

**GEORGE MASON UNIVERSITY
FAIRFAX, VIRGINIA**

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2001**

APA

**Auditor of
Public Accounts**

COMMONWEALTH OF VIRGINIA

AUDIT SUMMARY

Our audit of George Mason University for the year ended June 30, 2001, found:

- the financial statements are presented fairly, in all material respects;
- internal control matters that we consider reportable conditions; however, we do not consider these to be material weaknesses;
 - we recommend that George Mason University improve controls over the Small Purchase Charge Card Program.
 - we recommend that George Mason University replace the wet pipe sprinkler system in the Thompson Hall main computer lab with a system that is not destructive to the computer equipment.
 - we recommend that George Mason University strengthen controls over the Unicenter Security Management Application.
- no instances of noncompliance with applicable laws and regulations tested that we are required to report; and
- corrective action has been completed with respect to the audit finding reported in the prior year.

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UNIVERSITY OFFICIALS

March 22, 2002

The Honorable Mark R. Warner
Governor of Virginia

The Honorable Vincent F. Callahan
Chairman, Joint Legislative Audit
and Review Commission

The Board of Visitors
George Mason University

We have audited the accounts and records of **George Mason University** as of and for the year ended June 30, 2001, and submit herewith our complete reports on financial statements and compliance and internal controls.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the balance sheet of George Mason University, a component unit of the Commonwealth of Virginia, as of June 30, 2001, and the related statements of changes in fund balances and current fund revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of George Mason University as of June 30, 2001, and the changes in fund balances and current fund revenues, expenditures, and other changes for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The “Schedule of Auxiliary Enterprises – Revenues, Expenditures, and Transfers” is presented for the purpose of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, such information is fairly presented in all material respects in relation to the financial statements taken as a whole.

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of George Mason University as of and for the year ended June 30, 2001, we considered internal controls over financial reporting and tested compliance with certain provisions of laws, regulations, contracts, and grants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards. We also determined the status of the audit finding contained in our prior year report.

Compliance

As part of obtaining reasonable assurance about whether the University’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the University’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the section entitled “Internal Control Findings and Recommendations.”

We do not believe the reportable conditions are material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

Status of Prior Finding

The University has taken adequate corrective action with respect to the audit finding reported in the prior year.

Report Distribution and Exit Conference

The “Independent Auditor’s Report on Compliance and on Internal Control Over Financial Reporting” is intended solely for the use of the Governor and General Assembly, Board of Visitors, audit committee, and University management, 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. We discussed this report with management at an exit conference held on March 18, 2002.

AUDITOR OF PUBLIC ACCOUNTS

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INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

Improve Controls Over the Small Purchase Charge Card Program

The University has developed Small Purchase Charge Card policies and procedures to ensure that purchases are appropriate and that charge card statements are accurate. However, we found instances where staff were not following the procedures.

- Four of twelve cardholders tested did not use a purchasing log.
- Four of twelve cardholders tested did not include adequate documentation of credits or purchasing receipts. In addition, one employee failed to produce any receipts, log or cardholder statement for a month's purchases.
- Three employees had more than one charge card without proper reporting to the Department of Accounts.
- For five of the twelve employees reviewed, we found evidence that employees split some orders to circumvent cardholder transaction limits.

The University should strengthen procedures to ensure compliance with charge card purchasing policies put in place by the University and the Department of Accounts. Supervisors should carefully review cardholder purchases for propriety and compliance with policies and procedures. The University should provide additional training to those employees found in noncompliance with the University and State policies and procedures. The University should revoke duplicate cards to employees or provide adequate justification to Department of Accounts for all duplicate cards. Strengthening the internal controls over the Small Purchase Charge Card Program will reduce the risk of fraudulent charges and ensure purchases are proper.

Strengthen University Computer and Information Services' Computer Lab Preventive Maintenance Measures

A wet pipe sprinkler system protects the University's main computer lab in Thompson Hall, which exposes some of the University's most financially critical servers and routers to harm and destruction in the event of sprinkler activation. A leaky pipe or faulty sprinkler head could also destroy the University's valuable electronic assets.

We recommend that the University replace the wet pipe sprinkler system with a non-destructive fire suppression system to ensure that its critical computer systems do not incur unnecessary harm.

Strengthen Controls over University's Unicenter Security Management Application

The security program protecting the University's financial management and human resource systems, known as the Unicenter Security Management application, does not support the setting of parameters that identify and revoke inactive accounts. As a result of this deficiency, accounts that should be deleted due to changes in employee responsibilities, remain active indefinitely.

We recommend that the University establish compensating controls to identify inactive accounts and subsequently take action to revoke such accounts.

FINANCIAL STATEMENTS

GEORGE MASON UNIVERSITY
BALANCE SHEET
As of June 30, 2001

	Current Funds		
	Unrestricted	Restricted	Loan Funds
Assets:			
Cash and Cash Equivalents (Note 2A)	\$ 23,949,436	\$ 2,883,292	\$ 162,549
Investments (Notes 2B and 2C)	2,382,921	275,000	483,862
Investments - Treasurer of Virginia Trust Department (Note 2D)	1,592,682	-	-
Accounts Receivable - Students (Net of Allowance for Doubtful Accounts of \$147,806)	441,085	-	-
Other Accounts Receivable	297,453	-	-
Notes Receivable - Students, Faculty, and Staff (Net of Allowance for Doubtful Accounts of \$415,760) (Note 3)	-	-	2,647,837
Grants and Contracts Receivable	-	11,208,920	-
Appropriations Available	-	-	-
Due from Other Funds (Note 4)	82,318	-	-
Due from the Commonwealth	221,491	-	-
Interfund Receivables - Restricted Current Funds	3,000,000	-	-
Inventories	160,013	-	-
Land	-	-	-
Land Improvements	-	-	-
Buildings	-	-	-
Equipment	-	-	-
Library Books	-	-	-
Construction in Progress	-	-	-
Other Assets (Note 5)	1,315,724	-	-
Total Assets	\$ 33,443,123	\$ 14,367,212	\$ 3,294,248
Liabilities and Fund Balances:			
Liabilities:			
Vouchers Payable	\$ 5,432,343	\$ 1,612,234	\$ -
Retainage Payable (Note 6)	-	-	-
Advance from Commonwealth of Virginia	85,000	-	-
Accrued Salaries and Wages Payable	16,789,106	2,316,036	-
Other Payables	916,515	3,285	-
Deposits Held in Custody for Others	-	-	-
Installment Purchases Payable (Note 7)	-	-	-
Due to Other Funds (Note 4)	6,107,211	-	-
Interfund Payables - Unrestricted Current Funds	-	3,000,000	-
Payable for Collateral Held for Securities Lending (Note 2D)	1,592,682	-	-
Reversion to General Fund	-	44,820	-
Temporary Loans Payable (Note 8)	-	3,500,000	-
Notes Payable (Note 9)	-	-	-
Deferred Revenues	13,009,737	3,887,150	-
Revenue Bonds Payable (Note 10)	-	-	-
Capital Leases Payable (Note 11)	-	-	-
Accrued Liabilities - Compensated Absences	5,503,883	3,687	-
Total Liabilities	49,436,477	14,367,212	-
Fund Balances:			
Unrestricted Fund Balance (Deficit) (Note 12)	(15,993,354)	-	36,847
Restricted Fund Balance	-	-	520,502
U.S. Government Grants Refundable	-	-	2,736,899
Net Investment in Plant	-	-	-
Total Fund Balances	(15,993,354)	-	3,294,248
Total Liabilities and Fund Balances	\$ 33,443,123	\$ 14,367,212	\$ 3,294,248

The accompanying notes to financial statements are an integral part of this statement.

Plant Funds						
Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Agency Funds	Current Year Totals	Prior Year Totals
\$ 2,870,660	\$ 596,561	\$ -	\$ -	\$ 287,642	\$ 30,750,140	\$ 47,190,069
327,797	-	5,110	-	-	3,474,690	5,027,211
-	-	702	-	-	1,593,384	1,162,893
-	-	-	-	-	441,085	644,474
-	-	-	-	-	297,453	543,228
-	-	-	-	-	2,647,837	2,827,008
-	-	-	-	-	11,208,920	9,451,352
132,290	-	-	-	-	132,290	476,711
-	-	6,107,211	-	-	6,189,529	6,286,191
-	-	-	-	-	221,491	137,783
-	-	-	-	-	3,000,000	3,000,000
-	-	-	-	-	160,013	167,317
-	-	-	13,485,149	-	13,485,149	13,485,149
-	-	-	28,497,503	-	28,497,503	28,490,248
-	-	-	289,319,432	-	289,319,432	282,643,854
-	-	-	63,655,742	-	63,655,742	64,451,914
-	-	-	43,237,878	-	43,237,878	40,364,069
-	-	-	6,599,353	-	6,599,353	7,358,534
-	-	848,030	-	-	2,163,754	2,102,035
\$ 3,330,747	\$ 596,561	\$ 6,961,053	\$ 444,795,057	\$ 287,642	\$ 507,075,643	\$ 515,810,040

\$ 177,419	\$ -	\$ -	\$ -	\$ -	\$ 7,221,996	\$ 7,610,230
324,094	-	-	-	-	324,094	393,523
-	-	-	-	-	85,000	85,000
-	-	-	-	-	19,105,142	16,038,187
-	-	133,952	-	-	1,053,752	841,196
-	-	-	-	205,324	205,324	223,969
-	-	-	4,299,688	-	4,299,688	6,804,651
-	-	-	-	82,318	6,189,529	6,286,191
-	-	-	-	-	3,000,000	3,000,000
-	-	-	-	-	1,592,682	1,161,997
-	-	-	-	-	44,820	185,320
-	-	-	1,075,517	-	4,575,517	3,000,000
174,797	-	-	30,685,203	-	30,860,000	32,100,000
-	-	-	-	-	16,896,887	14,008,268
-	-	6,107,211	52,607,579	-	58,714,790	66,365,604
-	-	-	3,522,931	-	3,522,931	5,920,847
-	-	-	-	-	5,507,570	5,098,099
676,310	-	6,241,163	92,190,918	287,642	163,199,722	169,123,082

(148,607)	596,561	719,890	-	-	(14,788,663)	(9,531,796)
2,803,044	-	-	-	-	3,323,546	20,161,649
-	-	-	-	-	2,736,899	2,690,903
-	-	-	352,604,139	-	352,604,139	333,366,202

2,654,437	596,561	719,890	352,604,139	-	343,875,921	346,686,958
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\$ 3,330,747	\$ 596,561	\$ 6,961,053	\$ 444,795,057	\$ 287,642	\$ 507,075,643	\$ 515,810,040
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GEORGE MASON UNIVERSITY
STATEMENT OF CHANGES IN FUND BALANCES
For the year ended June 30, 2001

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Revenues and Other Additions:			
Unrestricted Current Funds Revenues	\$ 261,236,372	\$ -	\$ -
State Appropriations - Restricted (Net) (Note 13)	-	7,213,147	-
Federal Grants and Contracts - Restricted	-	71,440,171	-
State Grants and Contracts - Restricted	-	2,797,294	-
Local Grants and Contracts - Restricted	-	653,466	-
Private Gifts, Grants and Contracts - Restricted	-	18,645,590	-
Investment Income	-	-	18,958
Interest on Notes Receivable	-	-	49,944
U.S. Government Advances	-	-	108,721
Expended for Plant Facilities (including \$9,259,365 charged to current funds expenditures)	-	-	-
Retirement of Indebtedness (including \$1,112,307 charged to current funds expenditures)	-	-	-
Other Sources (Note 14)	-	-	-
Total Revenues and Other Additions	261,236,372	100,749,668	177,623
Expenditures and Other Deductions:			
Educational and General Expenditures	199,079,400	92,042,668	-
Auxiliary Enterprises Expenditures	52,505,890	41,242	-
Indirect Costs Recovered	-	6,643,456	-
Refunded to Grantors	66,262	135,565	-
Loan Cancellations and Write-offs	-	-	43,683
Administrative and Collection Costs	-	-	107,175
Expended for Plant Facilities (including non-capitalized expenditures of \$1,234,788)	-	-	-
Retirement of Indebtedness	-	-	-
Interest on Indebtedness	-	-	-
Disposal of Plant Facilities (Note 15)	-	-	-
Payments - Securities Lending	65,059	-	-
Other Expenditures and Deductions (Note 16)	-	-	-
Transfers to the Commonwealth of Virginia (Note 17)	9,590	-	-
Total Expenditures and Other Deductions	251,726,201	98,862,931	150,858
Transfers Among Funds - Additions/(Deductions):			
Mandatory: Principal and Interest	(15,043,241)	(384,773)	-
Mandatory: Loan Fund Matching Grant	(63,917)	36,583	27,334
Nonmandatory: (To)/From Other Funds	399,896	(1,538,547)	-
Total Transfers	(14,707,262)	(1,886,737)	27,334
Net Increase/(Decrease) for the Year	(5,197,091)	-	54,099
Fund Balance/(Deficit) at the Beginning of the Year	(10,796,263)	-	3,240,149
Fund Balance/(Deficit) at the End of the Year	\$ (15,993,354)	\$ -	\$ 3,294,248

The accompanying notes to financial statements are an integral part of this statement.

Plant Funds			
Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant
\$ -	\$ -	\$ -	\$ -
4,424,632	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
150,818	-	-	-
-	-	-	-
-	-	-	-
-	-	-	13,052,813
-	-	-	13,614,714
-	96,455	2,555,143	-
4,575,450	96,455	2,555,143	26,667,527
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
5,028,236	-	-	-
-	-	12,502,407	-
-	-	5,480,750	-
-	-	-	7,429,590
-	-	-	-
-	-	62,727	-
17,625,575	-	-	-
22,653,811	-	18,045,884	7,429,590
-	-	15,428,014	-
-	-	-	-
1,246,716	(108,065)	-	-
1,246,716	(108,065)	15,428,014	-
(16,831,645)	(11,610)	(62,727)	19,237,937
19,486,082	608,171	782,617	333,366,202
\$ 2,654,437	\$ 596,561	\$ 719,890	\$ 352,604,139

GEORGE MASON UNIVERSITY
STATEMENT OF CURRENT FUNDS, REVENUES, EXPENDITURES, AND OTHER CHANGES
For the Year Ended June 30, 2001
with Comparative Figures for the Year Ended June 30, 2000

	Current Year		Totals	Prior Year
	Unrestricted	Restricted		Totals
Current Revenues:				
Student Tuition and Fees (includes waived amount of \$4,809,269 current year, \$5,324,293 prior year)	\$ 74,366,859	\$ -	\$ 74,366,859	\$ 73,212,616
State Appropriations (net) (Note 18)	110,480,954	7,213,147	117,694,101	107,462,621
Federal Grants and Contracts	4,842,300	66,286,169	71,128,469	66,601,058
State Grants and Contracts	67,976	2,731,585	2,799,561	1,187,743
Local Grants and Contracts	38,717	614,722	653,439	536,172
Private Gifts, Grants and Contracts	1,721,186	15,586,477	17,307,663	17,790,756
Sales and Services of Educational Departments	327,817	-	327,817	329,963
Sales and Services of Auxiliary Enterprises	63,399,296	-	63,399,296	58,072,216
Proceeds - Securities Lending	67,644	-	67,644	42,220
Other Sources (Note 19)	5,923,623	-	5,923,623	5,363,036
Total Current Revenues	261,236,372	92,432,100	353,668,472	330,598,401
Current Expenditures and Mandatory Transfers:				
Educational and General:				
Instruction	109,847,300	9,788,826	119,636,126	108,696,628
Research	3,225,203	27,650,284	30,875,487	27,513,380
Public Service	1,264,725	2,645,479	3,910,204	3,325,785
Libraries	12,301,176	51,316	12,352,492	11,678,172
Other Academic Support	11,679,113	29,588	11,708,701	11,118,249
Student Services	10,393,556	117,394	10,510,950	9,894,080
Institutional Support	30,305,997	18,207	30,324,204	29,578,439
Operations and Maintenance of Plant	15,886,375	-	15,886,375	12,723,380
Scholarships and Fellowships	4,175,955	51,741,574	55,917,529	57,408,693
Total Educational and General Expenditures	199,079,400	92,042,668	291,122,068	271,936,806
Mandatory Transfers:				
Loan Fund Matching Grant	63,917	(36,583)	27,334	14,828
Principal and Interest	1,317,484	384,773	1,702,257	1,705,704
Total Educational and General	200,460,801	92,390,858	292,851,659	273,657,338
Auxiliary Enterprises:				
Operating Expenditures	52,505,890	41,242	52,547,132	46,587,675
Payments - Securities Lending	65,059	-	65,059	40,179
Mandatory Transfers: Principal and Interest	13,725,757	-	13,725,757	13,511,644
Total Auxiliary Enterprises	66,296,706	41,242	66,337,948	60,139,498
Total Expenditures and Mandatory Transfers	266,757,507	92,432,100	359,189,607	333,796,836
Other Additions/(Deductions) and Transfers:				
Excess of Restricted Receipts Over Transfers to Revenue	-	1,674,112	1,674,112	887,148
Refunded to Grantors	(66,262)	(135,565)	(201,827)	(156,052)
Nonmandatory Transfers: (To)/From Other Funds	399,896	(1,538,547)	(1,138,651)	(891,984)
Reversion to the General Fund of the Commonwealth	(9,590)	-	(9,590)	-
Total Additions/(Deductions) and Transfers	324,044	-	324,044	(160,888)
Net Increase (Decrease) in Fund Balances	\$ (5,197,091)	\$ -	\$ (5,197,091)	\$ (3,359,323)

The accompanying notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

GEORGE MASON UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of George Mason University have been prepared in accordance with generally accepted accounting principles for colleges and universities. The significant accounting policies followed by the University are as follows:

A. Reporting Entity

For financial reporting purposes, George Mason University includes all funds and account groups over which the University exercises or has the ability to exercise oversight authority. Consistent with past practice and Governmental Accounting Standards Board (GASB) statement number 14, *The Reporting Entity*, component unit financial data that is outside the control of the University is not included in these financial statements. A separate report is prepared for the Commonwealth of Virginia that includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority. The University is a component unit of the Commonwealth of Virginia and is included in the general-purpose financial statements of the Commonwealth.

B. Basis of Accounting

The financial statements of George Mason University have been prepared on the accrual basis except for depreciation accounting as explained in subsection F below. The Statement of Current Funds Revenues, Expenditures and Other Changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations nor the net income or loss for the period, as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures in the case of normal replacement of movable equipment and library books; (2) mandatory transfers in the case of required provisions for debt amortization, interest and equipment renewal and replacement; and (3) nonmandatory transfers for all other cases.

C. Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the institution, the accounts of the institution are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Current Funds - Current fund balances are separated into those that are restricted by donors and those that are unrestricted. Restricted funds may only be expended for the purpose indicated by the donor or grantor, whereas unrestricted funds are available for current operations at the discretion of the institution.

Loan Funds - Loan funds represent funds that are limited by the terms of their donors or by action of the Board of Visitors for the purpose of making loans to students, faculty and staff.

Plant Funds - Plant funds are divided into four groups: Unexpended, Renewals and Replacements, Retirement of Indebtedness, and Investment in Plant.

The Unexpended plant fund represents resources that are specified by external sources or designated by the Board of Visitors for the acquisition, construction, renovation, and replacement of physical properties.

The Renewals and Replacements fund includes resources held for maintenance, repair, renovation, and replacement of plant facilities.

The Retirement of Indebtedness fund is for the retirement of both principal and interest on debt established under bond indentures.

Investment in Plant represents the capitalized value of physical property and software licenses owned by the University, along with any associated debt.

Agency Funds - Agency funds consist of funds held by the institution as a custodian for others.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the governing board. Externally restricted funds may only be used in accordance with the purposes established by the source of such funds, and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any institutional purpose.

All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the fund, which owned such assets. Ordinary income derived from investments, receivables, and the like is also accounted for in the fund owning such assets.

All other unrestricted revenue is accounted for in the unrestricted current fund. Restricted gifts, grants, appropriations, and other restricted resources are accounted for in the appropriate restricted funds. Restricted current funds are reported as revenues and expenditures when expended for current operating purposes.

D. Investments

Investments are recorded at fair market value.

E. Inventories

Consistent with prior years, inventories of expendable supplies held for consumption are valued at moving average. Similarly, inventories of computers and related items for resale to students, faculty, and staff are valued on a first-in, first-out basis.

F. Investment in Plant

Property, plant and equipment in the Investment in Plant fund are valued at historical cost or estimated historical cost. Donated property, plant and equipment are carried at estimated market value at the date of contribution. Depreciation on these items is not recorded.

G. Deferred Revenue

Deferred revenue represents monies collected but not earned as of June 30, 2001. Unrestricted deferred revenue is primarily composed of receipts of student tuition collected in advance of the semester. For programs conducted over a fiscal year end, deferred revenue is recorded for all receipts related to those programs predominately conducted in the next fiscal year.

Restricted deferred revenue represents advance payments from sponsored programs in advance of related expenditures.

H. Accrued Compensated Absences

The amount of leave earned but not taken by salaried employees and administrative faculty members is recorded as a liability. The amount reflects, as of June 30, 2001, all unused vacation leave and the amount of sick leave payable upon termination under the Commonwealth of Virginia's sick leave pay out policy. The applicable share of employer related taxes payable on eventual termination payments is also included.

2. CASH AND INVESTMENTS

A. Cash and Cash Equivalents

Cash totaling \$29,105,502 consists of funds on deposit with the Treasurer of Virginia, and invested and collateralized in accordance with the requirements of the Code of Virginia as disclosed in the Comprehensive Annual Financial Report of the Commonwealth of Virginia. In addition, cash totaling \$1,644,638 is held in local accounts not maintained by the Treasurer of Virginia, but has been collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.1-359 et seq., Code of Virginia.

B. Short-Term Investments

The investment policy of the University is established by the Board of Visitors and monitored by the Finance Committee of the Board. The University's investments as of June 30, 2001, are categorized by levels of credit risk as follows: Category one includes investments which are insured or registered securities, or securities held by the University or its agent in the University's name. Category two includes uninsured and unregistered

investments with securities held by the broker's or dealer's trust department or safekeeping agent in the University's name. Category three includes uninsured or unregistered investments with securities held by the broker or dealer, or by its trust department or safekeeping agent, but not in the University's name. The University has no investments in Categories one and three.

	<u>Category Two</u>	<u>Cost</u>	<u>Fair Market Value</u>
U. S. Government Securities	\$ 683,287	\$ 683,287	694,449
Repurchase Agreements	<u>2,172,007</u>	<u>2,172,007</u>	<u>2,172,334</u>
Noncategorized:			
Investments Held with SNAP*		332,907	\$ 332,907
 Total Investments	 <u>\$2,855,294</u>	 <u>\$3,188,201</u>	 <u>\$3,199,690</u>

* State Non-Arbitrage Program

C. Short-Term Investments – Restricted

The \$275,000 shown represents funds with an agent which were provided by the federal government under a challenge grant program.

D. Investments with the Treasurer of Virginia

The University maintains cash with the Treasurer of Virginia in the State Treasurer's General Account. The Treasurer used this General Account cash to purchase investments that have been loaned out under the securities lending program. The securities on loan are reported as Cash with the Treasurer of Virginia. Cash reinvestments are reported as Investments with the Treasurer of Virginia and loaned securities, for which the collateral is reported on the balance sheet, are not categorized as to custodial credit risk. At June 30, 2001, the University's share of securities on loan had a carrying value of \$1,592,682. The University also maintains investments of \$702 with the Department of Treasury Trust Office that are invested in the State Non-Arbitrage Program. Information related to the credit risk of these investments and securities lending transactions held in the General Account is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

3. NOTES RECEIVABLE

Notes Receivable consists primarily of Perkins loans to students.

4. DUE FROM AND DUE TO OTHER FUNDS

A. Retirement of Indebtedness

The amount shown represents accrued interest (amortized discount) of \$6,107,211 associated with capital appreciation revenue bonds issued in fiscal year 1989.

B. Agency Funds

The amount shown represents funds withheld for the employee share of health care expense during the three summer months not included in payroll for those employees paid on a nine-month pay scale.

5. OTHER ASSETS

A. Current Unrestricted Funds

The amount shown primarily represents prepaid insurance and rent expenditures of \$816,596 and \$485,699, respectively.

B. Retirement of Indebtedness

The amount shown represents (1) bond discount and issuance costs net of amortization for 9(c) revenue bonds sold after 1992 of \$190,361; (2) bond discount and issuance costs net of amortization for 9(d) revenue bonds sold in fiscal year 1995 of \$126,784; and (3) financing costs net of amortization of \$530,885 that are associated with the issuance of promissory notes payable.

6. RETAINAGE PAYABLE

At June 30, 2001, \$324,094 was held by George Mason University as retainage on various contracts for work that had been performed. The retainage will be remitted to the various contractors upon satisfactory completion of the projects.

7. INSTALLMENT PURCHASES PAYABLE

George Mason University has entered into various installment purchase contracts to finance the acquisition of computer software site licenses, equipment for a fiber optic network, photocopiers, and other equipment. The remaining length of the purchase agreements ranges from one to five years and the interest rate ranges up to 6.25 percent. Principal and interest payments on these commitments for fiscal years subsequent to June 30, 2001 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 1,779,322	\$ 227,287	\$ 2,006,609
2003	1,112,039	132,261	1,244,300
2004	1,160,878	65,339	1,226,217
2005	231,249	7,663	238,912
2006	<u>16,200</u>	<u>81</u>	<u>16,281</u>
Totals	<u>\$ 4,299,688</u>	<u>\$ 432,631</u>	<u>\$ 4,732,318</u>

8. TEMPORARY LOANS PAYABLE

In current funds a temporary non-interest bearing loan of \$3,500,000, authorization number 2001-A14, was provided for the operation of sponsored programs. The balance is to be repaid from reimbursements by sponsors or grantors. In plant funds a construction loan of \$1,075,517 was provided for residence hall V, which will be repaid upon on the sale of revenue bonds.

9. VCBA NOTES PAYABLE

The University entered into two promissory notes with the Virginia College Building Authority (VCBA). The first note payable issued in September 1997 was to finance the construction of the aquatic center located on the Fairfax campus and the Freedom Aquatic Center with adjacent parking lot located on the Prince William campus. The remaining principal amount of \$26,860,000 with an interest rate ranging from 3.75 percent to 5.00 percent is to be paid semi-annually as provided in the VCBA's \$55,765,000 Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 1997A. The second note payable issued in October 1999 was to finance the construction of the parking garage expansion on the Fairfax campus. The remaining principal amount of \$4,000,000 with an interest rate ranging from 4.50 percent to 6.00 percent is to be paid semi-annually as provided in the VCBA's \$71,200,000 Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 1999A. The University is required to pay the annual debt service on the 9(d) general revenue bonds issued by VCBA for the purchase of the promissory notes. The final principal payments are due in September 2017 and September 2019, respectively.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 1,320,000	\$ 1,476,182	\$ 2,796,182
2003	1,370,000	1,418,622	2,788,622
2004	1,430,000	1,353,360	2,783,360
2005	1,495,000	1,293,568	2,788,568
2006	1,565,000	1,225,003	2,790,003
2007-2020	<u>23,680,000</u>	<u>8,150,990</u>	<u>31,830,990</u>
Totals	<u>\$ 30,860,000</u>	<u>\$ 14,917,725</u>	<u>\$ 45,777,725</u>

<u>Bond Title</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Bond Term</u>	<u>Final Payment Due</u>	<u>Balance Outstanding at June 30, 2001</u>
Fairfax Swimming Pool	1997	\$10,340,000	3.75 to 5.0%	20 Years	2017	\$ 9,320,000
Prince William Freedom Aquatic Center	1997	17,325,000	3.75 to 5.0%	20 Years	2017	16,120,000
Prince William Parking	1997	1,915,000	3.75 to 5.0%	20 Years	2017	1,420,000
Fairfax Parking Garage Expansion	1999	<u>4,100,000</u>	4.5 to 6.0%	20 Years	2019	<u>4,000,000</u>
Total		<u>\$33,680,000</u>				<u>\$ 30,860,000</u>

10. BONDS PAYABLE

A. Revenue Bonds

George Mason University bonds are issued pursuant to Section 9 of Article X of the Constitution of Virginia. Section 9(c) bonds are backed by the full faith, credit, and taxing power of the Commonwealth, and are issued to finance capital projects which, when completed, are expected to generate revenue to repay the debt. Conversely, section 9(d) bonds are exclusively the limited obligations of the University to be repaid from pledged general revenues and other funds generated by the University. Net proceeds from the sale of revenue bonds are required to be invested in the Virginia State Non-Arbitrage program. GASB statement number 31 deems this participation to be involuntary. In 1995, the University issued \$4,355,000 of Section 9(d) bonds with interest rates ranging from 5.20 percent to 6.37 percent to finance the construction of the Krasnow Institute for Advanced Study. The Krasnow Foundation has deposited funds with the George Mason University Foundation, which will be used to reimburse the University for the debt service payments the latter is obligated to make.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 8,739,954	\$ 2,504,712	\$ 11,244,666
2003	7,169,717	2,147,368	9,317,085
2004	6,794,125	1,873,459	8,667,584
2005	6,965,116	1,616,563	8,581,679
2006	5,194,875	1,262,467	6,457,342
<u>2007-2016</u>	<u>27,453,171</u>	<u>4,991,136</u>	<u>32,444,307</u>
Totals	<u>\$ 62,316,958</u>	<u>\$ 14,395,705</u>	<u>\$ 76,712,663</u>
Less:			
Unamortized			
Discount	<u>(3,602,168)</u>		
Total Revenue Bonds			
Payable	<u>\$ 58,714,790</u>		

B. The following schedule describes each of the bonds outstanding:

<u>Bond Title</u>	<u>Year Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Bond Term</u>	<u>Final Payment Due</u>	<u>Balance Outstanding at June 30, 2001</u>
<u>9 (c) Revenue Bonds</u>						
Residence Halls I	1983	\$7,950,000	5.0 to 5.6%	20 Years	2002	\$ 720,137
Field House	1983	4,905,000	5.0 to 5.6%	20 Years	2002	447,144
University Union	1983	6,750,000	5.0 to 5.6%	20 Years	2002	616,587
P. E. III Arena	1985	12,750,000	5.0 to 5.9%	20 Years	2005	4,354,849
Parking Lot VIII	1984	840,000	3.6 to 6.3%	20 Years	2004	228,743
Parking Lot IX	1985	840,000	5.0 to 5.9%	20 Years	2005	291,350
Parking Lot X	1986	525,000	3.6 to 4.75%	20 Years	2006	196,891
Residence Halls II	1985	2,000,000	5.0 to 5.9%	20 Years	2005	693,459

Residence Halls II Security Information Building	1986	6,030,000	3.6 to 4.75%	20 Years	2006	2,301,973
Humanities III	1989	9,400,000	6.5 to 6.7%	20 Years	2009	5,259,243
Residence Halls III	1989	10,697,600	6.4 to 6.7%	20 Years	2009	5,985,242
Residence Halls IV	1990	11,145,000	3.6 to 8.4%	20 Years	2010	7,038,902
Parking Structure	1992	5,045,000	4.8 to 6.2%	10 Years	2003	1,230,000
Student Union II Addition	1992	2,535,000	3.5 to 5.5%	20 Years	2012	1,769,147
University Center	1993	21,460,000	3.75 to 5.25%	20 Years	2015	16,970,000
Telecommunications	1994	3,770,000	6.0 to 6.6%	10 Years	2005	1,775,000
Prince William Site and Parking	1995	2,115,000	4.6 to 4.75%	10 Years	2006	1,175,000
Arlington Parking Garage	1998	<u>1,915,000</u>	3.5 to 4.2%	10 Years	2008	<u>1,410,000</u>
Total		<u>110,997,600</u>				<u>52,579,790</u>
<u>9 (d) General Revenue Bonds</u>						
Krasnow Institute for Advanced Study	1995	4,355,000	5.2 to 6.375%	20 Years	2016	3,675,000
Warehouse	1995	<u>2,905,000</u>	5.2 to 6.375%	20 Years	2016	<u>2,460,000</u>
Total		<u>7,260,000</u>				<u>6,135,000</u>
Total Bonds Payable		<u>\$118,237,600</u>				<u>\$58,714,790</u>

C. Changes in Bonds Payable

During the year ended June 30, 2001, the following changes occurred in bonds payable:

	Balance Outstanding at June 30, 2000	Principal Reductions	Balance Outstanding at June 30, 2001
9 (c) Revenue Bonds	\$ 59,980,604	\$ 7,400,814	\$ 52,579,790
9 (d) Revenue Bonds	<u>6,385,000</u>	<u>250,000</u>	<u>6,135,000</u>
Total Bonds Payable	<u>\$ 66,365,604</u>	<u>\$ 7,650,814</u>	<u>\$ 58,714,790</u>

D. Commonwealth Bond Obligations

Commonwealth of Virginia Educational Institutions bonds, 9(b) general obligation bonds, were approved by voter referendum in the November 1992 general election. The bond liability is assumed by the Commonwealth of Virginia and is not reflected as a liability of the University.

In December 1996, Virginia College Building Authority issued \$53,160,000 in Educational Facilities Revenue bonds for the 21st Century College Program. The bond liability is assumed by the Commonwealth of Virginia and is not reflected as a liability of the University.

Chapter 924 of the 1997 Acts of the General Assembly authorized the Virginia Public Building Authority to provide \$500,000 for capital costs related to the University's construction of the Prince William Auditorium from the excess bond proceeds of the Authority. The bond liability is assumed by the Commonwealth of Virginia and is not reflected as a liability of the University.

H. Prior Year Bond Defeasance

The Commonwealth of Virginia, on behalf of the University, issued bonds in previous fiscal years for which the proceeds were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on other debt. The bonds representing that debt are therefore considered defeased. Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in the University's financial statements. On June 30, 2001, \$18,268,499 of bonds outstanding was considered defeased.

11. CAPITAL LEASES PAYABLE

George Mason University participates in the equipment trust fund program through the Virginia College Building Authority. The fund created by the Commonwealth of Virginia allows colleges and universities to acquire new equipment through capital leases with the Authority. The University makes annual payments to repay its portion of the bonds issued by the Commonwealth. Principal and interest payments on these leases for fiscal years subsequent to June 30, 2001 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 2,324,387	\$ 167,704	\$ 2,492,091
2003	<u>1,198,544</u>	<u>56,931</u>	<u>1,255,475</u>
Totals	<u>\$ 3,522,931</u>	<u>\$ 224,635</u>	<u>\$ 3,747,566</u>

12. UNRESTRICTED FUND BALANCE – DEFICIT

The \$15,993,354 deficit in Current Unrestricted Funds is the result of the accrual of vouchers payable, salaries and wages, and compensated absences.

13. STATE APPROPRIATIONS

Current restricted fund appropriations consist of Commonwealth of Virginia supported student financial aid programs plus other smaller state grants. State appropriations are reported net of reversions of \$44,820.

14. OTHER REVENUE SOURCES - RETIREMENT OF INDEBTEDNESS

The amount shown represents resources made available by the Commonwealth to pay the annual installment on the University's capital lease obligation for purchase of Equipment Trust Fund equipment.

15. DISPOSAL OF PLANT FACILITIES

Equipment reductions consisted of removals due to surplus and other adjustments of \$6,743,161. In addition, library books totaling \$686,429 were disposed.

16. OTHER DEDUCTIONS – RETIREMENT OF INDEBTEDNESS

The amount shown represents \$37,375 resulting from the annual amortization of bond discount and issuance costs for revenue bonds sold after 1992 and a reduction in bond issuance costs of \$25,352.

17. REVERSIONS TO THE COMMONWEALTH OF VIRGINIA

On February 24, 2001, the Governor issued Executive Order (#74) placing a moratorium on spending of general fund appropriations for capital outlay projects not already under contract. Therefore, all unspent general fund appropriations for the following Unexpended Plant Funds projects were reverted to the Commonwealth and are shown as reversions to the Commonwealth of Virginia on the Statement of Changes in Fund Balances:

Academic IV	\$ 15,458,182
Arlington Phase II	1,910,303
Arlington Renovations	244,035
Other	<u>13,055</u>
Total	<u>\$ 17,625,575</u>

18. STATE APPROPRIATIONS—CURRENT UNRESTRICTED FUNDS

George Mason University receives appropriations from the General Fund of the Commonwealth. The Appropriation Act specifies that such unexpended appropriations shall revert, as specifically provided by the General Assembly, at the end of a biennium. For years ending at the middle of a biennium, unexpended appropriations that have not been approved for reappropriation in the next year by the Governor become part of the General Fund of the Commonwealth and are, therefore, no longer available to the University for disbursements. The following is a summary of General Fund appropriations received by the institution including all supplemental appropriations and reversions.

Original Appropriation		\$ 109,695,489
Plus:		
Health insurance	\$ 676,634	
Salary increase	581,660	
Deferred compensation match	<u>569,978</u>	
Total additions		1,828,272
Less:		
VRS rate decrease	532,193	
Health credit reduction	441,726	
Gas and power adjustment	21,686	
Auto liability premium holiday	13,624	
Indemnity bond premium holiday	3,578	
Other	<u>30,000</u>	
Total reductions		<u>1,042,807</u>
Final appropriation		<u>\$ 110,480,954</u>

19. OTHER SOURCES

This consists of conference services reported as public service revenue, administrative fees, interest, library fines, facility rentals, recycling revenues, and other minor sources of revenue.

20. COMMITMENTS

A. Operating Leases

George Mason University is committed under various operating leases for rental of off-campus facilities. The leases are for one to five year terms and the University has no automatic renewal options. In most cases, the University expects that, in the normal course of business, similar leases will replace these leases. Facility rental expenses for the fiscal year ended June 30, 2001, were \$1,503,464. The University had, as of June 30, 2001, the following total future minimum rental payments due under the above leases:

<u>Fiscal Years</u>	<u>Minimum Rental Payments</u>
<u>Ended</u>	
2002	\$ 1,958,256
2003	1,880,378
2004	1,858,842
2005	1,596,957
2006	<u>1,018,594</u>
Total	<u>\$ 8,313,027</u>

B. Construction

Outstanding commitments for capital outlay projects that were under construction at June 30, 2001, were \$1,530,637.

21. RETIREMENT AND PENSION SYSTEMS

A. Virginia Retirement System (VRS)

Substantially all full-time classified salaried employees of George Mason University participate in the defined benefit retirement plan administered by VRS. Information relating to this plan is only available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report. Because the employees of the University are also employees of the Commonwealth, the Commonwealth of Virginia and not the University has the overall responsibility for contributions to this plan.

B. Optional Retirement Plans

Most full-time faculty and certain administrative staff participate in one of five optional retirement plans. Individuals may participate in the retirement annuity program through TIAA/CREF Insurance Companies rather than the VRS. This is a fixed-contribution program where the retirement benefits received are based upon the employer's 10.4 percent contribution plus interest and dividends. The employee is not required to make contributions to the program. Individual contracts issued under the plan provide for full and immediate vesting of the University's contributions. Other optional retirement plans are fixed contribution programs where the retirement benefits received are based on the employer's contributions plus interest and dividends. As with VRS, the employees' contributions are assumed by the employer. Total pension costs under these plans were approximately \$7,200,478 and \$6,622,892 for years ended June 30, 2001 and 2000, respectively. Contributions to the TIAA/CREF Insurance Companies were calculated using the base salary of approximately \$68,678,769 and \$63,010,069 for fiscal years 2001 and 2000. The University's total payroll for fiscal years 2001 and 2000 was approximately \$164,672,052 and \$151,984,742, respectively. The following schedule summarizes the cost and participation in the five optional retirement plans.

<u>Optional Retirement Plans</u>	<u>Retirement Pension Cost</u>	<u>Plan's Covered Payroll</u>	<u>Contribution Percentage</u>
TIAA-CREF*	\$ 5,529,627	\$ 52,786,534	10.5%
Fidelity Investments	1,284,785	12,206,573	10.5%
T. Rowe Price	200,314	1,911,140	10.5%
VALIC**	122,459	1,177,487	10.4%
Great West Life	46,117	443,441	10.4%
Metropolitan Life	17,176	153,594	11.2%

Total Payroll: \$164,672,052

*Teachers Insurance and Annuity Association/College Retirement Equities Fund

**Variable Annuity Life Insurance Company

22. POST-RETIREMENT BENEFITS

The Commonwealth participates in the VRS administered statewide group life insurance program which provides post employment life insurance benefits to eligible retired and terminated employees. The Commonwealth also provides health care credits against the monthly health insurance premiums of its retirees who have at least 15 years of service and participate in the State health plan. Information related to these plans is available at the statewide level in the Commonwealth's Comprehensive Annual Financial Report.

23. GEORGE MASON UNIVERSITY FOUNDATION, INC.

The George Mason University Foundation, Inc., is a private 501(c)(3) tax-exempt nonprofit corporation operated exclusively to receive support for the benefit of the university. Gifts to the George Mason University Foundation provide support for faculty recruitment and retention, academic and athletic scholarships, resources for libraries, laboratory equipment, and operating support for academic departments.

Assets of George Mason University Foundation Inc., which is separately incorporated and managed by an independent Board of Trustees, are not included in these financial statements. The following table summarizes the financial position of the Foundation at June 30, 2001, taken from the Foundation's audited financial statements.

Assets	<u>\$ 96,884,969</u>
Liabilities	\$ 24,374,999
Net Assets	<u>72,509,970</u>
Total	<u>\$ 96,884,969</u>

Revenues totaling \$24,682,819 included approximately \$1,029,000 from the University for rent. Expenses totaled \$13,862,728.

24. STUDENT LOAN FUNDS

The University makes loans to qualified needy students from the Commonwealth of Virginia Student Loan Fund. During the fiscal year, the University collected \$8,933 in repayments on outstanding loans. At June 30, 2001, the State Student Loan Fund had a balance of \$166,141 in cash and \$35,006 in loans outstanding.

25. RISK MANAGEMENT AND EMPLOYEE HEALTH CARE PLANS

The University is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; non-performance of duty; injuries to staff; and natural disasters. The University participates in insurance plans maintained by the Commonwealth of Virginia. The state employee health care and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division on Risk Management. Risk management

insurance includes property, general liability, faithful performance of duty bond, automobile, and air and watercraft plans. The University pays premiums to each of these departments for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth's Comprehensive Annual Financial Report.

26. PENDING GASB STATEMENT

Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, issued November 1999, will be effective for George Mason University for the fiscal year ending June 30, 2002. This Statement imposes new standards for financial reporting. The titles and formats of the financial statements will change significantly as a result of this Statement. In addition, management will be required to provide a management's discussion and analysis that gives readers an analysis of the University's overall financial position and results of operations including a comparison of current year results with the prior year. The University has completed its assessment of the changes required by this Statement and is preparing for implementation.

SUPPLEMENTARY INFORMATION

GEORGE MASON UNIVERSITY
SCHEDULE OF AUXILIARY ENTERPRISES- REVENUES,
EXPENDITURES, AND TRANSFERS
For the year ended June 30, 2001

	Administration	Campus Access	Computer Store	Fairfax Swimming Pool
Revenues:				
Sales and Services	\$ 805,065	\$ 3,651,425	\$ 2,205,419	\$ 834,905
Room	-	-	-	-
Board	-	-	-	-
Fees and Fines	-	426,838	-	-
Interest	1,018,848	-	-	-
Gifts	-	-	-	-
Other	-	-	-	-
Total Revenues	1,823,913	4,078,263	2,205,419	834,905
Expenditures:				
Personal Services	727,084	21,638	177,155	786,919
Fringe Benefits	145,192	1,234	33,367	89,825
Contractual Services	179,914	2,367,191	8,567	107,365
Supplies	71,326	4,275	88,270	186,416
Merchandise for Resale	-	-	2,065,270	-
Equipment	2,953	-	-	10,520
Current Charges	2,557,804	120,075	21,601	185,176
Scholarships	429,636	-	-	-
Miscellaneous	6,608	11	-	-
Total Expenditures	4,120,517	2,514,424	2,394,230	1,366,221
Transfers:				
Mandatory:				
Retirement of Debt	(255,640)	(1,963,428)	-	(805,258)
Non-Mandatory:				
Student Fees	1,933,684	-	-	1,477,044
Auxiliary Enterprise Reserves	(11,820)	11,820	-	-
Plant Funds	-	(185,307)	-	-
Intrafund	(62,708)	-	-	-
Total Transfers	1,603,516	(2,136,915)	-	671,786
Net Increase (Decrease) for Year	(693,088)	(573,076)	(188,811)	140,470
Balance (Deficit) at Beginning of Year	81,228	7,121	(14,882)	(56,934)
Balance (Deficit) at End of Year	\$ (611,860)	\$ (565,955)	\$ (203,693)	\$ 83,536

Freedom Aquatic and Fitness Center	Hemlock Overlook and Bull Run Marina	Institute of the Arts	Intercollegiate Athletics	Meal Plan	Patriot Center
\$ 2,866,162	\$ 1,154,662	\$ 1,845,653	\$ 1,150,998	\$ -	\$ 623,728
-	-	-	-	-	-
-	-	-	-	4,589,571	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	83,000	-	-
1,393,293	-	-	-	-	-
4,259,455	1,154,662	1,845,653	1,233,998	4,589,571	623,728
1,750,328	771,105	1,521,558	3,228,129	-	-
243,808	98,956	281,506	791,084	-	-
235,153	273,593	2,342,759	1,529,706	4,443,493	142,820
357,456	93,983	345,643	512,110	-	22,705
-	-	-	-	-	-
33,958	5,636	432,024	127,072	-	224,204
427,412	59,404	102,502	64,687	-	211,515
-	-	-	2,021,493	-	-
6,591	1,370	-	6,044	-	212
3,054,706	1,304,047	5,025,992	8,280,325	4,443,493	601,456
(1,400,106)	-	(784,348)	-	-	(1,267,440)
21,211	-	3,028,500	6,158,300	-	1,622,300
-	-	-	-	-	-
-	-	-	-	-	-
20,111	-	14,696	786,951	(52,200)	(591,730)
(1,358,784)	-	2,258,848	6,945,251	(52,200)	(236,870)
(154,035)	(149,385)	(921,491)	(101,076)	93,878	(214,598)
(8,770)	(17,242)	(1,879,697)	(1,209,828)	180,685	2,014,654
\$ (162,805)	\$ (166,627)	\$ (2,801,188)	\$ (1,310,904)	\$ 274,563	\$ 1,800,056

GEORGE MASON UNIVERSITY
SCHEDULE OF AUXILIARY ENTERPRISES- REVENUES,
EXPENDITURES, AND TRANSFERS
For the year ended June 30, 2001

	Print Services	Recreational Sports Complex	Student Activities	Student Fees
Revenues:				
Sales and Services	\$ 1,840,081	\$ 97,693	\$ 1,087,838	\$ 726,837
Room	-	-	-	-
Board	-	-	-	-
Fees and Fines	-	-	-	23,227,820
Interest	-	-	-	-
Gifts	-	-	-	-
Other	-	-	-	-
Total Revenues	1,840,081	97,693	1,087,838	23,954,657
Expenditures:				
Personal Services	737,441	831,638	1,285,029	-
Fringe Benefits	125,886	157,001	212,668	-
Contractual Services	401,148	569,793	1,342,716	-
Supplies	295,761	233,130	294,631	-
Merchandise for Resale	-	-	-	-
Equipment	43,577	121,775	13,909	-
Current Charges	267,168	195,294	77,078	-
Scholarships	-	-	-	726,837
Miscellaneous	612	1,177	41,284	-
Total Expenditures	1,871,593	2,109,808	3,267,315	726,837
Transfers:				
Mandatory:				
Retirement of Debt	-	(475,182)	-	-
Non-Mandatory:				
Student Fees	-	2,137,600	2,231,000	(23,328,855)
Auxiliary Enterprise Reserves	-	-	-	-
Plant Funds	-	(6,172)	-	-
Intrafund	-	(104,503)	(22,664)	-
Total Transfers	-	1,551,743	2,208,336	(23,328,855)
Net Increase (Decrease) for Year	(31,512)	(460,372)	28,859	(101,035)
Balance (Deficit) at Beginning of Year	(458,267)	1,951,193	340,284	95,137
Balance (Deficit) at End of Year	\$ (489,779)	\$ 1,490,821	\$ 369,143	\$ (5,898)

Student Housing	Student Services	Student Unions	Telecom- munications	Other	Total
\$ -	\$ 569,044	\$ 2,479,235	\$ 200,150	\$ 6,933	\$ 22,145,828
10,516,693	-	-	-	-	10,516,693
-	-	-	-	-	4,589,571
-	-	-	-	-	23,654,658
-	-	-	-	-	1,018,848
-	-	-	-	-	83,000
-	-	-	-	(10)	1,393,283
10,516,693	569,044	2,479,235	200,150	6,923	63,401,881
499	725,047	1,059,930	283,087	-	13,906,587
-	163,716	256,791	69,384	-	2,670,418
4,592,746	39,608	629,645	(661,484)	(185)	18,544,548
42,338	79,806	253,997	25,335	-	2,907,182
-	-	-	-	-	2,065,270
195,269	6,780	18,278	91,856	-	1,327,811
1,883,212	411,550	939,739	9,301	-	7,533,518
307,689	70	-	-	-	3,485,725
(44)	-	11	955	-	64,831
7,021,709	1,426,577	3,158,391	(181,566)	(185)	52,505,890
(3,367,165)	-	(2,589,125)	(818,065)	-	(13,725,757)
-	911,916	2,978,400	828,900	-	-
-	-	-	-	-	-
-	-	(944,850)	-	-	(1,136,329)
-	-	9,726	-	-	(2,321)
(3,367,165)	911,916	(545,849)	10,835	-	(14,864,407)
127,819	54,383	(1,225,005)	392,551	7,108	(3,968,416)
(3,265,173)	152,161	2,554,492	(264,223)	8,376	210,315
\$ (3,137,354)	\$ 206,544	\$ 1,329,487	\$ 128,328	\$ 15,484	\$ (3,758,101)

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Fairfax, Virginia

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