

GEORGE MASON UNIVERSITY

FAIRFAX, VIRGINIA

INTERCOLLEGIATE ATHLETIC PROGRAMS

FOR THE YEAR ENDED

JUNE 30, 1999

***AUDITOR OF
PUBLIC
ACCOUNTS***



COMMONWEALTH OF VIRGINIA

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UNIVERSITY OFFICIALS

February 11, 2000

The Honorable James S. Gilmore, III
Governor of Virginia

The Honorable Richard J. Holland
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, 1999, and have issued our unqualified report thereon dated February 11, 2000. At the request of the President of the University, we have also performed certain agreed-upon procedures as discussed below, to the University's Intercollegiate Athletic Programs for the fiscal year ended June 30, 1999, solely to assist the University in complying with National Collegiate Athletic Association (NCAA) Constitution 6.2.3.1. This review to apply agreed-upon procedures was performed in accordance with 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 (the Schedule) for the year ended June 30, 1999, 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 Athletic 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 analysis 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 athletic programs that constituted more than ten percent of the contributions so received. Except for contributions received from George Mason University Foundation, a booster 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 any of the accounts or items referred to above. In connection with the procedures referred to above, no matters come 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 athletic programs 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 athletic programs 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 athletic programs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. 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 Athletic 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 athletic programs. We reviewed the relationship

of internal control over intercollegiate athletic programs to the 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, 1999, 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 use of the George Mason 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

JHS:jld
jld:44

GEORGE MASON UNIVERSITY
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF
INTERCOLLEGIATE ATHLETIC PROGRAMS
For the Year Ended June 30, 1999

	Administrative and General	Men's Basketball	Women's Basketball	Men's Track
Operating receipts:				
University fee allocation	\$ 5,666,500	\$ -	\$ -	\$ -
Ticket sales & entry fees	-	178,079	13,951	-
Advertising	-	-	-	-
Other Sales/Services	242,809	-	-	-
NCAA Distribution of Revenue	-	10,056	-	-
Share of Arena Revenue	-	-	-	-
Gift - GMU Foundation	-	-	-	-
Total Operating Receipts	5,909,309	188,135	13,951	-
Operating disbursements:				
Personal services and fringe benefits	923,412	419,058	263,906	121,310
Travel, administrative and tem	53,839	29,339	46,971	43,669
Recruiting expenses	-	65,080	54,514	15,504
Contractual services	95,547	169,619	46,358	9,455
Supplies	22,994	48,204	15,316	8,324
Equipment	5,142	47,597	-	-
Current charges and obligations	34,292	-	84	-
Financial aid	-	258,192	230,043	227,374
Total Operating Disbursements	\$ 1,135,226	\$ 1,037,089	\$ 657,192	\$ 425,636

Deficiency of Receipts under Disbursements

Cash Deficit at Beginning of Year

Cash Deficit at End of Year

*Other includes baseball, golf, softball, lacrosse, tennis, trap and skeet, volleyball, wrestling, crew, invitationals, and tournaments

The accompanying Notes to the Schedules of Revenues and Expenditures of Intercollegiate Athletics Programs are an integral part of the Schedule.

Women's Track	Men's Soccer	Women's Soccer	Other Sports *	Non- Program Specific	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,666,500
-	4,896	3,403	51,770	2,200	254,299
-	-	-	-	83,530	83,530
-	-	-	-	6,469	249,278
-	-	-	-	175,199	185,255
-	-	-	-	546,216	546,216
-	-	-	-	267,500	267,500
-	4,896	3,403	51,770	1,081,114	7,252,578

128,981	116,982	101,754	470,380	958,965	3,504,748
61,974	30,574	39,993	243,754	46,062	596,175
20,904	13,141	12,084	28,319	-	209,546
5,730	5,385	4,075	75,065	288,399	699,633
15,057	3,036	4,841	60,868	82,245	260,885
-	2,063	-	41,004	23,466	119,272
-	-	-	9,898	7,361	51,635
276,400	172,161	170,011	731,865	45,012	2,111,058
\$ 509,046	\$ 343,342	\$ 332,758	\$ 1,661,153	\$ 1,451,510	7,552,952

(300,374)

(382,325)

\$ (682,699)

GEORGE MASON UNIVERSITY

NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES OF
INTERCOLLEGIATE ATHLETIC PROGRAMS

AS OF JUNE 30, 1999

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 Schedule's purpose is to present a summary of cash basis receipts and disbursements of the University's intercollegiate athletic programs (including amounts expended on behalf of the University by the George Mason University Foundation, Inc.) for the year ended June 30, 1999. 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 fund balances, or current funds revenues and other additions, expenditures, transfers and other deductions 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 - AFFILIATED ORGANIZATIONS

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. The Foundation gave the University \$267,500 for athletic scholarships during the fiscal year ended June 30, 1999.

GEORGE MASON UNIVERSITY
Fairfax, Virginia

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