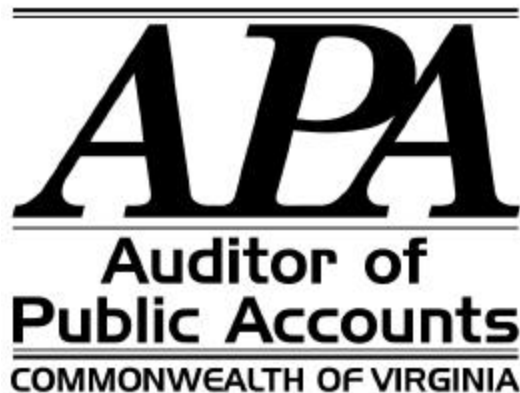


**GEORGE MASON UNIVERSITY  
FAIRFAX, VIRGINIA**

**INTERCOLLEGIATE ATHLETIC PROGRAMS  
FOR THE YEAR ENDED  
JUNE 30, 2002**



- TABLE OF CONTENTS -

	<u>Pages</u>
Independent Auditor's Report on Application of Agreed-Upon Procedures	1-3
SCHEDULE:	
Schedule of Receipts and Disbursements of Intercollegiate Athletic Programs	5-6
Notes to the Schedule of Receipts and Disbursements of Intercollegiate Athletic Programs	7
UNIVERSITY OFFICIALS	8

April 23, 2003

The Honorable Mark R. Warner  
Governor of Virginia

The Honorable Kevin G. Miller  
Chairman, Joint Legislative Audit  
and Review Commission

Dr. Alan G. Merten  
President, George Mason University

INDEPENDENT AUDITOR'S REPORT ON APPLICATION OF  
AGREED-UPON PROCEDURES

We have audited the financial statements of **George Mason University** as of and for the year ended June 30, 2002, and have issued our unqualified report thereon dated April 23, 2003. At the request of the President of the University, we have performed certain agreed-upon procedures to the University's Intercollegiate Athletics Programs for the fiscal year ended June 30, 2002, discussed below, solely to assist the University in complying with National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1. The University is responsible for the Intercollegiate Athletics Programs including preparation of the Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the University. Consequently, we make no representation regarding sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Schedule of Receipts and Disbursements of Intercollegiate  
Athletic Programs - Agreed-Upon Substantive Procedures

- a. We obtained the Schedule of Receipts and Disbursements of Intercollegiate Athletic Programs (Schedule) for the year ended June 30, 2002, as prepared by the University and shown in this report. We recalculated the addition of the amounts on the Schedule, traced the amounts on the Schedule to management's worksheets, and agreed the amounts on management's worksheets to the Intercollegiate Athletics Department's accounts in the accounting records. We noted no differences between the amounts in the Intercollegiate Athletics Department's accounts in the accounting records and the amounts on the worksheets. We discussed the nature of worksheet adjustments with management and are satisfied that the adjustments are appropriate.

- b. We applied certain analytical review techniques to the balances reported on the Schedule in order to determine the reasonableness of amounts reported therein. These techniques included trend analyses and other tests using operating data and reviews of actual amounts expended in comparison to budgeted amounts.
- c. We vouched each individual contribution received directly by the University for its Intercollegiate Athletics Programs that constituted more than ten percent of the contributions so received. Except for contributions received from the George Mason University Foundation, an affiliated organization, we noted no individual contribution that constituted more than ten percent of total contributions received for Intercollegiate Athletics.

Because the above procedures “a” through “c” do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the Schedule of Receipts and Disbursements of Intercollegiate Athletic Programs or any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified accounts or items should be adjusted. Had we performed additional procedures, or had we made an audit of any financial statements of the Intercollegiate Athletics Department of George Mason University in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to the President of the University. This report relates only to the accounts and items specified above and does not extend to the financial statements of George Mason University or its Intercollegiate Athletics Department taken as a whole.

Internal Control Related to Intercollegiate Athletic  
Programs - Agreed-Upon Procedures

The management of George Mason University is responsible for establishing and maintaining internal control for its Intercollegiate Athletics Programs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate. Our procedures and findings are as follows:

- d. We reviewed an organizational chart provided by the Intercollegiate Athletics Department and discussed it with appropriate personnel. We reviewed documentation of accounting systems and operating procedures. We also made certain inquiries of management regarding control consciousness, the use of internal audit in the department, competence of personnel, and protection of records and equipment.
- e. We reviewed internal control over cash receipts and disbursements, including payroll, for the Intercollegiate Athletics Programs. We reviewed the relationship of internal control over Intercollegiate Athletics Programs to internal control reviewed in connection with the audit of the University’s financial statements. Our review also

included those controls unique to Intercollegiate Athletics that have not been reviewed in connection with the audit of the financial statements.

- f. We reviewed the University's procedures for monitoring booster group activities and concluded that those procedures were adequate.

Agreed-upon procedures "d" through "f" applied to certain aspects of the University's internal control were more limited than would be necessary to express an opinion on internal control of George Mason University in effect for the year ended June 30, 2002, taken as a whole. Because our review and evaluation was limited to applying those agreed-upon procedures, we do not express such an opinion. In connection with applying procedures "d" through "f" above, we noted no material weaknesses relating to internal control over the Intercollegiate Athletic Program activities administered by the University.

This report is intended solely for the information and use of the University and authorized representatives of the National Collegiate Athletic Association and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS

MSM:cam  
cam:26

## **SCHEDULE**

GEORGE MASON UNIVERSITY  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF INTERCOLLEGIATE ATHLETIC PROGRAMS  
For the Year Ended June 30, 2002

	Administrative and General	Men's Basketball	Women's Basketball
Operating revenue:			
University fee allocation	\$ 6,548,116	\$ -	\$ -
Ticket sales and entry fees	-	201,272	12,782
Advertising	-	-	-
Other sales/services	470,871	-	-
NCAA distribution of revenue	-	-	-
Share of arena revenue	-	-	-
Gift - GMU Foundation	433,934	-	-
Total operating revenue	7,452,921	201,272	12,782
Operating expenditures:			
Personal services and fringe benefits	1,082,918	585,731	300,318
Travel, administrative and team	13,011	108,056	65,301
Recruiting expenses	-	61,270	33,724
Contractual services	86,130	150,398	37,995
Supplies	19,842	57,686	23,965
Equipment	-	-	-
Current charges and obligations	36,622	66	38
Financial aid	-	230,042	284,524
Total operating expenditures	1,238,523	1,193,249	745,865
Excess (deficiency) of revenue over (under) expenditures	\$ 6,214,398	\$ (991,977)	\$ (733,083)

\* Other Sports includes Baseball, Swimming, Golf, Softball, Lacrosse, Tennis, Trap and Skeet, Volleyball, Wrestling, Crew, Invitationals and Tournaments.

The accompanying Notes to the Schedule of Receipts and Disbursements of Intercollegiate Athletic Programs are an integral part of the Schedule.

Men's Track	Women's Track	Men's Soccer	Women's Soccer	Other Sports*	Non- Program Specific	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6,548,116
7,693	7,693	5,834	4,809	63,369	-	303,452
-	-	-	-	-	200,700	200,700
-	-	11,830	-	28,800	4,762	516,263
-	-	-	-	-	191,911	191,911
-	-	-	-	-	731,963	731,963
-	-	-	-	-	-	433,934
7,693	7,693	17,664	4,809	92,169	1,129,336	8,926,339
118,517	122,447	122,676	116,447	671,138	1,103,164	4,223,356
80,659	70,758	35,869	37,634	303,078	40,481	754,847
12,548	9,402	26,183	8,087	27,023	-	178,237
5,949	4,482	8,966	5,387	84,491	270,684	654,482
14,125	15,770	11,510	10,610	119,949	110,639	384,096
-	-	-	-	(30,100)	6,026	(24,074)
-	-	-	-	11,018	5,938	53,682
234,327	223,066	111,317	171,860	913,375	34,530	2,203,041
466,125	445,925	316,521	350,025	2,099,972	1,571,462	8,427,667
\$ (458,432)	\$ (438,232)	\$ (298,857)	\$ (345,216)	\$ (2,007,803)	\$ (442,126)	\$ 498,672



GEORGE MASON UNIVERSITY  
NOTES TO THE SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF  
INTERCOLLEGIATE ATHLETIC PROGRAMS  
AS OF JUNE 30, 2002

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Receipts and Disbursements of Intercollegiate Athletic Programs has been prepared on the cash basis of accounting. The purpose of the Schedule is to present a summary of cash basis receipts and disbursements of the University's Intercollegiate Athletic Programs for the year ended June 30, 2002 and includes only those intercollegiate athletic receipts and disbursements under the direct accounting control of the University. Because the Schedule presents only a selected portion of the University's activities, it is not intended to and does not present either the financial position, changes in financial position, or changes in cash flows for the year then ended. Disbursements are directly identifiable with each category presented and reported accordingly. Receipts, except for ticket sales/entry fees, are not allocated to each category and are reported in the "Administrative and General" and "Non-Program Specific" categories.

NOTE 2 – RELATED PARTY TRANSACTION

The Schedule does not include transactions of the Patriot Club of George Mason University Foundation, Inc. This Foundation was organized for fund-raising activities that either support the University or benefit specific schools within the University. The Foundation gave the University \$433,935 for athletic scholarships and other expenses during the fiscal year ended June 30, 2002.

GEORGE MASON UNIVERSITY  
Fairfax, Virginia

BOARD OF VISITORS

Edwin Meese III, Rector

W. Scott McGeary, Vice Rector

Horace Cooper, Secretary

David E. Anderson	Manuel H. Johnson
Mel Chaskin	Robert Scott LaRose
Sidney O. Dewberry	James C. Miller III
Edwin J. Feulner, Jr.	Leonard Pomata
Richard H. Fink	Gary J. Shapiro
Dorothy Gray	Sudhakar V. Shenoy
James Hazel	Hope Hamilton, Student representative
John Herrity	David Melia, Student representative

ADMINISTRATIVE OFFICERS

Alan G. Merten, President

Maurice W. Scherrens, Senior Vice President

Thomas O'Connor, Athletic Director

Jeanne Medford, Assistant Athletic Director for Finance