazardous Duty employees	3.50 – 4.75%	N/A	N/A	N/A

LODA Medical cost trend rates assumption:
- Under age 65 7.25% – 4.25%
- Ages 65 and older 6.50% – 4.25%

LODA Medical cost year of ultimate trend rate
- Under age 65 Fiscal year ended 2034
- Age 65 and older Fiscal year ended 2034

Investment rate of return 6.75%, net of OPEB plan investment expenses, including inflation
3.97%, including inflation for LODA*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return.

Mortality rates – General State Employees (GLI, HIC, LODA, VSDP)

Pre-Retirement:
Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Post-Retirement:
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (N/A for LODA)	No change

Mortality rates – Teachers (GLI)

Pre-Retirement:
Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
Post-Retirement:
Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
Post-Disablement:
Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
Beneficiaries and Survivors:
Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Mortality rates – SPORS Employees (GLI, HIC, LODA, VSDP)

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally, 110% of rates for males and females set forward 2 years
Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; LODA & VSDP: increased disability life expectancy
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (N/A for LODA)	No change

Mortality rates – VaLORS Employees (GLI, HIC, LODA, VSDP)

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; LODA & VSDP: increased disability life expectancy
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (N/A for LODA)	No change

Mortality rates – JRS Employees (GLI, HIC)

Pre-Retirement:
Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years
Post-Retirement:
Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males and females set back 2 years
Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally
Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

Mortality rates – Largest 10 Locality Employers - General Employees (GLI)

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – Non-Largest 10 Locality Employers - General Employees (GLI)

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality rates – Largest 10 Locality Employers – Hazardous Duty Employees (GLI, LODA)

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (N/A for LODA)	No change

Mortality rates – Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI, LODA)

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (N/A for LODA)	No change

The total Pre-Medicare Retiree Healthcare OPEB liability was based on an actuarial valuation with a valuation date of June 30, 2024 (one year prior to the end of the fiscal year). The Department of Human Resource Management selected the economic, demographic and healthcare claim cost assumptions. The actuary provided guidance with respect to these assumptions. Initial healthcare costs trend rates used were 7.50 percent for medical and pharmacy and 4.00 percent for dental. The ultimate trend rates used were 4.50 percent for medical and pharmacy and 4.00 percent for dental.

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported
Measurement Date	June 30, 2024 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal

Amortization Method	Level dollars, Closed
Effective Amortization Period	5.80 years
Discount Rate	3.93%
Projected Salary Increases	5.35% to 3.50% based on years of service from 1 year to 20 years or more
Medical Trend Under 65	Medical & Rx: 7.50% to 4.50% Dental: 4.00%
Year of Ultimate Trend	2034
Mortality	Mortality rates vary by participant status and gender
Pre-Retirement:	Pub-2010 Benefits Weighted General Employee Rates projected generationally with a Modified MP-2021 Improvement Scale; females set forward 2 years
Post-Retirement:	Pub-2010 Benefits Weighted General Healthy Retiree Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for females
Post-Disablement:	Pub-2010 Benefits Weighted General Disabled Rates projected generationally with a Modified MP-2021 Improvement Scale; males and females set forward 3 years
Beneficiaries and Survivors:	Pub-2010 Benefits Weighted General Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females

The discount rate was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date which is June 30, 2024.

Changes of Assumptions: There were not any changes in assumptions since the June 30, 2022, measurement date. The following remained constant since the prior measurement date:

Spousal Coverage	Rate remained at 20 percent
Retiree Participation	Rate remained at 35 percent

Retiree participation was based on a blend of recent experience and the prior year assumptions. The trend rates were updated based on economic conditions as of June 30, 2024. Additionally, the discount rate was increased from 3.65% to 3.93% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2024. There were no plan changes in the valuation since the prior year.

Net OPEB Liability (Asset)

The net OPEB liability (NOL) or Net OPEB asset (NOA) for the VRS administered OPEB plans represent the program's total OPEB liability (asset) determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL and NOA amounts for these programs are as follows (amounts expressed in thousands):

	GLI	HIC	LODA	VSDP
Total OPEB Liability	$4,196,055	$1,094,073	$398,395	$339,007
Plan Fiduciary Net Position	(3,080,133)	(384,820)	(4,841)	(692,870)
Net OPEB Liability (Asset)	$1,115,922	$709,253	$393,554	$(353,863)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	73.41%	35.17%	1.22%	204.38%

The total OPEB liability (asset) is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net OPEB liability/net OPEB asset is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return (GLI, HIC, VSDP)

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized as follows:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP – Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00%)	3.50%	(0.11%)
Total	**100.00%**		**7.07%**
Expected arithmetic nominal return*			**7.07%**

** The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.*

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Long-Term Expected Rate of Return (LODA)

The long-term expected rate of return on LODA OPEB Program's investments was set at 3.97% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments' 6.75% assumption. Instead, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Fidelity Fixed Income General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2024.

Discount Rate

The discount rate used to measure the total GLI, HIC and VSDP OPEB Liability was 6.75% and 3.97% was used to measure the total LODA OPEB liability. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by the University for the programs will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate for GLI, 108% of the actuarially determined contribution rate

for HIC and 109% of the actuarially determined contribution rate for VSDP. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the fiduciary net position for GLI, HIC and VSDP was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB Liability. The discount rate for the PMRH program was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date which is June 30, 2024. It was increased from 3.65% to 3.93%.

Sensitivity of the University's Proportionate Share of the VRS Net OPEB Liability (Asset) and Total PMRH OPEB Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the net OPEB liability (asset) for GLI, HIC and VSDP using the discount rate of 6.75%, LODA using the discount rate of 3.97% and the University's proportionate share of the total OPEB liability for PMRH using the discount rate of 3.93%, as well as what the University's proportionate share of the net OPEB liability (asset) and total PMRH OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

University's Proportionate Share of Net OPEB Liability (Asset) and Total PMRH OPEB Liability:

	1.00% Decrease	Current Discount Rate	1.00% Increase
	5.75%	6.75%	7.75%
GLI	$33,597,937	$21,604,586	$11,915,535
HIC	44,414,846	38,745,149	33,878,585
VSDP	(11,838,482)	(12,711,734)	(13,485,102)
	2.97%	3.97%	4.97%
LODA	$1,255,195	$1,132,257	$1,026,544
	2.93%	3.93%	4.93%
PMRH	$17,729,249	$16,712,106	$15,747,903

Sensitivity of the University's Proportionate Share of the Net LODA & Total PMRH OPEB Liabilities to Changes in the Health Care Trend Rate

Because the Line of Duty Act Program (LODA) and Pre-Medicare Retiree Healthcare Program (PMRH) contain provisions for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the University's proportionate share of the net OPEB liability for these programs using health care trend rate of 7.25% decreasing to 4.25% for LODA and 7.50% decreasing to 4.50% for PMRH, as well as what the University's proportionate share of the net OPEB liabilities would be if it were calculated using a health care trend rate that is one percentage point lower (LODA: 6.25% decreasing to 3.25%, PMRH: 6.50% decreasing to 3.50%) or one percentage point higher (LODA: 8.25% decreasing to 5.25%, PMRH: 8.50% decreasing to 5.50%) than the current rate.

University's Proportionate Share of Net OPEB Liability (Asset) and Total PMRH OPEB Liability:

	1.00% Decrease	Current Health Care Trend Rates	1.00% Increase
	6.25% decreasing to 3.25%	7.25% decreasing to 4.25%	8.25% decreasing to 5.25%
LODA	$964,533	$1,132,257	$1,338,057

	1.00% Decrease	Current Health Care Trend Rates	1.00% Increase
	6.50% decreasing to 3.50%	7.50% decreasing to 4.50%	8.50% decreasing to 5.50%
PMRH	$15,188,893	$16,712,106	$18,479,019

Fiduciary Net Position

Detailed information about Fiduciary Net Position for each of the VRS programs is available in the separately issued VRS 2024 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the GLI, HIC, and VSDP Programs

As of June 30, 2025, the University had the following payables to each of these OPEB programs:

GLI	$271,072
HIC	189,344
VSDP	51,422

21. RISK MANAGEMENT AND EMPLOYEE HEALTH CARE PLANS

The University is exposed to various risks of loss related to torts; theft, or damage to and destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. The University participates in insurance plans maintained by the Commonwealth of Virginia. The state employee health care and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, and air and watercraft plans. The University pays premiums to each of these departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the *Commonwealth of Virginia's Annual Comprehensive Financial Report.*

22. RESTRICTED NET POSITION

At June 30, 2025 restricted net position included the following purpose restrictions:

Restricted, nonexpendable	
Student aid	$1,406,281
Instruction	4,631,000
Research	1,129,630
Total restricted, nonexpendable	$7,166,911

Restricted, expendable	
Student aid	$562,328
Instruction	5,156,066
Research	1,208,369
OPEB	11,754,103
Capital	22,991,786
Auxiliary	3,940,683
Other	1,338,737
Total restricted, expendable	$46,952,072

23. COMPONENT UNITS

Combining financial statements and additional disclosures, in accordance with FASB standards, for the University's discretely presented component units are presented below:

Combining Statement of Financial Position
As of June 30, 2025

	George Mason University Foundation (GMUF)	GMU Instructional Foundation* (GMUIF)	Mason Korea, LLC ^ (MK)	Mercatus Center, Inc. # (Mercatus)	Total Component Units
Assets					
Cash and cash equivalents	$16,601,265	$2,005,051	$10,171,724	$33,529,852	$62,307,892
Restricted cash and cash equivalents	3,479,074	-	-	-	3,479,074
Accounts receivable, net	-	53,253	535,156	264,905	853,314
Contributions receivable, net	46,015,196	-	-	-	46,015,196
Prepaids and other assets	1,559,623	28,310	39,963	689,596	2,317,492
Net investment in direct financing lease	61,652,889	-	-	-	61,652,889
Beneficial interest in perpetual trusts	43,432,761	-	-	-	43,432,761
Investments	370,535,699	9,476,563	-	1,953,521	381,965,783
Property and equipment, net	10,991,754	6,907,703	606,767	327,396	18,833,620
Total Assets	$554,268,261	$18,470,880	$11,353,610	$36,765,270	$620,858,021
Liabilities and Net Assets					
Liabilities					
Accounts payable and accrued expenses	$4,664,890	$784,757	$401,252	$1,984,581	$7,835,480
Grants and student research awards payable	-	-	-	2,233,155	2,233,155
Unearned revenue	-	141,683	143,880	-	285,563
Charitable gift annuities	-	-	-	193,222	193,222
Other liabilities	542,214	-	-	-	542,214
Long-term debt including loan payable	65,815,779	-	-	-	65,815,779
Amounts held for others	14,596,802	-	-	-	14,596,802
Total Liabilities	$85,619,685	$926,440	$545,132	$4,410,958	$91,502,215
Net Assets					
Net assets (deficit) without donor restrictions	$49,211,061	$16,139,719	$10,808,478	$18,745,722	$94,904,980
Net assets with donor restrictions	419,437,515	1,404,721	-	13,608,590	434,450,826
Total Net Assets	$468,648,576	$17,544,440	$10,808,478	$32,354,312	$529,355,806
Total Liabilities and Net Assets	$554,268,261	$18,470,880	$11,353,610	$36,765,270	$620,858,021

*March 31, 2025 year-end ^December 31, 2024 year-end #August 31, 2024 year-end

Combining Statement of Activities
For the Year Ended June 30, 2025

	George Mason University Foundation (GMUF)	GMU Instructional Foundation * (GMUIF)	Mason Korea, LLC ^ (MK)	Mercatus Center, Inc. # (Mercatus)	Eliminations	Total Component Units
Operating Revenues						
Contributions	$94,427,355	$15,000	$822,526	$1,345,114	$-	$96,609,995
Grants	-	210,568	-	37,253,749	(6,027,265)	31,437,052
Interest on direct financing lease	3,957,474	-	-	-	-	3,957,474
Investment and trust return	38,954,285	451,296	-	1,664,522	-	41,070,103
Miscellaneous and other income	5,363,047	-	900,187	550,575	-	6,813,809
Rental income, net	613,079	1,744,212	-	-	-	2,357,291
Service fees	3,018,398	-	12,541,289	-	-	15,559,687
Total Operating Revenue	$146,333,638	$2,421,076	$14,264,002	$40,813,960	$(6,027,265)	$197,805,411
Operating Expenses						
Academic program support	$81,023,624	$-	$1,106,907	$42,397,413	$(6,027,265)	$118,500,679
Depreciation	140,387	36,005	-	-	-	176,392
Fundraising	706,243	-	-	2,187,184	-	2,893,427
Insurance	41,567	20,564	-	-	-	62,131
Interest expense	2,573,193	5,753	-	-	-	2,578,946
Management fees	-	-	462,076	1,470,037	-	1,932,113
Office and other administrative expenses	603,808	378,738	881,727	-	-	1,864,273
Salaries and wages	2,626,258	451,271	8,626,483	-	-	11,704,012
Rent, utilities and other	803,633	28,405	855,196	-	-	1,687,234
Total Operating Expenses	$88,518,713	$920,736	$11,932,389	$46,054,634	$(6,027,265)	$141,399,207
Change in net assets before non-operating items and other changes	$57,814,925	$1,500,340	$2,331,613	$(5,240,674)	-	$56,406,204
Non-operating items	3,084,161	(332,830)	(1,736,620)	-	-	1,014,711
Change in Net Assets	$60,899,086	$1,167,510	$594,993	$(5,240,674)	-	$57,420,915
Beginning Net Assets	407,749,490	16,376,930	10,213,485	37,594,986	-	471,934,891**
Ending Net Assets	$468,648,576	$17,544,440	$10,808,478	$32,354,312	-	$529,355,806

*March 31, 2025 year-end ^December 31, 2024 year-end #August 31, 2024 year-end

** See Note 25 for adjustment to Total Component Units Beginning Net Assets

A. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of June 30, 2025 are as follows:

	GMUF
Due in less than one year	$14,946,933
Due in one to five years	30,738,370
Due in more than five years	10,043,000
	$55,728,303
Less allowance for doubtful accounts	(1,118,174)
Less discount present value	(8,594,933)
Total	$46,015,196

Discount rates range from 0.16 percent to 6.72 percent. As of June 30, 2025, GMUF has $4,597,415 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.

B. INVESTMENTS

Investments, which are reported at fair value, consisted of the following as of June 30, 2025:

	GMUF	GMUIF*	Mercatus#	Total
Cash and money market funds	$20,583,910	$-	$110,740	$20,694,650
Equities	34,038,361	-	-	34,038,361
Fixed income	121,188,246	-	-	121,188,246
Hedge funds	151,123,900	-	-	151,123,900
Private equity and real assets	43,601,282	-	-	43,601,282
Mutual funds	-	-	1,842,781	1,842,781
Treasury securities	-	9,300,286	-	9,300,286
Series A preferred stock	-	176,277	-	176,277
Total	$370,535,699	$9,476,563	$1,953,521	$381,965,783

* March 31, 2025 year-end # August 31, 2024 year-end

C. FAIR VALUE MEASUREMENT

FASB Accounting Standards Codification 820, Fair Value Measurements and Disclosures ("FASB ASC 820"), 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 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.

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

The following table summarizes the valuation of George Mason University Foundation's financial assets and liabilities measured at fair value as of June 30, 2025, based on the level of input utilized to measure fair value:

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

GMUF Financial Assets:	Level 1	Level 2	Level 3	Reported at NAV*	Total
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
U.S. treasuries	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
Agency mortgage backed and asset backed securities	-	15,795,947	-	-	15,795,947
Hedge funds					
Long/short	-	-	-	47,642,899	47,642,899
Multi-strategies	-	-	-	94,807,587	94,807,587
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 interests in perpetual trusts	-	43,432,761	-	-	43,432,761
Total GMUF 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.

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

	Fair Value	Unfunded Commitment	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

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period	Redemption Restrictions
					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	N/A	N/A	N/A
Total	$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. The investments in this class are redeemable based on the redemption frequencies and notice periods described above. Some investments include "gates" which limit the percentage of the Foundation's investments that can be redeemed at one time.

(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.

(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 equity securities. 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 receive 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 is received through liquidation of the underlying assets of the funds.

(f) Private credit: This class includes an investment in a private credit fund, which seeks 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. 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.

The following table presents GMUIF's fair value hierarchy for those assets measured at fair value as of March 31, 2025:

GMUIF Financial Assets	Level 1	Level 2	Level 3	Total
Treasury securities	$-	$9,300,286	$-	$9,300,286
Series A preferred stock	-	-	176,277	176,277
Total investments	$-	$9,300,286	$176,277	$9,476,563

The following table presents the Mercatus Center, Inc.'s fair value hierarchy for those investments measured at fair value on a recurring basis as of August 31, 2024:

Mercatus Financial Assets	Level 1	Level 2	Level 3	Total
Money markets	$110,740	$-	$-	$110,740
Mutual funds – fixed income	1,228,652	-	-	1,228,652
Mutual funds – equities	614,129	-	-	614,129
Total investments	$1,953,521	$-	$-	$1,953,521

D. PROPERTY AND EQUIPMENT

The following comprises property and equipment for the component units at June 30, 2025:

	GMUF	GMUIF*	MK^	Mercatus#	Total
Land	$10,212,155	$6,435,556	$-	$-	$16,647,711
Buildings & building improvements	6,061,777	600,000	428,684	643,055	7,733,516
Furniture, fixtures and equipment	352,367	410,785	573,567	1,011,950	2,348,669
Total	$16,626,299	$7,446,341	$1,002,251	$1,655,005	$26,729,896
Accumulated depreciation and amortization	(5,634,545)	(538,638)	(395,484)	(1,327,609)	(7,896,276)
Net property and equipment	$10,991,754	$6,907,703	$606,767	$327,396	$18,833,620

* March 31, 2025 year-end ^December 31, 2024 year-end # August 31, 2024 year-end

E. LONG-TERM DEBT – GEORGE MASON UNIVERSITY FOUNDATION

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, 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 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.

GMUF Commerce Buildings, LLC Notes

During fiscal year 2015, GMU Commerce Buildings, LLC modified its existing loan with the 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 leases the property to the University with a 15-year lease term and the lease payments made by the University service 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.

The following represents the Foundation's bonds and notes payable at June 30, 2025:

	2025
Fairfax County Economic Development Authority Bonds (FCEDA)	
GMUF Potomac Heights, LLC Tax-Exempt Revenue Bonds, term interest rate 2.41%, maturing on November 1, 2027	$5,035,000
GMUF Mason Administration, LLC Tax-Exempt Revenue Bond, interest rate 3.47% maturing on April 1, 2036	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 2.922% to 4.424%, maturing at various dates from October 1, 2023 to October 1, 2036	17,195,000
Prince William County Series 2017 Bonds, term interest rate 4.524%, maturing October 1, 2041	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
Prince William County Series 2020 Bonds, term interest rate 3.365%, maturing September 1, 2041	5,560,000
Bonds payable at face value	$66,356,518
Less: Debt issuance costs, net	(540,739)
Total long-term debt	$65,815,779

Scheduled maturities and sinking fund requirements are as follows:

Year Ended June 30	Total
2026	$5,255,000
2027	5,445,000
2028	4,615,000
2029	3,720,000
2030	3,855,000
Thereafter	43,466,518
Total	$66,356,518

Interest expense on notes and bonds along with the amortization of deferred financing charges was $2,573,193 for the year ended June 30, 2025. 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, the Foundation was in compliance with its required debt covenant calculations.

F. LONG-TERM DEBT – GMU INSTRUCTIONAL FOUNDATION

GMUIF has a note payable with a bank, in the original amount of $2,850,000 that commenced on March 1, 2010; collateralized by a deed of trust on 50 acres of land owned by GMUIF. The note bears interest at a fixed rate of 3.99% per annum with monthly payments of principal and interest of $17,431. The note matures on March 1, 2025. The remaining principal balance of $15,573 was paid in full on March 3, 2025.

G. RELATED PARTY TRANSACTIONS - GMU FOUNDATION

During fiscal year 2025, upon the approval of the Foundation's Board of Trustees, the Foundation gifted $4,971,951, from its net assets without donor restriction, to the University to support key initiatives. These amounts are captured as program support for the University in the consolidated statement of activities.

H. SUBSEQUENT EVENTS - GMU INSTRUCTIONAL FOUNDATION

In May 2025, GMUIF completed a material transaction involving an asset sale, the details of which are confidential in accordance with the sale agreement dated January 23, 2025.

On April 30, 2025, GMUIF entered into an agreement to extend the residential lease agreement for an additional one year through June 30, 2026. Per the lease Addendum, April 30, 2025, the lease payment will remain at $3,800.

24. COMMITMENTS AND CONTINGENCIES

A. COMMITMENTS

Outstanding contractual commitments for capital outlay projects that were under construction at June 30, 2025, were $8,621,030. These commitments are for future effort and as such have not been accrued as expenses or liabilities on the University's financial statements.

As of June 30, 2025, the University is committed to various leases and SBITAs which were excluded from liabilities due to falling below the capitalization threshold or having a period of 12 months or less, including all renewal options regardless of the likelihood of the options being exercised. These outflows of resources are recognized in the periods in which they relate. For the University, these commitments total $68,812 for leases and $100,373 for SBITAs.

On May 20, 2025, the University entered into a five-year agreement with Microsoft Corporation for Azure cloud computing services. Under the terms of the agreement, the University is committed to a minimum expenditure of $12 million over the period July 1, 2025, through June 30, 2030. The agreement also includes a one-time Azure credit of approximately $120,000 and end-customer investment funding of approximately $1 million. The University expects to account for the arrangement as a subscription-based information technology arrangement in accordance with GASB Statement No. 96 in fiscal year 2026.

B. CONTINGENCIES

The University has received grants for specific purposes that are subject to review and audit by the grantor agencies. Claims against these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditures of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the University. As of June 30, 2025, the University estimates that no material liabilities will result from such audits or questions.

25. BEGINNING BALANCE ADJUSTMENTS RESULTING FROM THE ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS AND CHANGE WITHIN THE FINANCIAL REPORTING ENTITY

A. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

On July 1, 2024, the University implemented GASB 101, *Compensated Absences* on a retroactive basis. This resulted in the University recognizing $10,877,325 of accrued compensated absences liability on the *Statement of Net Position*, and a beginning net position restatement of $10,877,325 on the *Statement of Revenues, Expenses and Changes in Net Position,* as of July 1, 2024. Details of the restatement is provided in the table below. See also Notes 1.M. and 9.

	Beginning Balances as Previously Reported	New Accounting Pronouncement	Beginning Balances As Restated
Accrued compensated absences	$(31,607,691)	$(10,877,325)	$(42,485,016)
Unrestricted net position	$(274,921,638)	$10,877,325	$(264,044,313)

B. CHANGE TO OR WITHIN THE FINANCIAL REPORTING ENTITY

On November 14, 2024, the Mason Housing Inc. (MHI) Board of Directors approved the dissolution and liquidation of MHI on March 31, 2025, and the transfer of all assets to GMUF. As a result of the cessation of MHI's legal existence, operations, and the university's financial accountability, MHI was eliminated as a component unit. The financial impact of this change to the financial reporting entity has been reported by restating the prior-year beginning net assets by $1,329,495. See details in table below and Note 23.

	Beginning Balances as Previously Reported	Change to/within the Financial Reporting Entity	Beginning Balances As Restated
Total Component Units Beginning Net Assets	$(473,264,386)	$1,329,495	$(471,934,891)

26. CONCENTRATION OF REVENUE

George Mason is currently working toward a mutually agreed-upon resolution with the Departments of Education (ED) and Justice (DOJ) regarding certain compliance investigations that meet the reporting criteria of an event associated with a concentration of revenue under GASB 102, *Certain Risk Disclosures*. George Mason anticipates a successful resolution of these matters; however, if no agreement is made, ED has the authority to restrict future federal funding, estimated up to $200 million, to the University.

27. SUBSEQUENT EVENTS

Subsequent to the fiscal year ending June 30, 2025, the University entered into a contract with a vendor to manage and operate campus dining services in university facilities, effective July 1, 2025. The lease has a term of ten years, expiring on June 30, 2035. Minimum guaranteed receipts under this lease are estimated to be $54.7 million. A lease receivable and corresponding deferred inflow of resources will be recognized in the university's financial statements for the fiscal year ending June 30, 2026, in accordance with GASB 87, *Leases*.

On July 1, 2025, the University entered into a Public-Private Partnership (PPP) arrangement whereby the University contracted with a vendor to provide arena management services by conveying control of the right to operate the arena. The arrangement is for 5 years with a 5-year renewal option and includes provisions for the University to receive annual minimum guaranteed net income of approximately $7M as well as variable payments. The university will record an installment payment receivable and deferred inflow of resources related to this PPP arrangement in the University's financial statements for the fiscal year ended June 30, 2026, in accordance with GASB 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements.

In May 2025, the Board of Visitors authorized the acquisition of twenty-eight townhome units located near the University's Science and Technology Campus to expand the availability of faculty and staff housing. Subsequent to June 30, 2025, the University completed the acquisitions through seven separate closings from August 2025

to September 2026 totaling approximately $14 million. As these transactions occurred after fiscal year-end, no amounts related to the acquisitions have been recorded in the accompanying June 30, 2025 financial statements.

On April 1, 2026, the University entered into a five-year agreement with a vendor for the operation and management of the physical and online campus bookstores, with an option to renew for an additional five-year term. The agreement provides for guaranteed annual payments to the University, commissions based on sales, a signing bonus, annual institutional support, and capital investments in bookstore facilities. The University expects to account for the arrangement as a Public-Private Partnership in accordance with GASB Statement No. 94, beginning on the contract commencement date of July 1, 2026.

On April 30, 2026, the University's Board of Visitors approved an increase in the University's borrowing capacity of up to $90 million to provide additional liquidity and financial flexibility in support of the University's strategic and capital initiatives.

On August 7, 2026, the University signed a Revolving Credit Agreement with Wells Fargo Bank National Association for a revolving loan in the maximum principal amount of $75 million, advances under which will be used by the University for capital projects and general university purposes. The University also entered into a Promissory Note with the bank to pay any unpaid advances and interest by the due dates. This note is secured by Pledged Revenues of the University, and as of September 11, 2026, no advances have been requested from Wells Fargo Bank National Association.

In addition, the University is in the process of increasing the borrowing capacity under its existing revolving credit agreement with Atlantic Union Bank by $12 million, which would increase the total available capacity to $80 million. The agreement is expected to be finalized in September 2026.

Several Executive Orders issued by the Federal Government led to project specific suspensions, stop work orders, and terminations across various federal agencies and sponsors. As a result, the University continued to experience a decrease in sponsored project activity in FY26.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information (RSI)
Cost-Sharing Employer Plans – VRS State Employee Retirement Plan
and VaLORS Retirement Plan
For the Fiscal Year Ended June 30, 2025

Schedule of George Mason University's Share of Net Pension Liability
VRS State Employee Retirement Plan
For the Measurement Dates of June 30, 2015 through 2024

	Proportion of Net Pension Liability (Asset)	Proportionate Share of Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2024	3.72%	$183,048,378	$191,142,669	95.77%	83.45%
2023	3.74%	$189,343,118	$174,382,017	108.58%	82.19%
2022	3.61%	$163,801,562	$156,317,986	104.79%	83.26%
2021	3.56%	$129,129,739	$144,633,889	89.28%	86.44%
2020	3.39%	$245,762,961	$141,290,461	173.94%	72.15%
2019	3.26%	$206,046,664	$130,380,539	158.03%	75.13%
2018	3.19%	$172,885,000	$127,464,144	135.63%	77.39%
2017	3.15%	$183,719,000	$123,376,471	148.91%	75.33%
2016	3.25%	$214,498,000	$126,225,866	169.93%	71.29%
2015	3.28%	$200,645,000	$124,140,373	161.63%	72.81%

Schedule of George Mason University's Share of Net Pension Liability
VaLORS Employee Retirement Plan
For the Measurement Dates of June 30, 2015 through 2024

	Proportion of Net Pension Liability (Asset)	Proportionate Share of Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2024	1.02%	$6,797,320	$4,057,275	167.53%	75.70%
2023	0.93%	$6,018,491	$3,434,911	175.22%	74.91%
2022	0.82%	$5,178,670	$2,773,759	186.70%	74.41%
2021	0.84%	$4,360,812	$3,074,844	141.82%	78.18%
2020	0.75%	$5,876,472	$2,778,039	211.53%	65.74%
2019	0.79%	$5,460,175	$2,753,465	198.30%	68.31%
2018	0.84%	$5,254,000	$2,917,834	180.07%	69.56%
2017	0.73%	$4,798,000	$2,513,696	190.87%	67.22%
2016	0.75%	$5,772,000	$2,577,844	223.91%	61.01%
2015	0.77%	$5,451,000	$2,595,671	210.00%	62.64%

Schedule of George Mason University's Contributions VRS State Employee Retirement Plan For the Years Ended June 30, 2016 through 2025					
	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll*
2025	$27,458,885	$27,458,885	$0	$219,320,168	12.52%
2024	$27,639,230	$27,639,230	$0	$191,142,669	14.46%
2023	$25,215,640	$25,215,640	$0	$174,382,017	14.46%
2022	$22,603,581	$22,603,581	$0	$156,317,986	14.46%
2021	$20,914,060	$20,914,060	$0	$144,633,889	14.46%
2020	$19,102,470	$19,102,470	$0	$141,290,461	13.52%
2019	$17,627,449	$17,627,449	$0	$130,380,539	13.52%
2018	$17,194,913	$17,194,913	$0	$127,464,144	13.49%
2017	$16,643,486	$16,643,486	$0	$123,376,471	13.49%
2016	$17,646,376	$17,646,376	$0	$126,225,866	13.98%

** Rate includes contributions (mandatory and match on voluntary) to the defined contribution portion of the hybrid plan for fiscal years 2024-2016.*

Schedule of George Mason University's Contributions VaLORS Employee Retirement Plan For the Years Ended June 30, 2016 through 2025					
	Contractually Required Contribution	Contribution in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2025	$951,168	$951,168	$0	$3,866,537	24.60%
2024	$998,090	$998,090	$0	$4,057,275	24.60%
2023	$844,988	$844,988	$0	$3,434,911	24.60%
2022	$607,453	$607,453	$0	$2,773,759	21.90%
2021	$673,391	$673,391	$0	$3,074,844	21.90%
2020	$600,334	$600,334	$0	$2,778,039	21.61%
2019	$595,024	$595,024	$0	$2,753,465	21.61%
2018	$614,204	$614,204	$0	$2,917,834	21.05%
2017	$529,133	$529,133	$0	$2,513,696	21.05%
2016	$485,408	$485,408	$0	$2,577,844	18.83%

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions for the VRS – State Employee Retirement Plan as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions for the VaLORS Retirement Plan as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Required Supplementary Information (RSI)
OPEB Programs
For the Fiscal Year Ended June 30, 2025

Schedule of George Mason University's Share of Net OPEB Liability (Asset)
For the Measurement Dates of June 30, 2017 through 2024

Plan	Date	Proportion of Net OPEB Liability (Asset)	Proportionate Share of Net OPEB Liability (Asset)	Employer's Covered Payroll*	Proportionate Share of Net OPEB Liability (Asset) as a Percentage of Covered Payroll*	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
GLI	2024	1.94%	$21,604,586	$492,473,519	4.39%	73.41%
GLI	2023	1.94%	$23,282,272	$451,013,889	5.16%	69.30%
GLI	2022	1.90%	$22,820,758	$407,133,704	5.61%	67.21%
GLI	2021	1.83%	$21,299,646	$373,319,630	5.71%	67.45%
GLI	2020	1.78%	$29,694,773	$368,969,038	8.05%	52.64%
GLI	2019	1.71%	$27,770,761	$334,545,691	8.30%	52.00%
GLI	2018	1.71%	$25,915,000	$324,279,275	7.99%	51.22%
GLI	2017	1.66%	$25,016,000	$305,005,397	8.20%	48.86%
HIC	2024	5.46%	$38,745,149	$494,475,000	7.84%	35.17%
HIC	2023	5.56%	$45,683,788	$453,401,429	10.08%	25.46%
HIC	2022	5.42%	$44,427,591	$408,923,036	10.86%	21.52%
HIC	2021	5.23%	$44,157,062	$375,911,518	11.75%	19.75%
HIC	2020	5.06%	$46,473,049	$364,735,385	12.74%	12.02%
HIC	2019	4.89%	$45,108,461	$333,003,029	13.55%	10.56%
HIC	2018	4.80%	$43,766,000	$322,852,386	13.56%	9.51%
HIC	2017	4.71%	$42,921,000	$331,193,685	12.96%	8.03%
LODA	2024	0.29%	$1,132,257	$4,264,617	26.55%	1.22%
LODA	2023	0.21%	$849,666	$3,669,865	23.15%	1.31%
LODA	2022	0.22%	$819,015	$3,023,253	27.09%	1.87%
LODA	2021	0.24%	$1,039,682	$2,825,047	36.80%	1.68%
LODA	2020	0.21%	$891,741	$2,820,646	31.61%	1.02%
LODA	2019	0.25%	$886,740	$2,903,883	30.54%	0.79%
LODA	2018	0.22%	$685,000	$3,176,375	21.57%	0.60%
LODA	2017	0.22%	$580,000	$2,636,694	22.00%	1.30%
VSDP	2024	3.59%	$(12,711,734)	$198,377,049	6.41%	204.38%
VSDP	2023	3.61%	$(11,390,220)	$178,290,328	6.39%	199.05%
VSDP	2022	3.47%	$(10,229,926)	$155,950,656	6.56%	195.90%
VSDP	2021	3.41%	$(11,759,963)	$142,549,508	8.25%	229.01%
VSDP	2020	3.23%	$(7,127,856)	$136,019,032	5.24%	181.88%
VSDP	2019	3.10%	$(6,082,132)	$125,479,347	4.85%	167.18%
VSDP	2018	3.04%	$(6,856,000)	$117,039,982	5.86%	194.74%
VSDP	2017	2.98%	$(6,127,000)	$116,138,459	5.28%	186.63%

** The contributions for the Line of Duty Act Program (LODA) are based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.*

Schedule is intended to show information for 10 years. Since 2024 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

Schedule of George Mason University's Share of Total PMRH Liability

Plan	Date	Proportion of Total OPEB Liability	Proportionate Share of Total OPEB Liability (Asset)	Covered-Employee Payroll	Proportionate Share of Total PMRH Liability as a Percentage of Covered-Employee Payroll
PMRH	2025*	4.69%	$16,712,106	$439,884,863	3.80%
PMRH	2024*	4.69%	$16,504,159	$402,458,613	4.10%
PMRH	2023*	4.52%	$16,423,258	$363,136,227	4.52%
PMRH	2022*	4.35%	$19,510,581	$336,760,492	5.79%
PMRH	2021*	4.18%	$23,802,438	$327,505,714	7.27%
PMRH	2020*	4.07%	$27,636,542	$301,577,116	9.16%
PMRH	2019*	3.97%	$39,956,061	$291,226,960	13.72%
PMRH	2018*	3.89%	$50,512,033	$279,427,734	18.08%

Schedule in intended to show information for 10 years. Since 2025 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

** The amounts presented have a measurement date of the previous fiscal year end.*

Schedule of George Mason University's OPEB Contributions
For the Years Ended June 30, 2018 through 2025

Plan	Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll*	Contributions as a % of Covered Payroll*
GLI	2025	$2,468,325	$2,468,325	$0	$525,175,519	0.47%
GLI	2024	$2,659,357	$2,659,357	$0	$492,473,519	0.54%
GLI	2023	$2,435,475	$2,435,475	$0	$451,013,889	0.54%
GLI	2022	$2,198,522	$2,198,522	$0	$407,133,704	0.54%
GLI	2021	$2,015,926	$2,015,926	$0	$373,319,630	0.54%
GLI	2020	$1,918,639	$1,918,639	$0	$368,969,038	0.52%
GLI	2019	$1,739,638	$1,739,638	$0	$334,545,691	0.52%
GLI	2018	$1,686,252	$1,686,252	$0	$324,279,275	0.52%
HIC	2025	$5,743,086	$5,743,086	$0	$512,775,537	1.12%
HIC	2024	$5,538,120	$5,538,120	$0	$494,475,000	1.12%
HIC	2023	$5,078,096	$5,078,096	$0	$453,401,429	1.12%
HIC	2022	$4,579,938	$4,579,938	$0	$408,923,036	1.12%
HIC	2021	$4,210,209	$4,210,209	$0	$375,911,518	1.12%
HIC	2020	$4,267,404	$4,267,404	$0	$364,735,385	1.17%
HIC	2019	$3,896,135	$3,896,135	$0	$333,003,029	1.17%
HIC	2018	$3,809,658	$3,809,658	$0	$322,852,386	1.18%
LODA	2025	$44,660	$44,660	$0	$4,130,229	1.08%
LODA	2024	$43,420	$43,420	$0	$4,264,617	1.02%
LODA	2023	$28,126	$28,126	$0	$3,669,865	0.77%
LODA	2022	$29,805	$29,805	$0	$3,023,253	0.99%
LODA	2021	$32,458	$32,458	$0	$2,825,047	1.15%
LODA	2020	$28,937	$28,937	$0	$2,820,646	1.03%
LODA	2019	$33,171	$33,171	$0	$2,903,883	1.14%
LODA	2018	$23,262	$23,262	$0	$3,176,375	0.73%
VSDP	2025	$1,054,532	$1,054,532	$0	$210,906,368	0.50%
VSDP	2024	$1,210,100	$1,210,100	$0	$198,377,049	0.61%
VSDP	2023	$1,087,571	$1,087,571	$0	$178,290,328	0.61%
VSDP	2022	$951,299	$951,299	$0	$155,950,656	0.61%
VSDP	2021	$869,552	$869,552	$0	$142,549,508	0.61%
VSDP	2020	$843,318	$843,318	$0	$136,019,032	0.62%
VSDP	2019	$777,972	$777,972	$0	$125,479,347	0.62%
VSDP	2018	$772,464	$772,464	$0	$117,039,982	0.66%

** The contributions for the Line of Duty Act Program are based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.*

Schedule in intended to show information for 10 years. Since 2025 is the eighth year for this presentation, there are only eight years available. However, additional years will be included as they become available.

GLI, HIC, LODA and VSDP Programs:
Changes of benefit terms: There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions: The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General State Employees (GLI, HIC, LODA, VSDP):

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (N/A for LODA)	No change

Teachers (GLI):

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

SPORS Employees (GLI, HIC, LODA, VSDP):

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; LODA & VSDP: increased disability life expectancy
Retirement Rates	Increased rates for ages 55 to 61, 63 and 64 with 26 or more years of service; changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service

Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (N/A for LODA)	No change

VaLORS Employees (GLI, HIC, LODA, VSDP):

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020; LODA & VSDP: increased disability life expectancy
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (N/A for LODA)	No change

JRS Employees (GLI, HIC):

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

Largest 10 Locality Employers - General Employees (GLI):

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest 10 Locality Employers - General Employees (GLI):

Mortality Rates (Pre-retirement, post-	Update to PUB2010 public sector mortality tables. For

retirement healthy, and disabled)	future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Largest 10 Locality Employers – Hazardous Duty Employees (GLI, LODA):

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (N/A for LODA)	No change

Non-Largest 10 Locality Employers – Hazardous Duty Employees (GLI, LODA):

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate (N/A for LODA)	No change

PMRH Program:
There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms – There have been no changes to the benefit provisions since the prior actuarial valuation.
Changes of assumptions – There were not any changes in assumptions since the date of June 30, 2022, measurement. The following remained constant since the prior measurement date:

- Spousal Coverage – rate remained at 20%
- Retiree Participation – rate remained at 35%

Retiree participation was based on a blend of recent experience and the prior year assumptions.

The trend rates were updated based on economic conditions as of June 30, 2024. Additionally, the discount rate was increased from 3.65% to 3.93% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2024.

INDEPENDENT AUDITOR'S REPORT

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

September 25, 2026

The Honorable Abigail D. Spanberger
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
George Mason University

Gregory Washington
President, George Mason University

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

Opinions

We have audited the financial statements of the business-type activities and aggregate discretely presented component units of **George Mason University** (University), a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of the University as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units of the University, which are discussed in Notes 1 and 23. Those statements were audited by other

auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units of the University, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the component units of the University that were audited by other auditors upon whose reports we are relying were not audited in accordance with Government Auditing Standards.

Emphasis of Matter

Changes in Accounting Principle

As discussed in Notes 1, 25, and 26 of the accompanying financial statements, the University implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, which updates existing recognition and measurement guidance, and GASB Statement No. 102, Certain Risk Disclosures, which establishes financial reporting requirements for when a government is vulnerable to risks from certain concentrations or constraints that limit its ability to acquire resources or control spending. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements: Management's Discussion and Analysis on pages 1 through 12; the Schedule of George Mason University's Share of Net Pension Liability, the Schedule of George Mason University's Contributions, and the Notes to the Required Supplementary Information on pages 88 through 90; the Schedule of George Mason University's Share of Net OPEB Liability (Asset), the Schedule of George Mason University's OPEB Contributions, and the Notes to the Required Supplementary Information for the Group Life Insurance, Health Insurance Credit,

Line of Duty, and Disability Insurance programs on pages 91 through 96; and the Schedule of George Mason University's Share of Total PMRH Liability on page 92 and the Notes to the Required Supplementary Information for the Pre-Medicare Retiree Healthcare program on pages 96 through 97. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2026, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University's internal control over financial reporting and compliance.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

ZLB/clj

UNIVERSITY OFFICIALS

GEORGE MASON UNIVERSITY

Fairfax, Virginia

As of June 30, 2025

BOARD OF VISITORS

Charles Stimson, Rector

Michael J. Meese, Vice Rector

Armand Alacbay, Secretary

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Solon Simmons, Faculty Representative

Rachel Spence, Staff Liaison

Maria A Romero Cuesta, Student Representative

Carolyn Faith Hoffman, Student Representative

UNIVERSITY OFFICIALS

Gregory Washington, President

Dan Stephens, Interim Chief Financial Officer and Senior Vice President