

William & Mary Foundation

Consolidated Financial Statements as of and
for the Years Ended June 30, 2024 and 2023,
Supplemental Schedule as of June 30, 2024,
and Independent Auditor's Report

WILLIAM & MARY FOUNDATION

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Vice Chairperson for Development Strategy
Vice Chairperson for Investments
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Chief Executive Officer
Chief Financial Officer and Treasurer
Executive Director

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Richmond, Virginia
Baltimore, Maryland
Calgary, Canada
Williamsburg, Virginia
Arlington, Virginia
New York, New York
Alexandria, Virginia
Herndon, Virginia
Richmond, Virginia
New York, New York
East Hampton, New York
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Williamsburg, Virginia
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Newport News, Virginia
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Auburn, Alabama
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Lynchburg, Virginia
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McLean, Virginia
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Arlington, Virginia
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Normandy Beach, New Jersey
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Williamsburg, Virginia
Williamsburg, Virginia
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Williamsburg, Virginia
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WILLIAM & MARY FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
the William & Mary Foundation
Williamsburg, Virginia

Opinion

We have audited the consolidated financial statements of the William & Mary Foundation and subsidiaries (the "Foundation"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Foundation's 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplemental Schedule

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. The supplemental schedule is the responsibility of the Foundation's management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. Such schedule has been subjected to the auditing procedures applied in our audit of the 2024 consolidated financial statements and certain additional procedures, including comparing and reconciling such schedule directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedule is fairly stated in all material respects in relation to the 2024 consolidated financial statements as a whole.

Deloitte & Touche LLP

September 16, 2024

WILLIAM & MARY FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 15,683,488	\$ 10,229,447
Accounts receivable—net	7,149,488	4,463,514
Prepaid expenses	1,202,891	1,107,560
Notes receivable	499,855	499,855
Pledges receivable—net	99,494,023	21,260,107
Property and equipment—net	9,135,626	8,518,274
Collections	6,144,744	6,144,744
Investments	1,174,974,475	1,105,141,220
Receivable from remainder trusts	4,405,675	4,283,694
Assets held in charitable remainder trusts	10,474	433,199
Cash surrender value of life insurance policies	1,290,523	1,764,148
Interest in New Town Associates, LLC	90,838	11,278
Funds held in trust by others	215,473,094	202,246,097
TOTAL ASSETS	\$ 1,535,555,194	\$ 1,366,103,137
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 3,220,202	\$ 1,941,640
Accrued expenses	602,563	665,266
Accrued interest	61,128	61,928
Deferred income	32,201	26,545
Life estates retained by donors	1,126,714	1,143,682
Obligations under split-interest agreements	2,962,719	2,308,492
Notes and bonds payable	7,591,937	7,800,464
Funds held for others	240,288,664	231,177,725
Total liabilities	255,886,128	245,125,742
NET ASSETS:		
Without donor restrictions:		
Undesignated	25,492,287	19,506,442
Designated for operating reserve	3,100,000	1,100,000
Designated for endowment	27,435,322	26,325,097
Invested in property and equipment-net of related debt	(627,442)	(1,490,991)
Total without donor restrictions	55,400,167	45,440,548
With donor restrictions:		
Restricted in perpetuity	691,182,881	610,780,858
Restricted for specified purpose or to the passage of time	229,646,564	189,102,752
Restricted subject to the Foundation's spending policy and appropriation	301,268,323	273,444,437
Invested in property and equipment-net of related debt	2,171,131	2,208,800
Total with donor restrictions	1,224,268,899	1,075,536,847
Total net assets	1,279,669,066	1,120,977,395
TOTAL LIABILITIES AND NET ASSETS	\$ 1,535,555,194	\$ 1,366,103,137

See notes to consolidated financial statements.

WILLIAM & MARY FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
OPERATING ACTIVITY:				
Revenue and support:				
Contributions	\$ 1,145,912	\$ 129,946,383	\$ 131,092,295	\$ 20,231,036
Income on funds held by others	6,160,514	176,700	6,337,214	6,070,288
Investment return for current operations	6,218,266	37,258,870	43,477,136	34,652,100
Other	888,610	60,484	949,094	1,825,468
	14,413,302	167,442,437	181,855,739	62,778,892
Net assets released from restrictions	66,882,950	(66,882,950)	-	-
Total revenue and support	81,296,252	100,559,487	181,855,739	62,778,892
Expenses:				
Program services:				
Instruction	6,248,109	-	6,248,109	5,832,550
Research	2,271,804	-	2,271,804	2,014,831
Public service	31,618	-	31,618	52,433
Academic support	5,371,570	-	5,371,570	5,719,580
Institutional support	3,316,221	-	3,316,221	2,892,347
Athletic programs	2,289,782	-	2,289,782	2,319,542
Student life and other	384,946	-	384,946	297,655
Plant and facilities	25,139,916	-	25,139,916	9,374,916
Scholarships and fellowships	13,926,294	-	13,926,294	13,907,219
Investment management	3,030,989	-	3,030,989	2,724,936
Total program services	62,011,249	-	62,011,249	45,136,009
Supporting services:				
Fundraising	9,385,371	-	9,385,371	6,142,298
Administrative and general:				
Board expenses	68,203	-	68,203	60,094
Office of Investment Administration	1,566,799	-	1,566,799	1,655,531
Expenses of the Real Estate Foundation, Inc.	45,051	-	45,051	43,987
Expenses of Reliance Holdings, LLC	82,862	-	82,862	2,732
Other	253,894	-	253,894	167,446
Total administrative and general	2,016,809	-	2,016,809	1,929,790
Total supporting services	11,402,180	-	11,402,180	8,072,088
Total expenses	73,413,429	-	73,413,429	53,208,097

(Continued)

WILLIAM & MARY FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
CHANGE IN NET ASSETS FROM OPERATIONS	\$ 7,882,823	\$ 100,559,487	\$ 108,442,310	\$ 9,570,795
NONOPERATING ACTIVITY:				
Investment return	1,997,236	34,772,474	36,769,710	22,715,578
Net unrealized gain (loss) on funds held in trust by others	-	13,226,997	13,226,997	(2,176,108)
Change in value of split-interest agreements	-	173,094	173,094	(235,232)
Change in value of interest in New Town Associates, LLC	79,560	-	79,560	514,059
Total nonoperating activity	2,076,796	48,172,565	50,249,361	20,818,297
CHANGE IN NET ASSETS	9,959,619	148,732,052	158,691,671	30,389,092
NET ASSETS—Beginning of year	45,440,548	1,075,536,847	1,120,977,395	1,090,588,303
NET ASSETS—End of year	<u>\$55,400,167</u>	<u>\$1,224,268,899</u>	<u>\$1,279,669,066</u>	<u>\$1,120,977,395</u>
See notes to consolidated financial statements.				(Concluded)

WILLIAM & MARY FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 158,691,671	\$ 30,389,092
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	332,402	335,651
Noncash gifts	(5,415,255)	(2,937,622)
Proceeds from sale of donated securities	2,969,907	1,348,639
Net unrealized (gain) loss on funds held in trust by others	(13,226,997)	2,176,108
Net realized and unrealized (gain) on investments	(75,283,803)	(54,911,699)
Contributions and investment return restricted for long-term investment	(20,059,666)	(18,130,195)
(Increase) decrease in assets:		
Accounts receivable - net	(2,685,974)	(1,277,966)
Pledges receivable - net	(78,233,916)	12,414,482
Receivable from remainder trusts	(121,981)	49,097
Other assets, net	721,459	(892,734)
Increase in liabilities:		
Funds held for others	843,981	535,340
Other liabilities - net	<u>1,362,099</u>	<u>1,488,309</u>
Net cash used in operating activities	<u>(30,106,073)</u>	<u>(29,413,498)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment and collections	(949,754)	(25,000)
Purchase of investments	(148,123,511)	(137,627,262)
Proceeds from investments sold	163,215,631	148,214,560
Payments received on investment note receivable	<u>-</u>	<u>750,000</u>
Net cash provided by investing activities	<u>14,142,366</u>	<u>11,312,298</u>

(Continued)

WILLIAM & MARY FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term investment	\$ 15,105,029	\$ 13,956,906
Investment return designated for long-term investment	4,954,637	4,173,289
Proceeds from sale of donated securities	1,809,360	1,532,862
Net (payments) receipts funding split-interest obligations	(240,985)	334,613
Payments on notes	<u>(210,293)</u>	<u>(201,004)</u>
Net cash provided by financing activities	<u>21,417,748</u>	<u>19,796,666</u>
NET INCREASE IN CASH	5,454,041	1,695,466
CASH AND CASH EQUIVALENTS—Beginning of year	<u>10,229,447</u>	<u>8,533,981</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 15,683,488</u>	<u>\$ 10,229,447</u>

SUPPLEMENTAL DATA—Noncash investing and financing activities:
Noncash gifts designated for endowment and other purposes consist of securities and other investments.

Cash paid for interest on bonds and notes for the years ended June 30, 2024 and 2023 was \$298,981 and \$306,863, respectively.

Cash paid for taxes for the years ended June 30, 2024 and 2023 was \$10,079 and \$5,669, respectively.
Taxes resulted from unrelated business income in limited partnerships.

See notes to consolidated financial statements.

(Concluded)

WILLIAM & MARY FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

1. ORGANIZATION AND PURPOSE

William & Mary Foundation (the “Foundation”), is a private corporation, established as a nonprofit public charity under Section 501(c)(3) of the Internal Revenue Code and organized under the laws of the Commonwealth of Virginia. The Foundation was chartered in 1939 to “aid, strengthen, and expand in every proper and useful way” the work of The College of William and Mary in Virginia (the “University”). Members of the Foundation raise funds for the benefit of the University and manage its privately held assets.

The Foundation has eight affiliated entities that are consolidated for financial reporting purposes:

THE COLLEGE OF WILLIAM AND MARY REAL ESTATE FOUNDATION, INC.

The College of William and Mary Real Estate Foundation, Inc. (“REF”) was created in 1994 to hold title to real and personal property, collect income therefrom, and transfer the income to the Foundation, which is the sole stockholder of the corporation.

RELIANCE HOLDINGS, LLC

Reliance Holdings, LLC (“Reliance”), created in March 2000, holds a 50% interest in New Town Associates, LLC (“New Town Associates”), a real estate joint venture, and receives 50% of the associated gains and losses. Reliance, which is wholly owned by the REF and the Foundation, is considered a subsidiary of the Foundation for consolidation purposes.

CWMF VENTURES, LLC

During the year ended June 30, 2007, the Foundation established CWMF Ventures, LLC (“CWMF Ventures”), a limited liability company, in which the Foundation is the sole member. The purpose of CWMF Ventures is to own the Discovery I Building, an office building which was completed and placed in service during the year ended June 30, 2008, and which is leased to the University. Together with the Foundation, CWMF Ventures is also a party to agreements relating to the issuance of certain revenue bonds issued to finance the Discovery I Building (see Note 11).

MURRAY 1693 SCHOLARS FOUNDATION

The Murray 1693 Scholars Foundation (“1693 Foundation”) was created in 2013 to develop, expand, manage, oversee and strengthen in every proper and useful way the 1693 Scholars Program on behalf of the University and the Foundation. The Foundation is required to appoint a majority of the board of the 1693 Foundation, and as a result of this control, the accounts of the 1693 Foundation are included in the consolidated financial statements of the Foundation. With consent of donors, during the year ended June 30, 2016, the Foundation transferred endowments to the 1693 Foundation.

FOUNDATION SERVICES, LLC

During the year ended June 30, 2020, the Foundation established Foundation Services, LLC (“Foundation Services”), a limited liability company, in which the Foundation is the sole member. Foundation Services was organized and will be operated for charitable and educational purposes benefiting, performing functions of, or carrying out the exempt purpose of the Foundation.

1693 PARTNERS FUND

1693 Partners Fund (the “Fund”) is a nonstock corporation organized on October 25, 2019, under the laws of the Commonwealth of Virginia. The fund is classified as a public charity exempt from federal tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Fund’s purpose is to invest and hold the deposited assets of the University and the foundations and other non-profit organizations that primarily benefit or support the University and its constituent departments, programs and schools, on a commingled, long-term investment basis, for their mutual benefit. The Foundation appoints the majority of the board of the Fund, and as a result of this control, the accounts of the Fund are included in the consolidated financial statements of the Foundation. The Fund commenced investment activities effective January 1, 2021. The Northern Trust Company acts as custodian for the Fund.

The Fund has entered into Member Deposit Agreements (the “Agreements”) with the Foundation, the Marshall-Wythe School of Law Foundation (“MWSLF”), the William & Mary Business School Foundation (“WMBSF”), the 1693 Foundation, and the University (each a “Member” and collectively the “Members”) which detail the terms and conditions for deposits to, withdrawals from, and operations of the Fund. Each Member is entitled in contract to its pro rata share of the value of the undivided net assets of the Fund, taking into account the aggregate investment returns (positive and negative) on the assets held in the Fund, net of expenses of and any taxes payable by the Fund, and adjusting for deposits and withdrawals of the Members. Net assets of the Fund attributable to MWSLF, WMBSF, and the University totaled \$218,792,917 and \$210,525,959 at June 30, 2024 and 2023, respectively, and are included in investments and funds held for others in the consolidated statements of financial position.

1693 MANAGEMENT COMPANY, LLC

During the year ended June 30, 2020, the Foundation established 1693 Management Company, LLC (“1693 Management”), a limited liability company, in which the Foundation is the sole member. The purpose of 1693 Management is to provide investment management and related services with respect to investment funds and assets held by or for the benefit of the Foundation, the University and other tax-exempt organizations supporting the University.

GATES HALL, LLC

On February 28, 2024, the Foundation Board of Trustees approved a resolution renaming the property known as Brown Hall, as Gates Hall in honor of Chancellor Robert M. Gates ’65 L.H.D. ’98. In a subsequent action, on May 30, 2024, the State Corporation Commission of Virginia recorded the corresponding name change for the now Gates Hall, LLC. The purpose, function, and structure of the LLC remains unchanged, as the Foundation remains the sole member of the LLC, established to own the property.

2. SUMMARY OF SIGNIFICANT OPERATIONS AND ACCOUNTING POLICIES

Basis of Presentation—The accompanying consolidated financial statements of the Foundation include the accounts of its affiliates (see Note 1). Inter-company accounts and transactions have been eliminated in consolidation.

Basis of Accounting—The accompanying consolidated financial statements are prepared under accounting principles generally accepted in the United States of America (“US GAAP”). Revenue and support are recognized in the accounting period in which it is realized or realizable and earned and expenses are recognized in the accounting period in which the related liability is incurred. Nonoperating activity is recognized in accordance with these same principles.

Cash and Cash Equivalents—Cash equivalents include highly-liquid investment instruments with an original maturity of three months or less when purchased.

Investments—The Foundation’s investment activities expose it to a variety of risks, including but not limited to interest rate risk, liquidity risk, credit risk, concentration risk and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated financial statements.

Investments (see Note 4) and funds held in trust by others (see Note 10) are generally carried at fair value. Securities traded on U.S. or foreign exchanges are valued at the last reported sales price or, if there are no sales, at the latest bid quotation. Mutual funds and exchange traded funds traded on U.S. or foreign exchanges are valued at the closing net asset value; mutual funds not traded on national exchanges are valued in good faith at the pro-rata interest in the net assets of these entities. Government and agency bonds and notes are valued based on market driven observations and securities characteristics including ratings, coupons and redemptions. The values of limited partnerships, commingled investment funds and investment trusts are determined in good faith at the pro-rata interest in the net assets of these entities. Investments held by these entities are valued at amounts that approximate fair value. The estimated fair value of certain investments in the underlying entities, which may include private placements and other securities for which values are not readily available, are determined in good faith by the investment advisors or third-party administrators of the respective entities and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. These investments are valued using valuation techniques included in Accounting Standards Codification (“ASC”) Topic 820, *Fair Value Measurement*, including the market approach, income approach, and cost approach. The estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments, and these differences could be material.

Investment transactions are accounted for on a trade date basis. Dividends are recognized on the ex-dividend date and interest income is recognized on the accrual basis. Net realized and unrealized gains and losses are reflected in the consolidated statements of activities as increases or decreases in net assets without donor restrictions or net assets with donor restrictions in accordance with the donor’s stipulations concerning the purposes for which income may be used.

Fair Value Measurement—Certain assets and liabilities of the Foundation are reflected in the consolidated financial statements at fair value. The Foundation follows the provisions in ASC Topic 820. ASC Topic 820 establishes a fair value hierarchy and specifies that the valuation techniques used to measure fair value shall maximize the use of observable inputs and minimize the use of unobservable inputs. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC Topic 820 are described below:

Level 1—Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Foundation has the ability to access at the measurement date;

Level 2—Quoted prices in markets which are not active, or inputs that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and

Level 3—Prices, inputs or sophisticated modeling techniques, which are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As a practical expedient, ASC Topic 820 permits an entity holding investments in certain entities that have the attributes described in ASC Topic 946, *Financial Services—Investment Companies*, or have attributes similar to such entities, and that calculate Net Asset Value (“NAV”) per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that NAV per share, or its equivalent, without adjustment. The Foundation uses the practical expedient to value its investments in certain mutual funds, limited partnerships, limited liability companies, commingled investment funds, notes, and investment trusts. Investments valued using the practical expedient are not categorized within the fair value hierarchy, and are presented as Other in the tables in Note 5 for purposes of reconciling to the consolidated statements of financial position.

Endowments—The Foundation’s endowment consists of funds established for a variety of purposes, and includes donor-restricted endowment funds, funds designated by donors as long-term in nature but allowing distributions from principal under certain circumstances, and funds designated by the Board to function as endowments. As required by US GAAP, net assets associated with endowments and funds functioning as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring preservation of the fair value, as of the gift date, of gifts to a donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions restricted in perpetuity for endowment (a) the original value of all gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as restricted in perpetuity is classified as net assets with donor restrictions restricted subject to the Foundation’s spending policy until appropriated for expenditure in a manner consistent with the standards of prudence prescribed by UPMIFA, and, where income is designated by the donor for use for a specific

purpose, when the funds are used for the purpose specified by the donor. In accordance with UPMIFA, the Foundation considers the following factors in making a determination, in the aggregate, to appropriate for expenditure or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the endowment fund;
- (2) The purposes of the institution and the endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation or deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the institution; and
- (7) The investment policy of the institution

Generally, endowment assets are pooled on a market value basis. Each individual fund purchases or disposes of units on the basis of the market value per unit at the beginning of the calendar quarter within which the transaction takes place. Annual payout, including unrealized and realized net gains, as necessary, is distributed pro rata based upon the number of units owned by each fund. These amounts are either expendable at the discretion of the Board or according to donor restrictions.

Pledges Receivable, net—ASC Topic 958, *Not-for-Profit Entities*, requires that unconditional promises to give (pledges) be recorded as receivables and revenue and requires the Foundation to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. The pledges receivable reflects management’s estimate of the funds to be received after an allowance for uncollectible pledges discounted to the net present value using an assumed risk-free interest rate. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met.

Property and Equipment—Property and equipment used in operations are reported at cost or the current estimated value at the date of gift, if donated. Depreciation is computed by the straight-line method using the following estimated useful lives:

	Useful Life
Land improvements	15 years
Buildings and improvements	15–50 years
Equipment	5–30 years
Furniture and fixtures	12–30 years
Telecommunications system	3–15 years
Other	5–20 years

Gains and losses arising from retirement or sale of property and equipment are recognized in the consolidated statements of activities.

Property and equipment includes certain assets to which the Foundation has legal title, but are used and controlled by the University.

Collections—Collections presented in the consolidated statements of financial position represent non-depreciable works of art and historical items reported at cost or fair market value at the time of donation. Purchases of collections were \$0 and \$25,000 for the years ended June 30, 2024 and 2023, respectively.

Receivable from Remainder Trusts—Gifts in which the Foundation has an irrevocable remainder interest, but that are held in trust and administered by outside agents, have been recorded as gifts that are temporarily or permanently restricted based on donor stipulations and reported as a receivable from remainder trusts. Upon termination of life interests in the trusts, the remainder will be distributed to the Foundation. The receivables are valued using present value and actuarial techniques to estimate the present value of expected future cash flows.

Life Estates Retained by Donors—The Foundation owns land and buildings in which the donors have retained the right to occupy for their lifetime. The value of the land and buildings is reported in investments or in property and equipment, with the value of the life estate reported as a liability.

Split-Interest Agreements—Through planned giving agreements, donors have contributed assets to the Foundation or to trusts for which the Foundation serves as trustee. In exchange, the donor or other beneficiaries will receive a fixed amount or percentage of assets over their lifetime. The present values of these commitments are liabilities and are classified as obligations under split interest agreements in the consolidated statements of financial position. Discount rates of 0.6% to 8.4% were used in determining the actuarial liability for fiscal years 2024 and 2023. The related assets are classified in investments and assets held in charitable remainder trusts on the consolidated statements of financial position.

Funds Held for Others—The Foundation holds certain assets for the benefit of two organizations. In accordance with ASC Topic 958, contributions received by the Foundation which have been designated for the benefit of other organizations are recorded as liabilities unless the organization is financially interrelated with the Foundation or the Foundation has been granted variance power.

The Omohundro Institute of Early American History and Culture (the “Institute”) is not financially interrelated with the Foundation. Since assets held by the Foundation to benefit the Institute were either contributed by third parties without granting variance power or were transferred from the Institute, these funds are recorded as liabilities under funds held for others. The value of the liability, which is measured at the fair value of the assets, the majority of which are invested in the Fund, was \$21,495,747 and \$20,651,766 at June 30, 2024 and 2023, respectively.

The William & Mary Alumni Association (the “Association”) and the Foundation were established primarily to support the University. As such, the Association is considered a financially interrelated organization of the Foundation, and therefore, activities of assets held by the Foundation in support of its operations are included in the accompanying consolidated statements of activities and are reflected in the net assets of the Foundation. Funds held for the benefit of the Association, included in net assets, were valued at \$6,524,691 and \$6,225,714 at June 30, 2024 and 2023, respectively.

Note 1 provides information on net assets of the Fund attributable to MWSLF, WMBSF, and the University included in funds held for others in the consolidated statement of financial position.

Net Assets—ASC Topic 958 establishes standards for external financial reporting by not-for-profit organizations. Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into categories as follows:

Net Assets Without Donor Restrictions—Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions generally result from receiving unrestricted contributions, unrealized and realized gains and losses on board designated

funds functioning as endowments with no donor-imposed or legal restrictions on income, income from funds held in trust by others with no restrictions as to use, and revenue from investing non-endowment funds in income-producing assets. The Board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowments.

Net Assets With Donor Restrictions—Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions—Contributions, including unconditional promises to give, are recognized as revenue when the donor's commitment is received. Gifts received by bequests are recognized as revenue when the will is declared valid by the respective probate court and when all conditions are substantially met. Contributions to the Foundation are either unrestricted as to use or carry specific restrictions imposed by the donors. Unrestricted gifts are reflected as contributions in net assets without donor restrictions. Restricted contributions are reflected as contributions in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Investment Return—The Foundation segregates investment return into operating and nonoperating components. Operating investment return includes investment income, net of fees, that is available for current operations and payout on endowments and similar funds calculated in accordance with the Board-adopted payout policy. Non-operating investment return represents investment return in excess of or less than amounts available for current operations.

Estimates—The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Summarized Comparative Information—The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Foundation's consolidated financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Recent Accounting Pronouncements—In February 2016, the Financial Accounting Standards Board ("FASB") adopted Accounting Standards Update ("ASU") 2016-02, which amends the ASC by creating Topic 842, *Leases*. The ASU requires that a lessee should recognize the assets and liabilities that arise from leases. The accounting applied by a lessor is largely unchanged from that applied under previous US GAAP. Disclosures are required by lessees and lessors to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The ASU is effective for the Foundation's year ending June 30, 2023. The adoption of the ASU did not have a material impact on the Foundation's financial statements.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 15,899,412	\$ 10,627,841
Accounts receivable	2,048,421	38,140
Investments	8,261,801	4,393,308
Distributions from funds held in trust by others	6,076,250	5,757,000
Endowment distributions and appropriations	<u>6,694,486</u>	<u>5,373,711</u>
	<u><u>\$ 38,980,370</u></u>	<u><u>\$ 26,190,000</u></u>

The Foundation is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, those financial assets may not be available for general expenditure within one year.

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Board designated a portion of its unrestricted resources for endowment (see Note 12). The Board-designated endowments are subject to an annual spending rate (see Note 6).

Although the Foundation does not intend to spend from the Board-designated endowments (other than amounts appropriated for expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

However, the funds are subject to the withdrawal provisions of the Fund (see Note 4).

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As part of its liquidity management plan, the Foundation invests cash in excess of its daily requirements in short-term investments and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was \$3,100,000 and \$1,100,000 as of June 30, 2024 and 2023, respectively.

4. INVESTMENTS

Investments, which are generally carried at fair value, at June 30, 2024 and 2023, were comprised of the following:

	2024	2023
Investments:		
1693 Partners Fund:		
Money market funds	\$ 45,292,185	\$ 40,751,129
Common stock	208,850,087	180,695,889
Exchange traded funds	109,251,816	94,449,934
Mutual funds	-	17,867,385
Investment funds	729,053,397	669,062,505
Other assets—net	-	26,037,435
Total 1693 Partners Fund	1,092,447,485	1,028,864,277
Cash pending investment	1,464,375	1,005,143
Mutual funds and commingled funds—equity	5,222,937	4,119,540
Mutual funds and commingled funds—fixed income	1,306,163	1,146,060
Government and agency bonds and notes	73,407,654	68,829,589
Real estate	987,982	987,982
Private equity and other	137,879	188,629
Total investments	<u>\$1,174,974,475</u>	<u>\$1,105,141,220</u>

The following schedules summarize the investment return and its classification in the consolidated statements of activities for the years ended June 30, 2024 and 2023:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment return from pooled investments budgeted for current operations	\$ 4,532,893	\$ 35,579,808	\$ 40,112,701
Other investment return designated for current operations	<u>1,685,373</u>	<u>1,679,062</u>	<u>3,364,435</u>
Total investment return for current operations	6,218,266	37,258,870	43,477,136
Investment return greater than amounts for current operations	<u>1,997,236</u>	<u>34,772,474</u>	<u>36,769,710</u>
Total investment return	<u>\$ 8,215,502</u>	<u>\$ 72,031,344</u>	<u>\$ 80,246,846</u>

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment return from pooled investments budgeted for current operations	\$ 3,805,490	\$ 29,242,221	\$ 33,047,711
Other investment return designated for current operations	<u>1,191,440</u>	<u>412,949</u>	<u>1,604,389</u>
Total investment return for current operations	4,996,930	29,655,170	34,652,100
Investment return greater than amounts for current operations	<u>2,065,585</u>	<u>20,649,993</u>	<u>22,715,578</u>
Total investment return	<u>\$ 7,062,515</u>	<u>\$ 50,305,163</u>	<u>\$ 57,367,678</u>

The majority of the Foundation's financial assets are invested in the Fund as of June 30, 2024 and 2023. Members may generally make contributions to the Fund on any business day with written notice to the Fund three (3) business days prior to the requested deposit date or twenty (20) business days for deposits of \$20 million or more. Such contributions are effective on the day received by the custodian.

Program withdrawals to provide funding for annual or other budgeted cash requirements are generally made on a quarterly basis pursuant to an annual funding notification delivered to the Fund within twenty (20) business days prior to the beginning of the fiscal year. The annual program withdrawal limit is equal to 15% of the value of the Member's depository interest as of the first business day of the fiscal year.

Special circumstances withdrawals will generally be honored on the first business day of the quarter at least forty-five (45) days following written notification to the Fund. Special circumstances withdrawals may not exceed the greater of (a) the difference between the Member's annual program withdrawal limit for the fiscal year and the aggregate dollar amount of program withdrawals for the fiscal year or (b) 5% of the Member's depository interest as of the withdrawal date.

Permanent withdrawal requests will generally be honored commencing in the first fiscal year that begins at least sixty (60) business days after written notification to the Fund. Permanent withdrawals are accomplished in a series of four consecutive annual scheduled withdrawals on the first business day of the fiscal year equal to 25% of the amount requested. The pending portion of the requested withdrawal will remain fully invested in the Fund and subject to change in value based on the Fund's investment returns.

The Board of Trustees of the Fund may defer any portion of permanent withdrawal requests if the total of aggregate withdrawal requests made and pending withdrawal requests expected to be honored during the fiscal year exceed twenty percent (20%) of the aggregate value of the depository interests of all Members as of the first business day of the fiscal year (calculated prior to deduction of any permanent withdrawal requests but after deducting any program withdrawal requests for the fiscal year).

The following table summarizes the liquidity provisions related to the Fund's investments in private investment funds by investment strategy as of June 30, 2024:

Investment Strategy	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Estimated Remaining Holding Period
Diversifying Strategies ^(A)					
Redeemable ≤ 1 year ⁽¹⁾	\$ 47,744,658	\$ -	Quarterly, Semi-annually, Annually Every 3 years	45-90 days	3-8 months
Redeemable > 1 year ⁽¹⁾	8,943,987	-	Semi-annually	90 days	12-24 months
Illiquid ⁽²⁾	65,478,949	21,447,669	Illiquid	NA	Termination of fund
Domestic Equity ^(B)					
Redeemable ≤ 1 year ⁽¹⁾	131,641,601	-	Quarterly	60 days	3 months
Fixed Income ^(C)					
Redeemable ≤ 1 year ⁽¹⁾	33,567,434	-	Daily	1 day	1 day
Foreign Equity (Developed) ^(D)					
Redeemable ≤ 1 year ⁽¹⁾	119,785,861	-	Monthly, Quarterly, Every 3 years	5-90 days	1 day-9 months
Redeemable > 1 year ⁽¹⁾	28,647,563	-	Every 3 years	90 days	13-33 months
Private Equity ^(F)					
Illiquid ⁽²⁾	206,324,667	61,442,452	Illiquid	NA	Termination of fund
Real Assets ^(G)					
Illiquid ⁽²⁾	86,537,999	43,422,806	Illiquid	NA	Termination of fund
Transitional Trading ^(H)					
Illiquid ⁽²⁾	<u>380,678</u>	<u>-</u>	Illiquid	NA	Termination of fund
	<u>\$729,053,397</u>	<u>\$126,312,927</u>			

The following table summarizes the liquidity provisions related to the Fund's investments in private investment funds by investment strategy as of June 30, 2023:

Investment Strategy	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Estimated Remaining Holding Period
Diversifying Strategies ^(A)					
Redeemable ≤ 1 year ⁽¹⁾	\$ 30,548,500	\$ -	Semi-annually, Annually, Every 3 years	30–90 days	6–8 months
Redeemable > 1 year ⁽¹⁾	16,821,876	-	Every 3 years	65-90 days	12-24 months
Illiquid ⁽²⁾	65,410,300	36,435,906	Illiquid	NA	Termination of fund
Domestic Equity ^(B)					
Redeemable ≤ 1 year ⁽¹⁾	103,772,527	-	Quarterly	60 days	3 months
Fixed Income ^(C)					
Redeemable ≤ 1 year ⁽¹⁾	32,323,319	-	Daily	1 day	1 day
Foreign Equity (Developed) ^(D)					
Redeemable ≤ 1 year ⁽¹⁾	83,477,153	-	Monthly, Quarterly, Every 3 years	5–90 days	1 day–8 months
Redeemable > 1 year ⁽¹⁾	27,488,341	-	Every 3 years	90 days	13–32 months
Foreign Equity (Emerging Markets) ^(E)					
Redeemable ≤ 1 year ⁽¹⁾	17,135,087	-	Daily	28 days	1 day
Private Equity ^(F)					
Illiquid ⁽²⁾	206,153,575	68,805,119	Illiquid	NA	Termination of fund
Real Assets ^(G)					
Illiquid ⁽²⁾	85,433,730	45,233,176	Illiquid	NA	Termination of fund
Transitional Trading ^(H)					
Illiquid ⁽²⁾	<u>498,097</u>	<u>-</u>	Illiquid	NA	Termination of fund
	<u>\$669,062,505</u>	<u>\$150,474,201</u>			

⁽¹⁾ Redeemable investments may be redeemed at the discretion of the Fund in accordance with the terms of the governing agreement, which may include restrictions that do not allow redemption for a specified period of time following an investment. Investments held at June 30, 2024 and 2023 that are available for redemption during the next fiscal year totaled \$332,739,554 and \$267,256,587, respectively. Investments held at June 30, 2024 and 2023 that are available for redemption in more than one year totaled \$37,591,550 and \$44,310,217, respectively. Estimated remaining holding period reflects the period until the next available redemption date subsequent to June 30, 2024 including expiration of lockup periods.

⁽²⁾ Illiquid investments are not subject to redemption rights unless the fund manager offers its investors the opportunity to redeem early from the contractual agreement. This category includes investments from which distributions will be received as the underlying investments are liquidated, and may include investments on which redemption restrictions of unknown duration have been imposed. If allowed under the terms of the fund agreement, illiquid investments can be sold to other eligible investors through private placements arranged through the general partner. Illiquid investments at June 30, 2024 and 2023 totaled \$358,722,293 and \$357,495,701, respectively.

^(A) Diversifying Strategies represents equity and equity-like structures as well as fixed income securities held by managers that operate under broadly defined investment guidelines. This category is populated by multi-strategy, quantitative, event arbitrage, long/short equity, distressed debt, specialized credit opportunities, and non-correlated investment strategies including life settlements, music royalties, aviation assets, and reinsurance. Securities can be of all types

including public and private, foreign and domestic, of all capitalization sizes, and industry concentrations.

- (B) Domestic Equity represents equity securities held by managers who primarily invest in securities listed on United States exchanges. This category comprises all capitalization sizes and industry sectors.
- (C) Fixed Income represents investments in funds consisting of various bond and bond-like securities that have an income stream as a component part of the security's total rate of return. These securities are designed to be liquid and traded through established bond markets, both foreign and domestic. In cases where there is no bid or established market, pricing can be determined through modeling and other means of comparative analysis.
- (D) Foreign Equity (Developed) represents equity securities held by managers who primarily invest in securities listed on non-U.S. exchanges in those countries captured within the MSCI EAFE index. This category comprises all capitalization sizes, industry sectors, and includes both long and long-short strategies.
- (E) Foreign Equity (Emerging Markets) represents equity securities held by managers who primarily invest in securities listed on non-U.S. exchanges in those countries captured within the MSCI Emerging Markets index. This category comprises all capitalization sizes and industry sectors.
- (F) Private Equity represents equity interests held primarily through various limited partnerships in asset categories of venture capital, buyout and growth equity, both foreign and domestic.
- (G) Real Assets include manager investments in miscellaneous foreign and domestic partnership interests and separately managed accounts in various asset classes of real estate, natural resources, and energy infrastructure.
- (H) Transitional Trading includes a variety of assets that have been distributed or redeemed from a manager's holdings in the portfolio. These assets include specific securities traded on major exchanges, mutual fund shares, and specific illiquid investments that are in the process of being liquidated during the wind down of a fund investment.

The Fund may directly invest in exchange traded funds and certain specific securities in any of the above strategies in situations of investment manager transitions, portfolio rebalancing, or portfolio completion consistent with the Fund's Investment Policy Statement.

5. FAIR VALUE MEASUREMENTS

As required by ASC Topic 820, certain assets and liabilities are classified within the level of the lowest significant input considered in determining fair value. Assets and liabilities classified within Level 3 consider several inputs which may include Level 1 or Level 2 inputs as components of the overall fair value measurement.

At June 30, 2024, the Foundation's assets and liabilities carried at fair value were classified as follows:

	Level 1	Level 2	Level 3	Other	Total
Assets:					
Investments:					
1693 Partners Fund:					
Common stock	\$208,850,087	\$ -	\$ -	\$ -	\$ 208,850,087
Exchange traded funds	109,251,816	-	-	-	109,251,816
Investment funds:					
Diversifying strategies	-	-	-	122,167,594	122,167,594
Domestic equity	-	-	-	131,641,601	131,641,601
Fixed income	-	-	-	33,567,434	33,567,434
Foreign equity (developed)	-	-	-	148,433,424	148,433,424
Private equity	-	-	-	206,324,667	206,324,667
Real assets	-	-	-	86,537,999	86,537,999
Transitional trading	-	-	-	380,678	380,678
Money market funds and other	<u>45,292,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,292,185</u>
Total 1693 Partners Fund	363,394,088	-	-	729,053,397	1,092,447,485
Cash pending investment	-	-	-	1,464,375	1,464,375
Mutual and commingled funds	6,529,099	-	-	-	6,529,099
Government and agency bonds and notes	-	73,407,654	-	-	73,407,654
Real estate	-	-	987,982	-	987,982
Private equity and other	<u>-</u>	<u>-</u>	<u>10,500</u>	<u>127,380</u>	<u>137,880</u>
Total investments	<u>369,923,187</u>	<u>73,407,654</u>	<u>998,482</u>	<u>730,645,152</u>	<u>1,174,974,475</u>
Assets held in charitable remainder trusts	<u>10,223</u>	<u>-</u>	<u>-</u>	<u>251</u>	<u>10,474</u>
Funds held in trust by others:					
Equity securities	210,157,035	-	-	-	210,157,035
Mutual funds and other	<u>5,316,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,316,059</u>
Total funds held in trust by others	<u>215,473,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,473,094</u>
Fair value of assets	<u>\$585,406,504</u>	<u>\$73,407,654</u>	<u>\$ 998,482</u>	<u>\$730,645,403</u>	<u>\$1,390,458,043</u>
Liabilities—funds held for others	<u>\$ 73,241,656</u>	<u>\$ -</u>	<u>\$ 19,642</u>	<u>\$167,027,366</u>	<u>\$ 240,288,664</u>
Fair value of liabilities	<u>\$ 73,241,656</u>	<u>\$ -</u>	<u>\$ 19,642</u>	<u>\$167,027,366</u>	<u>\$ 240,288,664</u>

At June 30, 2023, the Foundation's assets and liabilities carried at fair value were classified as follows:

	Level 1	Level 2	Level 3	Other	Total
Assets:					
Investments:					
1693 Partners Fund:					
Common stock	\$180,695,889	\$ -	\$ -	\$ -	\$ 180,695,889
Exchange traded funds	94,449,934	-	-	-	94,449,934
Mutual funds	17,867,385	-	-	-	17,867,385
Investment funds:					
Diversifying strategies	-	-	-	112,780,676	112,780,676
Domestic equity	-	-	-	103,772,527	103,772,527
Fixed income	-	-	-	32,323,319	32,323,319
Foreign equity (developed)	-	-	-	110,965,494	110,965,494
Foreign equity (emerging markets)	-	-	-	17,135,087	17,135,087
Private equity	-	-	-	206,153,575	206,153,575
Real assets	-	-	-	85,433,730	85,433,730
Transitional trading	-	-	-	498,097	498,097
Money market funds and other	66,788,564	-	-	-	66,788,564
Total 1693 Partners Fund	359,801,772	-	-	669,062,505	1,028,864,277
Cash pending investment	-	-	-	1,005,143	1,005,143
Mutual and commingled funds	5,265,600	-	-	-	5,265,600
Government and agency bonds and notes	-	68,829,589	-	-	68,829,589
Real estate	-	-	987,982	-	987,982
Private equity and other	-	-	14,000	174,629	188,629
Total investments	365,067,372	68,829,589	1,001,982	670,242,277	1,105,141,220
Assets held in charitable remainder trusts					
	410,530	-	-	22,669	433,199
Funds held in trust by others:					
Equity securities	199,271,945	-	-	-	199,271,945
Mutual funds and other	2,974,152	-	-	-	2,974,152
Total funds held in trust by others	202,246,097	-	-	-	202,246,097
Fair value of assets	\$567,723,999	\$68,829,589	\$1,001,982	\$670,264,946	\$1,307,820,516
Liabilities—funds held for others	\$ 73,967,938	\$ -	\$ 20,255	\$157,189,532	\$ 231,177,725
Fair value of liabilities	\$ 73,967,938	\$ -	\$ 20,255	\$157,189,532	\$ 231,177,725

There were no additions or transfers in or out related to Level 3 investments for the years ended June 30, 2024 and 2023. The Foundation determines the fair value of transfers between levels using the most recent valuation.

6. ENDOWMENT

In accordance with ASC Topic 958 and UPMIFA, net assets associated with endowments and funds functioning as endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

The following table presents endowment net asset composition by type of fund as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 26,932,196	\$ 103,405,683	\$ 130,337,879
Donor-restricted funds:			
Funds that allow distribution of principal	503,126	9,143,399	9,646,525
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	421,463,136	421,463,136
Accumulated investment gains	<u>-</u>	<u>294,706,440</u>	<u>294,706,440</u>
Total endowment funds	<u>\$ 27,435,322</u>	<u>\$ 828,718,658</u>	<u>\$ 856,153,980</u>

The following table presents endowment net asset composition by type of fund as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 25,842,332	\$ 95,417,048	\$ 121,259,380
Donor-restricted funds:			
Funds that allow distribution of principal	482,765	8,773,393	9,256,158
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	396,434,175	396,434,175
Accumulated investment gains	<u>-</u>	<u>273,444,437</u>	<u>273,444,437</u>
Total endowment funds	<u>\$ 26,325,097</u>	<u>\$ 774,069,053</u>	<u>\$ 800,394,150</u>

The following table presents the change in endowment net assets for the year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets—beginning of year	\$ 26,325,097	\$ 774,069,053	\$ 800,394,150
Investment return—net	5,472,460	66,155,690	71,628,150
Contributions received	-	16,770,748	16,770,748
Appropriation of endowment assets for expenditure	(4,362,235)	(32,692,845)	(37,055,080)
Transfers to board-designated endowment funds	<u>-</u>	<u>4,416,012</u>	<u>4,416,012</u>
Endowment net assets—end of year	<u>\$ 27,435,322</u>	<u>\$ 828,718,658</u>	<u>\$ 856,153,980</u>

The following table presents the change in endowment net assets for the year ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets—beginning of year	\$ 25,638,629	\$ 735,148,396	\$ 760,787,025
Investment return—net	4,389,641	47,501,891	51,891,532
Contributions received	-	14,856,999	14,856,999
Appropriation of endowment assets for expenditure	(3,767,030)	(27,228,662)	(30,995,692)
Transfers to board-designated endowment funds	<u>63,857</u>	<u>3,790,429</u>	<u>3,854,286</u>
Endowment net assets—end of year	<u>\$ 26,325,097</u>	<u>\$ 774,069,053</u>	<u>\$ 800,394,150</u>

The above amounts exclude \$21,245,851 and \$20,385,747 of investments in funds held for others as of June 30, 2024 and 2023, respectively.

Funds with Deficiencies—From time to time, the fair value of assets associated with individual donor- restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies result largely from unfavorable market fluctuations that occurred after the establishment of endowments.

At June 30, 2024 and 2023, the following funds with deficiencies were reported in net assets with donor restrictions:

	2024	2023
Fair value of underwater endowment funds	\$ 4,092,588	\$ 12,649,078
Original endowment gift amount	<u>4,165,223</u>	<u>13,071,408</u>
Deficiencies of underwater endowment funds	<u>\$ (72,635)</u>	<u>\$ (422,330)</u>

Return Objectives and Risk Parameters—The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to enhance the inflation- adjusted purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested with an objective to achieve real growth of 1% over the long term (i.e., real total return less that of annual spending and management fees). The measure of inflation used in adjusting for real purchasing power is the Higher Education Price Index, a measure of college and university costs. The majority of the Foundation’s endowment funds are invested in the Fund, which follows an investment policy that is consistent with these objectives.

Strategies Employed in Achieving Objectives—To satisfy its long-term return objectives, the Fund follows a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Fund’s portfolio is highly diversified among asset classes, strategies, and investment managers. This diversification in

holdings and manager relationships is intended as a means to consistently produce returns in excess of policy benchmarks with less concentration of risk. The Fund has established asset allocation ranges in each of its major asset classes within which policy targets are set and monitored against actual allocations.

Spending Policy—The Foundation sets a spending rate annually for its respective Pooled Investments, Eminent Scholars, and Virginia Graduate and Undergraduate Assistance Program investment pools to calculate the payout available for current operations. For the year ended June 30, 2024, the spending rate was determined using a banded constant growth methodology. The prior year unit spending rate for each investment pool was increased by a 3% growth rate multiplied by units outstanding as of the December 31 of the prior fiscal year. The total payout for each investment pool was required to be within a 4% and 6% band of the 12-quarter average market value through December 31 of the previous fiscal year. For the year ended June 30, 2023, the spending rate was determined using a banded constant growth methodology. The prior year unit spending rate for each investment pool was increased by a 3% growth rate multiplied by units outstanding as of the December 31 of the prior fiscal year. The total payout for each investment pool was required to be within a 4% and 6% band of the 12-quarter average market value through December 31 of the previous fiscal year.

7. NOTES RECEIVABLE

In July 2009, the Foundation agreed to advance a total of \$250,000 as a loan to support legal costs associated with the defense of certain claims made against two estates by one plaintiff. The Foundation is a potential beneficiary of the estates. The Foundation is joined by other parties in the loan. The agreement provides that the loan will be repaid, with interest at 5% per year, with first priority from assets received from the estates in the same proportion as amounts loaned by each party. During fiscal years 2010–2013, additional loans were extended on similar terms committing total additional amounts of \$814,490 to support legal costs and to fund costs associated with maintenance of real estate constituting the primary asset of one of the estates. Interest was accrued on the notes receivable through June 30, 2015. Distributions from the estates were subsequently received reducing the balance of the loans outstanding. The loans are recorded in notes receivable and had a carrying value of \$499,855 at June 30, 2024 and 2023, including interest.

8. PLEDGES RECEIVABLE, NET

Unconditional promises to give are recorded as receivables at their net present value in the year promised and are recognized as support with donor restrictions. Pledges receivable include amounts due from trustees and officers of the Foundation, which are considered related party transactions. Pledges receivable at June 30, 2024, have been discounted using discount rates ranging from 0.24% to 4.86%. Pledges receivable at June 30, 2023, have been discounted using discount rates ranging from 0.26% to 4.32%. Pledges receivable to be collected within one year have not been discounted.

At June 30, 2024 and 2023, the net present value of pledges receivable was as follows:

	2024	2023
Less than one year	\$ 21,971,670	\$ 16,742,968
One to five years	87,994,430	4,681,774
More than five years	<u>569,500</u>	<u>912,000</u>
Total pledges receivable—gross	110,535,600	22,336,742
Less allowance for uncollectible amounts	<u>(1,887,949)</u>	<u>(546,803)</u>
Total pledges receivable—net of allowance	108,647,651	21,789,939
Discount to reduce pledges to present value	<u>(9,153,628)</u>	<u>(529,832)</u>
Pledges receivable—net	<u><u>\$ 99,494,023</u></u>	<u><u>\$ 21,260,107</u></u>

At June 30, 2024 and 2023, a conditional promise to give of \$4,500,000 and \$6,000,000, respectively, was not recognized in the consolidated statements of financial position and statements of activities because the conditions on which it depends had not yet been met. The contributions will be recognized as phases of construction are completed for the Athletics Complex.

9. PROPERTY AND EQUIPMENT, NET

The summary of property and equipment at June 30, 2024 and 2023, is as follows:

	2024	2023
Land and nondepreciable assets	\$ 2,280,527	\$ 2,280,527
Land improvements	338,138	338,138
Buildings and improvements	8,883,967	8,502,417
Equipment	1,050,737	927,781
Furniture and fixtures	874,419	429,171
Telecommunications system	4,252,047	4,252,047
Other	<u>1,168,890</u>	<u>1,168,890</u>
Total	18,848,725	17,898,971
Less accumulated depreciation	<u>(9,713,099)</u>	<u>(9,380,697)</u>
Property and equipment—net	<u><u>\$ 9,135,626</u></u>	<u><u>\$ 8,518,274</u></u>

10. FUNDS HELD IN TRUST BY OTHERS

Funds held in trust by others represent resources neither in the possession nor under the control of the Foundation but held and administered by outside fiscal agents, with the Foundation deriving income from such funds. The balance is comprised of three trusts, the most significant of which is derived from the bequest of Lettie Pate Evans, which provides a distribution of 5% of the annual net income of the Lettie Pate Evans Foundation, Inc. At June 30, 2024 and 2023, the fair value of the Foundation's interest was reported as \$210,606,181 and \$197,713,884, respectively. The Lettie Pate Evans Foundation, Inc.

has specified that the annual income distributed to the Foundation may be used for the benefit of the University in such manner as the governing board of the Foundation may determine.

11. NOTES AND BONDS PAYABLE

On July 1, 2020, the Foundation executed a note payable to Truist Bank in the amount of \$2,100,000. The proceeds were used to fund a new client relationship management system implementation project. The note is unsecured and accrues interest at a rate of 4.56% per annum payable monthly. Beginning on July 1, 2021, the note was payable on a fixed payment schedule consisting of equal monthly installments of principal and interest. The final payment is due on July 1, 2030. The balance outstanding at June 30, 2024 and 2023, was \$1,512,533 and \$1,722,827, respectively. Interest paid on the loan during the years ended June 30, 2024 and 2023, was \$77,208 and \$85,734, respectively. The carrying value of the above debt approximates fair value.

In December 2011, the Economic Development Authority of James City County, Virginia ("Authority") issued a revenue refunding bond in the amount of \$8,090,000 ("Series 2011 Bond"), and loaned the proceeds to the Foundation and CWMF Ventures ("Obligors"). The Series 2011 Bond was acquired by Truist Bank, as Series 2011 Bondholder. Proceeds from the sale of the Series 2011 Bond were used to redeem bonds issued in December 2006 by the Authority to finance the cost of property acquisition, construction and equipping of a three-story building in New Town in James City County, Virginia, for use by the Foundation, CWMF Ventures or the University. As of January 1, 2018, the Series 2011 Bond bears interest at a fixed rate of 3.59752% per annum, subject to the put rights of the Series 2011 Bondholder as described below, and interest payments are due quarterly on each January 1, April 1, July 1 and October 1. On October 1, 2020, the bond agreement was amended to change the definition of the optional put date. Per the amendment, the Series 2011 Bondholder has the option to tender the Series 2011 Bond for payment on December 1, 2026, the first optional put date, unless extended under the terms of the loan agreement to not earlier than December 1, 2031. The final maturity date is December 1, 2036. In December 2021, CWMF Ventures paid down the bonds by \$2,000,000.

The following represents the face value of bonds as of June 30, 2024 and 2023:

	2024	2023
Bonds payable	\$ 6,090,000	\$ 6,090,000

Interest expense on the Series 2011 Bond during the years ended June 30, 2024 and 2023, was \$222,740 and \$222,132, respectively.

The following represents principal amounts due for the above notes and bonds payable for the years ending June 30:

2025	\$ 220,428
2026	230,838
2027	241,740
2028	253,072
2029	265,107
Thereafter	6,391,348
Unamortized issuance costs	<u>(10,596)</u>
Notes and bonds payable	<u>\$ 7,591,937</u>

The terms of the notes and bonds payable require the Foundation to maintain at all times net assets without donor restrictions and net assets restricted by the donor due to the passage of time or for a specified purpose and subject to the Foundation's spending policy and appropriation in excess of 200% of the Foundation's total funded debt. The Foundation is in compliance with all debt covenants.

12. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions were designated for endowment for the following purposes as of June 30, 2024 and 2023:

	2024	2023
Institutional support	\$ 17,201,665	\$ 16,505,566
Student life and other	774,969	743,608
Scholarships and fellowships	<u>9,458,688</u>	<u>9,075,923</u>
Total	<u>\$ 27,435,322</u>	<u>\$ 26,325,097</u>

13. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2024, net assets with donor restrictions are restricted for the following purposes:

	Restricted in Perpetuity	Designated for Endowment	For Specified Purpose or Passage of Time	Subject to Spending Policy and Appropriation	Invested in Property and Equipment Net of Related Debt	Total Net Assets With Donor Restrictions
Instruction	\$ 87,528,876	\$ 41,451,495	\$ 9,322,871	\$ 81,155,332	\$ -	\$ 219,458,574
Research	13,769,743	4,869,476	10,219,186	5,240,172	721,815	34,820,392
Public service	772,645	483,083	127,948	1,176,340	-	2,560,016
Academic support	42,179,767	15,900,782	11,066,093	22,564,839	1,353,500	93,064,981
Institutional support	9,680,729	3,057,206	5,107,972	6,164,391	3,437	24,013,735
Student life and other	25,829,382	8,311,368	3,557,421	14,739,389	-	52,437,560
Plant and facilities	3,862,340	2,698,159	68,718,624	2,556,057	-	77,835,180
Scholarships and fellowships	183,412,313	33,261,888	6,239,292	137,585,011	-	360,498,504
General operations	38,276,885	2,515,625	21,991	30,086,792	92,379	70,993,672
Requiring reinvestment of income until year 2076	16,150,456	-	-	-	-	16,150,456
Deferred gifts	6,483,822	-	2,716,084	-	-	9,199,906
Pledges receivable and other	47,762,829	-	-	-	-	47,762,829
Funds held in trust by others	<u>215,473,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,473,094</u>
Total	<u>\$691,182,881</u>	<u>\$112,549,082</u>	<u>\$117,097,482</u>	<u>\$301,268,323</u>	<u>\$2,171,131</u>	<u>\$1,224,268,899</u>

At June 30, 2023, net assets with donor restrictions are restricted for the following purposes:

	Restricted in Perpetuity	Designated for Endowment	For Specified Purpose or Passage of Time	Subject to Spending Policy and Appropriation	Invested in Property and Equipment Net of Related Debt	Total Net Assets With Donor Restrictions
Instruction	\$ 85,685,838	\$ 37,770,347	\$ 9,786,242	\$ 74,823,321	\$ 3,580	\$ 208,069,328
Research	13,049,975	4,362,526	9,302,728	4,437,569	757,968	31,910,766
Public service	772,645	386,415	149,938	1,097,470	-	2,406,468
Academic support	36,271,165	14,960,932	11,128,838	20,037,721	1,353,500	83,752,156
Institutional support	5,467,693	2,993,835	1,519,756	5,759,780	-	15,741,064
Student life and other	22,501,612	7,841,136	4,345,340	13,016,403	-	47,704,491
Plant and facilities	3,826,016	2,447,372	39,185,351	2,302,894	-	47,761,633
Scholarships and fellowships	176,316,570	31,014,054	6,251,585	124,621,827	-	338,204,036
General operations	37,529,388	2,413,825	-	27,347,452	93,752	67,384,417
Requiring reinvestment of income until year 2076	15,013,274	-	-	-	-	15,013,274
Deferred gifts	6,037,915	-	3,242,532	-	-	9,280,447
Pledges receivable and other	6,062,670	-	-	-	-	6,062,670
Funds held in trust by others	<u>202,246,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,246,097</u>
Total	<u>\$610,780,858</u>	<u>\$104,190,442</u>	<u>\$84,912,310</u>	<u>\$273,444,437</u>	<u>\$2,208,800</u>	<u>\$1,075,536,847</u>

14. NET ASSETS RELEASED FROM RESTRICTIONS

The following table presents net assets that were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors.

	2024	2023
Purpose restriction accomplished or time restriction expired	\$ 33,664,446	\$ 17,162,175
Appropriation of endowment amounts and subsequent satisfaction of donor-related restrictions	<u>33,218,504</u>	<u>25,901,957</u>
Total net assets released from restrictions	<u>\$ 66,882,950</u>	<u>\$ 43,064,132</u>

15. OTHER MATTERS

Concentration of Risk—Financial instruments, which potentially subject the Foundation to concentration of risk, consist primarily of an equity investment in a large U.S. company. This investment comprised 42.6% and 54.1% of total funds held in trust by others as of June 30, 2024 and 2023, respectively. The trustees of the Foundation have no control over this investment.

The following table summarizes information on the Fund's investments that exceed 5% of the Fund's net assets as of June 30, 2024.

	Fair Value	Percentage of Net Assets	Redemption Provisions	Strategy
Adage Capital Partners, LP	\$ 131,641,601	12.0 %	Quarterly	Domestic Equity
iShares Russell 3000 ETF	\$ 54,912,393	5.0 %	Daily	Domestic Equity

The following table summarizes information on the Fund's investments that exceed 5% of the Fund's net assets as of June 30, 2023.

	Fair Value	Percentage of Net Assets	Redemption Provisions	Strategy
Adage Capital Partners, LP	\$ 103,772,527	10.1 %	Quarterly	Domestic Equity

Amounts on deposit with one federally insured financial institution in excess of the \$250,000 insurance limit as of June 30, 2024 and 2023, for each entity, are as follows:

	2024	2023
William & Mary Foundation	\$ 2,885,977	\$ 5,156,935
CWMF Ventures	464,086	143,021
1693 Foundation	275,872	227,931
1693 Management	957	101,036
Real Estate Foundation	900,478	859,190

16. EXPENSE CLASSIFICATION MATRIX

The composition of the Foundation's operating expenses by natural and functional classification for the year ended June 30, 2024, is as follows:

	Compensation and Benefits	Conferences, Travel, Training and Development	Equipment, Supplies and Services	Occupancy and Utilities	Interest, Insurance and Taxes	Depreciation	Provided to Related Organizations	Provided/ Conveyed to the University	Total Expenses
Expenses:									
Program services:									
Instruction	\$ -	\$ -	\$ 10,553	\$ -	\$ -	\$ -	\$ 7,200	\$ 6,230,356	\$ 6,248,109
Research	-	-	-	-	-	-	-	2,271,804	2,271,804
Public service	-	-	-	-	-	-	-	31,618	31,618
Academic support	-	21,564	27,154	-	-	-	7,095	5,315,757	5,371,570
Institutional support	22,740	138,591	364,121	-	69,508	-	470,253	2,251,008	3,316,221
Athletic programs	-	-	-	-	-	-	-	2,289,782	2,289,782
Student life and other	-	-	-	-	-	-	-	384,946	384,946
Plant and facilities	-	24,636	588,308	134,477	249,155	181,450	723,099	23,238,791	25,139,916
Scholarships and fellowships	-	-	-	-	-	-	7,887	13,918,407	13,926,294
Investment management	<u>2,003,932</u>	<u>38,152</u>	<u>816,398</u>	<u>916</u>	<u>171,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,030,989</u>
Total program services	<u>2,026,672</u>	<u>222,943</u>	<u>1,806,534</u>	<u>135,393</u>	<u>490,254</u>	<u>181,450</u>	<u>1,215,534</u>	<u>55,932,469</u>	<u>62,011,249</u>
Supporting services:									
Fundraising	<u>1,795,365</u>	<u>693,356</u>	<u>2,526,854</u>	<u>124,863</u>	<u>99,591</u>	<u>114,415</u>	<u>-</u>	<u>4,030,927</u>	<u>9,385,371</u>
Administrative and general:									
Board expenses	-	37,146	31,057	-	-	-	-	-	68,203
Office of Investment Administration	1,035,490	35,236	372,211	-	123,862	-	-	-	1,566,799
Expenses of the Real Estate Foundation, Inc.	-	-	4,125	-	4,389	36,537	-	-	45,051
Expenses of Reliance Holdings, LLC	-	-	2,262	-	80,600	-	-	-	82,862
Other	<u>85,000</u>	<u>-</u>	<u>21,180</u>	<u>-</u>	<u>147,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,894</u>
Total administrative and general	<u>1,120,490</u>	<u>72,382</u>	<u>430,835</u>	<u>-</u>	<u>356,565</u>	<u>36,537</u>	<u>-</u>	<u>-</u>	<u>2,016,809</u>
Total supporting services	<u>2,915,855</u>	<u>765,738</u>	<u>2,957,689</u>	<u>124,863</u>	<u>456,156</u>	<u>150,952</u>	<u>-</u>	<u>4,030,927</u>	<u>11,402,180</u>
Total expenses	<u>\$4,942,527</u>	<u>\$988,681</u>	<u>\$4,764,223</u>	<u>\$260,256</u>	<u>\$946,410</u>	<u>\$332,402</u>	<u>\$ 1,215,534</u>	<u>\$59,963,396</u>	<u>\$73,413,429</u>

The composition of the Foundation's operating expenses by natural and functional classification for the year ended June 30, 2023, is as follows:

	Compensation and Benefits	Conferences, Travel, Training and Development	Equipment, Supplies and Services	Occupancy and Utilities	Interest, Insurance and Taxes	Depreciation	Provided to Related Organizations	Provided/ Conveyed to the University	Total Expenses
Expenses:									
Program services:									
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,832,550	\$ 5,832,550
Research	-	-	5,407	-	-	-	-	2,009,424	2,014,831
Public service	-	-	-	-	-	-	-	52,433	52,433
Academic support	-	84,125	10,229	-	-	-	8,954	5,616,272	5,719,580
Institutional support	26,845	148,665	440,939	-	75,535	-	291,177	1,909,186	2,892,347
Athletic programs	-	-	-	-	-	-	-	2,319,542	2,319,542
Student life and other	-	-	-	-	-	-	-	297,655	297,655
Plant and facilities	-	23,943	79,357	107,370	248,006	184,699	-	8,731,541	9,374,916
Scholarships and fellowships	-	-	-	-	-	-	5,000	13,902,219	13,907,219
Investment management	<u>1,745,111</u>	<u>33,577</u>	<u>796,677</u>	<u>-</u>	<u>568</u>	<u>149,003</u>	<u>-</u>	<u>-</u>	<u>2,724,936</u>
Total program services	<u>1,771,956</u>	<u>290,310</u>	<u>1,332,609</u>	<u>107,370</u>	<u>324,109</u>	<u>333,702</u>	<u>305,131</u>	<u>40,670,822</u>	<u>45,136,009</u>
Supporting services:									
Fundraising	<u>1,606,287</u>	<u>212,148</u>	<u>1,943,012</u>	<u>137,737</u>	<u>107,390</u>	<u>114,415</u>	<u>26,604</u>	<u>1,994,705</u>	<u>6,142,298</u>
Administrative and general:									
Board expenses	-	37,073	21,502	1,519	-	-	-	-	60,094
Office of Investment Administration	982,206	19,211	545,425	418	108,271	-	-	-	1,655,531
Expenses of the Real Estate Foundation, Inc.	-	-	3,316	175	3,959	36,537	-	-	43,987
Expenses of Reliance Holdings, LLC	-	-	2,732	-	-	-	-	-	2,732
Other	<u>2,610</u>	<u>-</u>	<u>18,267</u>	<u>-</u>	<u>146,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,446</u>
Total administrative and general	<u>984,816</u>	<u>56,284</u>	<u>591,242</u>	<u>2,112</u>	<u>258,799</u>	<u>36,537</u>	<u>-</u>	<u>-</u>	<u>1,929,790</u>
Total supporting services	<u>2,591,103</u>	<u>268,432</u>	<u>2,534,254</u>	<u>139,849</u>	<u>366,189</u>	<u>150,952</u>	<u>26,604</u>	<u>1,994,705</u>	<u>8,072,088</u>
Total expenses	<u>\$4,363,059</u>	<u>\$558,742</u>	<u>\$3,866,863</u>	<u>\$247,219</u>	<u>\$690,298</u>	<u>\$484,654</u>	<u>\$331,735</u>	<u>\$42,665,527</u>	<u>\$53,208,097</u>

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. Compensation and benefits, including amounts provided/conveyed to the University or related organizations to support compensation and benefits, are allocated on the basis of estimates of time and effort. Insurance is allocated on the basis of estimates of the values of the properties covered.

17. INCOME TAXES

The Foundation, the 1693 Foundation and the Fund are nonstock corporations which have been determined by the Internal Revenue Service to be exempt from taxes on income derived from activities related to its exempt purpose under Section 501(c)(3) of the Internal Revenue Code. The REF is a stock corporation, wholly owned by the Foundation, which has been determined by the Internal Revenue Service to be exempt from taxes on income derived from activities related to its exempt purpose under Section 501(c)(2) of the Internal Revenue Code. Reliance is a limited liability company that is not disregarded for tax purposes, and therefore is subject to tax. CWMF Ventures, Foundation Services, 1693 Management and Gates Hall, LLC are disregarded entities for income tax purposes, and all activity is reported on the Foundation's tax return.

ASC Topic 740, Income Taxes, provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in financial statements. ASC Topic 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing tax returns of the Foundation and its affiliated entities to determine whether the tax positions will "more-likely-than-not" be sustained by the applicable tax authority. As a result, tax positions not meeting the more-likely-than-not threshold would result in a current year expense or the absence of a benefit, as appropriate for the tax position. The Foundation has concluded that no provision for income tax is required in the Foundation's consolidated financial statements for the years ended June 30, 2024 and 2023.

As of June 30, 2023, the Foundation had federal net operating losses available for carryforward in the amount of \$3,893,197 as a result of unrelated business taxable income ("UBTI") resulting from investments in the Trust. UBTI is taxed at the prevailing corporate tax rate. Due to the uncertainty about whether these losses will result in a tax asset, no tax asset was recorded in the consolidated financial statements at June 30, 2024 and 2023. Net operating losses arising in tax years ending after December 31, 2017, have an indefinite carryforward period. Losses arising in earlier tax years have a carryforward period of twenty years. Losses arising in tax years beginning after December 31, 2017, are limited to 80% of taxable income in the year deducted. Reliance utilized its loss carry forward of \$281,455 during the tax year ended June 30, 2023, and has no remaining loss carryforward as of June 30, 2024.

The filing deadline for the June 30, 2024 tax return is May 15, 2025. In addition to the year ended June 30, 2024, the years ended June 30, 2023, 2022, and 2021 are open for inspection by the taxing authorities.

18. RELATED PARTY TRANSACTIONS

Pledges receivable from trustees and officers of the Foundation at June 30, 2024 and 2023, totaled \$3,100,829 and \$3,622,777, respectively, and are considered related party transactions. Gift receipts from trustees and officers, including payments on pledges, totaled \$2,929,273 and \$6,002,641 for the years ended June 30, 2024 and 2023, respectively.

The Foundation leases certain property to the University for a residence hall and office space. Total rent income during the years ended June 30, 2024 and 2023, was \$784,909 and \$750,655, respectively.

The Foundation entered into a Master Services Agreement with the University effective July 1, 2020, related to the use of personnel, services, space or equipment owned, leased, or otherwise controlled by the University. Amounts paid to the University related to personnel are shown as compensation and benefits in Note 16. Amounts paid to the University related to services, space and equipment totaled

\$974,295 and \$1,179,980 for the years ended June 30, 2024 and 2023, respectively, and are included in equipment, supplies and services in Note 16.

19. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 16, 2024, the date the consolidated financial statements were available to be issued.

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SUPPLEMENTAL SCHEDULE

WILLIAM & MARY FOUNDATION**SUPPLEMENTAL SCHEDULE OF GIFT ANNUITIES RESERVE
AS OF JUNE 30, 2024**

The below schedule presents a summary of the Foundation's investment, including the reserve related to gift annuities.

Investments

Gift annuities pool	\$ 6,395,495
1693 Partners Fund	1,092,447,485
Real estate investments	987,982
Pooled life income	133,604
Cash not yet invested	1,464,375
Other non-pooled investments	<u>73,545,534</u>
 Total investments at June 30, 2024, per the consolidated financial statements	 \$ <u>1,174,974,475</u>
 Actuarial reserve	 \$ <u>3,728,806</u>