



2005 **NCAA**
MEMBERSHIP REPORT



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A Message from **Myles Brand**

NCAA PRESIDENT

Celebrate the student-athlete!

You will hear that theme repeated often in 2006. It is the theme of the NCAA's centennial. The year-long celebration will call attention to the unique American institution of intercollegiate athletics—linking sports participation with higher education in ways that recognize the educational value of athletics. And at the center of the enterprise is the student-athlete. There is where the spotlight properly belongs. It is the student-athlete who first and foremost sets the collegiate model of athletics apart from all others.

There are many reasons for the NCAA and intercollegiate athletics to celebrate. Achieving the 100-year milestone in and of itself lends a venerability to an organization and enterprise that is worthy of note. What began modestly as games among college students more than a century ago has become a phenomenon followed world wide and the subject of daily media coverage.

The NCAA was born, of course, in controversy. The mayhem created by college football around the turn of the 20th century came to a head in 1905 when there were 18 deaths and more than a hundred serious or maiming injuries. It was enough to cause Theodore Roosevelt, President of the United States, to bring together the great football powers of the day—Harvard, Princeton, Columbia, New York University—and insist on reform of the game. The result was an organization that would become the NCAA, and student-athletes and their safety and well-being were at the center of attention from the very beginning.

Today, more men and women are competing in college sports and bringing credit to their institutions both on the field and in the classroom than ever before. And just as in 1906, university presidents are answering the call to ensure that the future of intercollegiate athletics is secured.

Earlier this year, I invited nearly 50 college and universities chancellors and presidents—mostly in Division I, but Divisions II and III are represented—to come together in a task force to examine and address four critical areas of intercollegiate athletics for the future. I asked them to take on issues surrounding the fiscal underpinning of college sports, the values that support the enterprise, the affect of pressures from internal and external groups on presidents to provide leadership, and the on-going and critical theme of student-athlete well-being. In June, the group began its work during a two-day retreat to focus on the problems; organized into four subgroups; and has spent the last several months developing white papers on the problems, best practices and immediate solutions. Interestingly, all have recognized the need for greater structural integration between athlet-

ics and the rest of the campus to ensure mission integration.

As I have traveled across the country in the last year, speaking on small campus gatherings and to big city organizations, I have tried to put the collegiate model in context. I have reminded audiences that intercollegiate athletics is embedded in higher education. The mission of intercollegiate athletics is the mission of higher education—educating students. And college sports is a great tool for developing life-long characteristics such as pursuit of excellence, self-discipline, commitment to team goals and the resilience to bounce back from adversity.

This task force initiative—and variations of it in all three divisions—compliments the academic reform efforts that have been underway for some time. With the standards that have been put in place for initial eligibility and progress toward degree in Division I, new metrics for measuring success in both Divisions I and II, and the academic reform that has already taken place in Division III, I am confident that student-athletes have the opportunity to receive a quality education from America's great institutions of higher education. That is the unique attraction of the collegiate model of athletics.

Intercollegiate athletics and the NCAA are perfectly poised to begin a second century. With the increased leadership of chancellors and presidents; the academic reform initiatives that have already been put in place; and the continued dedication of athletics directors, coaches, faculty representatives and conference commissioners, there is no question in my mind that we are on the verge of a new era in college sports. The vast majority of student-athletes are doing exactly as we expect them to do. They are participating in sports at elite levels. But they are also going to class, writing papers, engaging in research, solving problems and graduating with degrees that will serve themselves and society well in the future. They are also taking leadership skills with them that are critical to the nation and world.

Sustaining an organization—especially one that must attend to the diversities of small liberal arts colleges with no athletics scholarships and large research universities with budgets in the millions and student populations from a few hundred to tens of thousands offered varsity athletics programs ranging from little more than a dozen to more than three dozen—for a century is no small feat. It has taken the leadership and dedication of presidents, faculty, administrators and coaches committed to a critical set of values and principles to overcome the temptations of human nature engaged in the very competitive world of athletics.

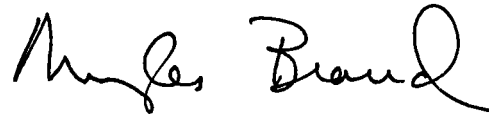
The journey has taken turns no one a hundred years ago could

have predicted. Who would have supposed that the NCAA would, by the turn of the its first century, conduct 88 championships in 23 sports, would see women competing in ever-increasing numbers, would be in the media spotlight around the world, and would engage more than 360,000 student-athletes in athletics participation? Everyone who has made a contribution to this American saga can be proud of the results.

Yet, none of this would have occurred without the desire, the commitment, the passion and the talent of students who would be athletes.

So, celebrate the student-athletes!

This is their moment.

A handwritten signature in black ink that reads "Myles Brand". The signature is fluid and cursive, with the first name "Myles" and the last name "Brand" clearly legible.

Myles Brand

NCAA President

1906

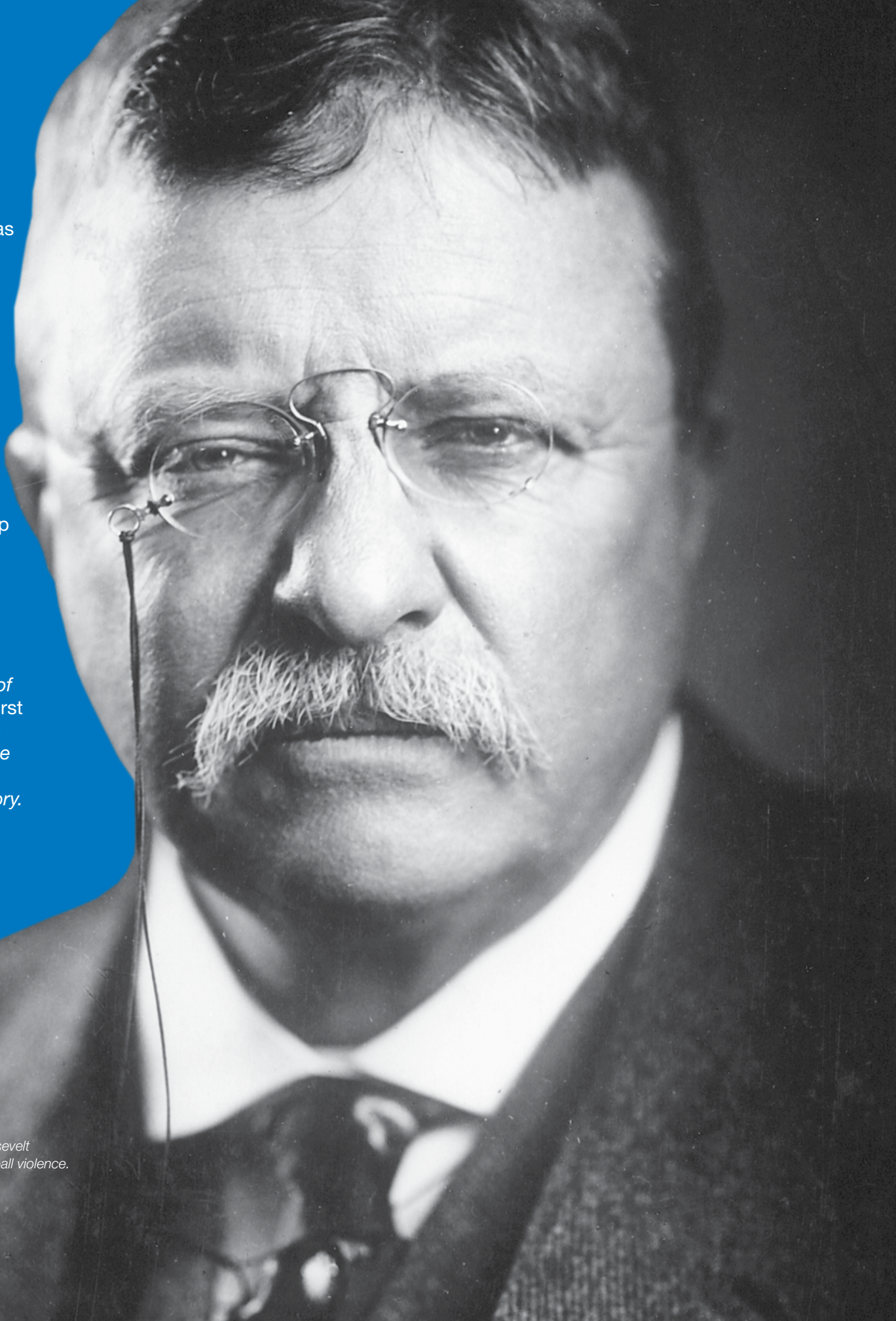
1925

The NCAA is born in crisis as the nation and the nation's president demand an end to dangerous practices in football. New rules help make the game safer, and growth in membership and the beginnings of championship competition strengthen the Association. But multiple issues arise, especially in matters involving amateurism and the nature of the relationship between higher education and its athletics programs.

Joseph N. Crowley, author of In the Arena: The NCAA's First Century, offers descriptions of each 20-year period in the Association's 100-year history.



President Theodore Roosevelt demands an end to football violence.





Early football stadium, 1904

1905

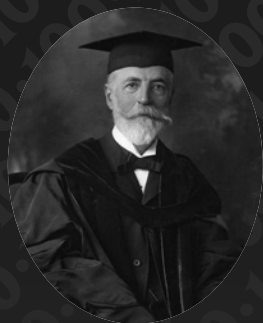
OCTOBER 9

Theodore Roosevelt invites leaders of collegiate football, including representatives from Harvard, Princeton and Yale, to the White House for a discussion of reform or abolition of the game during a season that produces 18 deaths and 149 serious injuries attributed to the sport.

1906

MARCH 31

The first constitution and bylaws of the Intercollegiate Athletic Association of the United States (the NCAA's original name) are issued. The NCAA is born.



Henry M. MacCracken

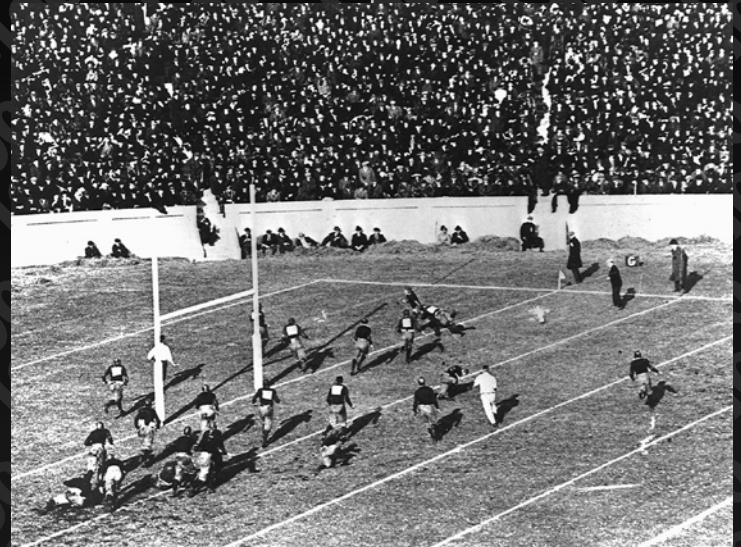
1909

IAAUS football rules change in response to 33 football-related deaths; movement to abolish the sport is stopped.

1910

DECEMBER 29

IAAUS changes its name to the National Collegiate Athletic Association.



Yale vs. Harvard in the Yale Bowl, 1914

1921

JUNE 17-18

The first NCAA-sponsored championship, the National Collegiate Track and Field Championships, is conducted at University of Chicago. Forty-five teams participate.



Paul Robeson of Rutgers, 1918

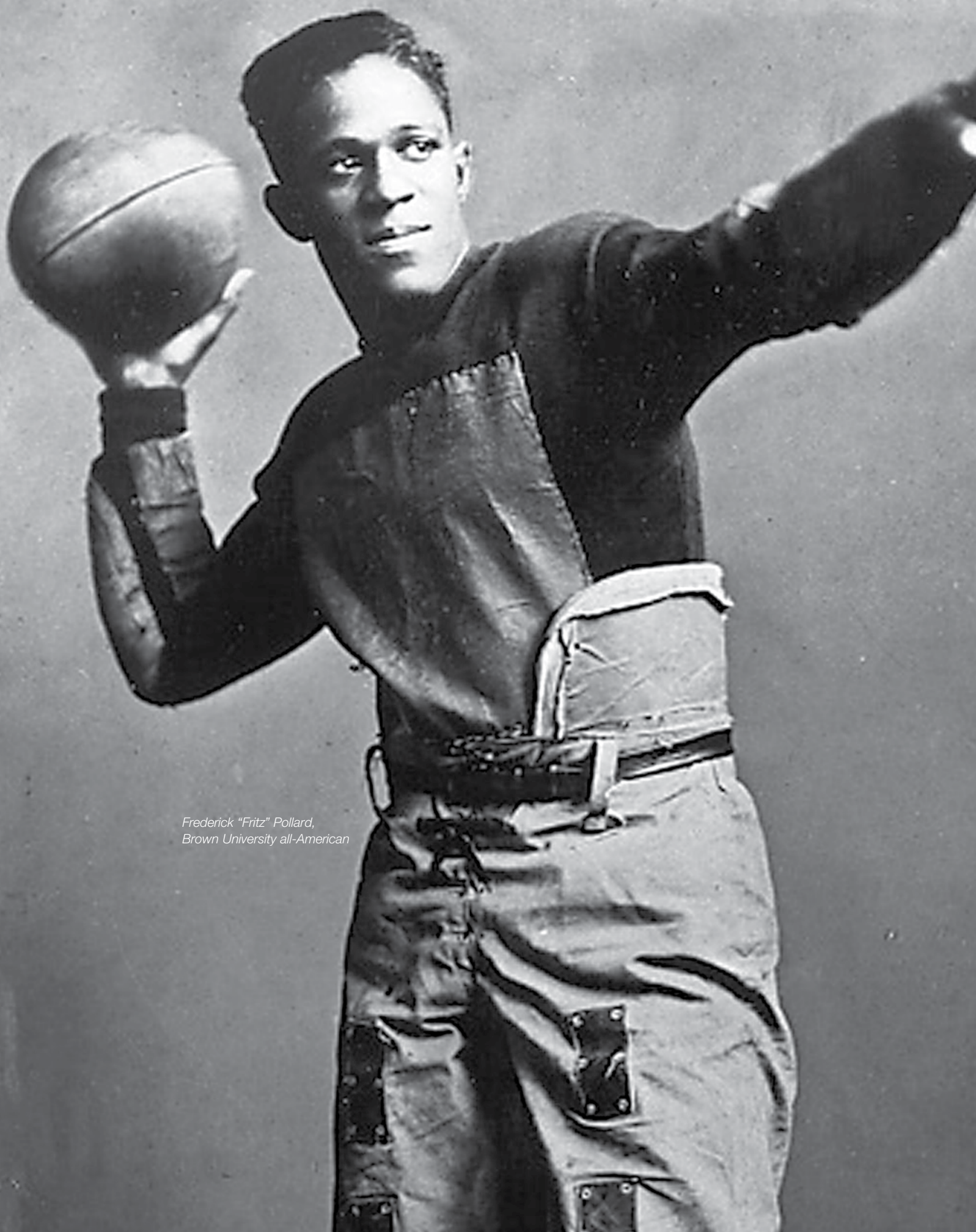
1916

Brown University's Frederick "Fritz" Pollard becomes the first African-American backfield player named to an all-American team in football.

1922

DECEMBER 28

Ten-point code is adopted (conferences, amateurism, freshman rule, ban on playing pro football, three-year participation, no graduate students, faculty control, betting prohibition, ban on playing for noncollegiate teams).



*Frederick "Fritz" Pollard,
Brown University all-American*

1926
1945

Radio and the Roaring Twenties contribute to the growing popularity of intercollegiate sports, particularly football. An attendant increase in rules violations, tied mainly to student-athlete recruiting practices and subsidy payments, demonstrates the inadequacy of an institution-based enforcement strategy and leads to a critical study by the Carnegie Foundation. The reliance on home rule continues during the 1930s and World War II delays the implementation of initial efforts to build an enforcement role for the NCAA.

1926 University of Southern
California track team



1929

Gen. Palmer E. Pierce ends his tenure as NCAA president; Pierce had served in the position for all but two years since the Association's formation in 1906.



*Gen. Palmer E. Pierce
as a cadet.*

1929

The Carnegie Foundation for the Advancement of Teaching issues a critical report: "American College Athletics." The empirically based report concludes that faculty control of athletics exists "in name but scarcely in fact" and is "often a mere subterfuge."

1931

Columbia University's George Gregory Jr. becomes the first African-American named to an all-American team in basketball.

1939

JUNE 21-22

Ohio State University's Jesse Owens becomes the first (and remains the only) athlete to win four individual titles in one year at the NCAA Outdoor Track and Field Championships; a year later, he repeats the feat to become the first and only athlete to win eight career outdoor individual titles.



Jesse Owens

1939

The first National Collegiate Basketball Championship is conducted in Chicago. The event loses \$2,531.



*1938-39 University of Oregon
basketball team*

1940

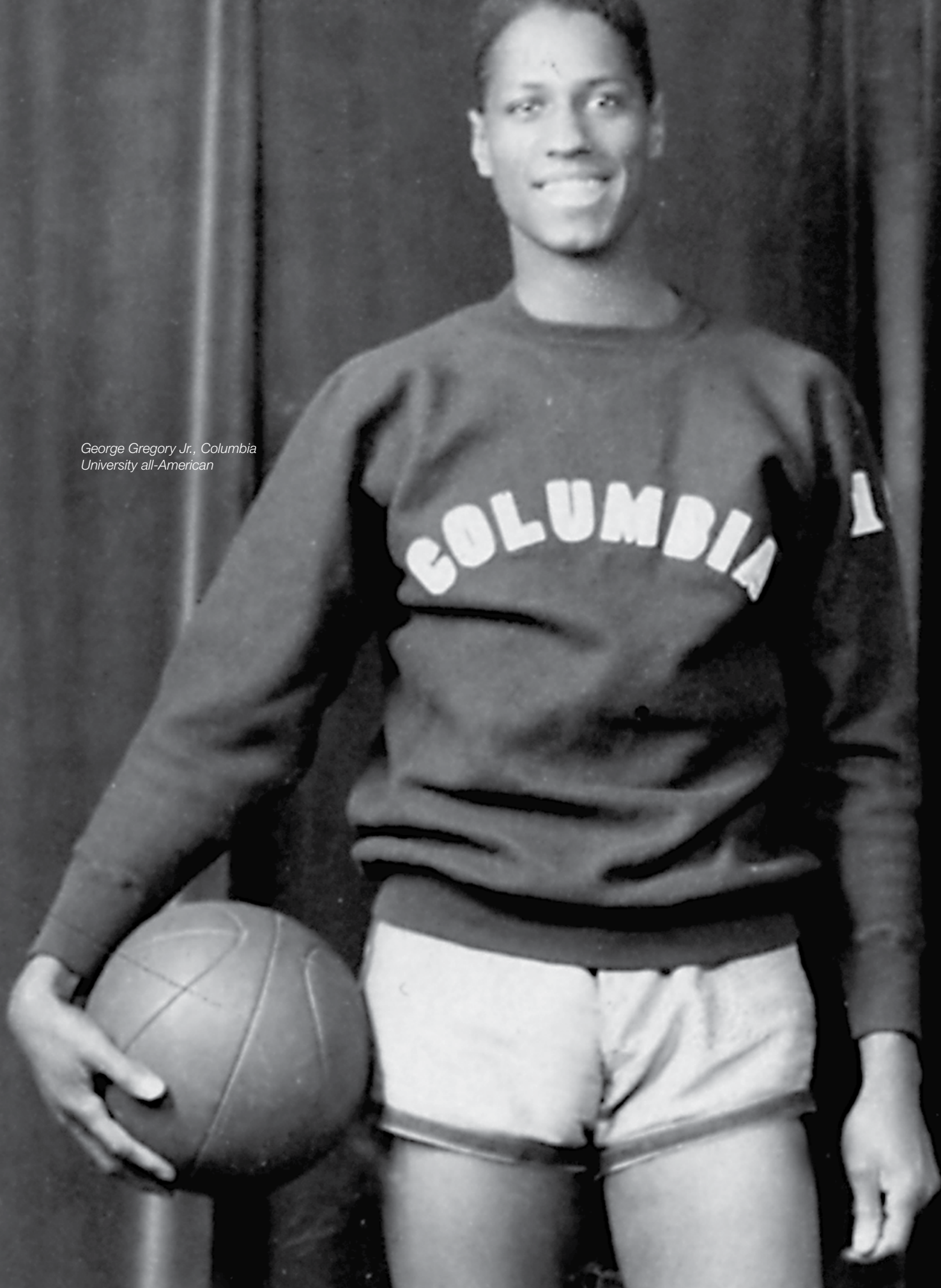
DECEMBER 31

Investigative and judicial proceedings are added to legislative functions that were approved at 1939 Convention.



1936 University of Washington crew

*George Gregory Jr., Columbia
University all-American*



1946
1965

A postwar growth spurt in intercollegiate athletics again calls attention to widespread cheating, accompanied now by gambling scandals, and produces a decision to vest significant enforcement responsibility with the Association and entrust a small staff—headed by Walter Byers as executive director—with the authority to make it work. Television gives further visibility to college football (and later basketball), and the NCAA assumes a principal role in controlling institutional exposure and allocating rights-fee revenues. Byers builds a staff dedicated to service to members, and the Association develops policies to strengthen governance and restrain and punish rules infractions.



Dartmouth College's Chiharu Igaya becomes the only student-athlete to win six career individual titles in the National Collegiate Skiing Championships, 1957.

1946

JULY 22-23

Conference of Conferences is conducted in Chicago, resulting in “Principles for the Conduct of Intercollegiate Athletics” (five points of the principles—known as “Sanity Code”—are formally adopted in 1948).



First baseball championship, Yale, 1947

1951

JANUARY 12

The Sanity Code is revised (financial aid and enforcement provisions).

1952

JANUARY 11

A limited television plan is adopted.



Walter Byers

1947

JANUARY 6

Research of head and spinal football injuries is funded.

1952

JULY 28

The NCAA office moves from Chicago to Kansas City, Missouri.

1960

APRIL 27

NCAA cancels alliance with Amateur Athletic Union.



Saint Louis University's Jerry Knobbe and head coach Bob Guelker hold the 1959 soccer championship trophy.



San Jose State University boxing, 1960

1951

OCTOBER 1

Walter Byers becomes full-time executive director of NCAA (after serving since 1947 as part-time executive assistant).

1964

APRIL 18

32 \$1,000 postgraduate scholarships for varsity letter winners are authorized.

1964

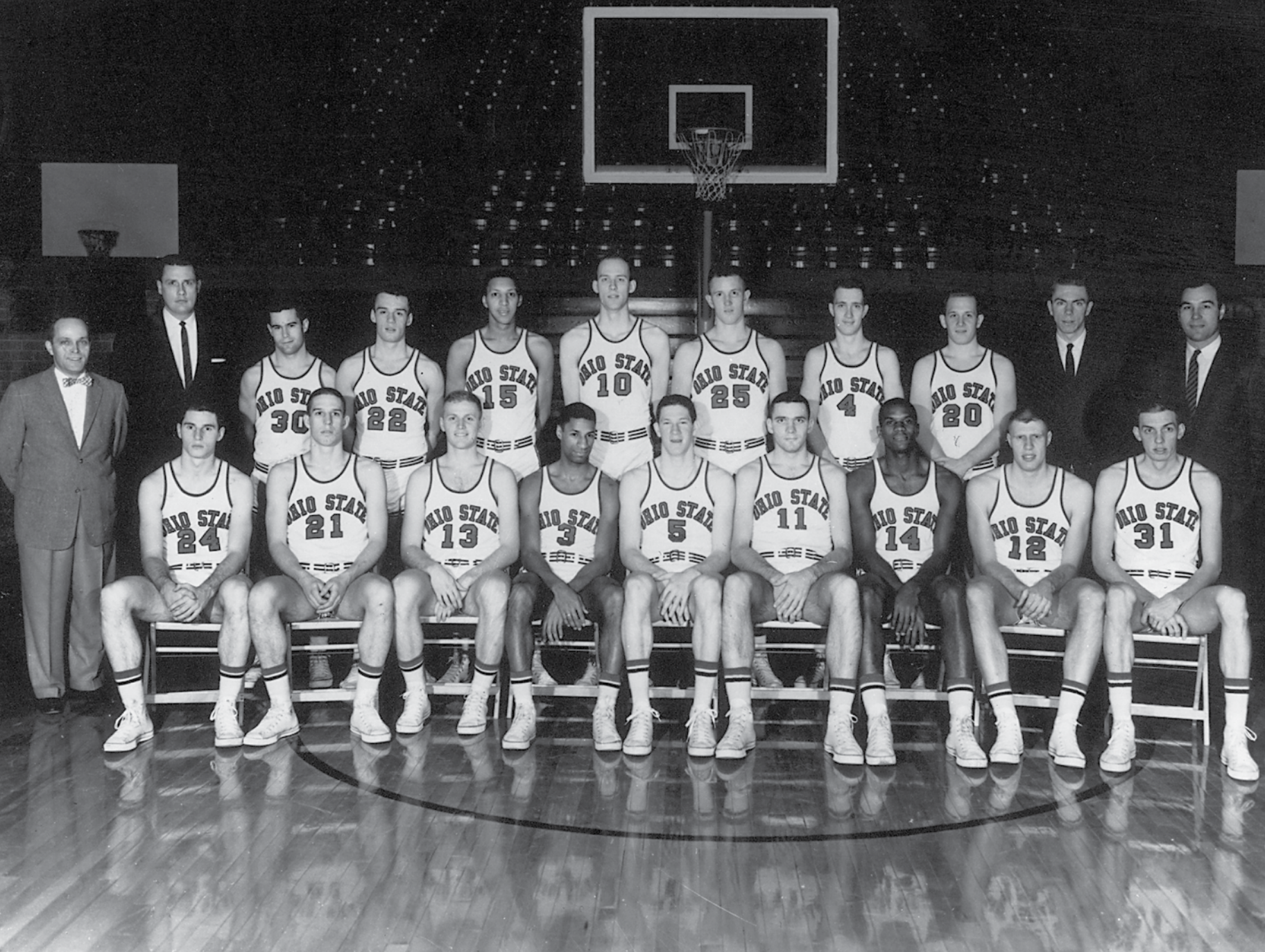
APRIL 19

Special Committee on Women's Competition is appointed.

1965

JANUARY 12

1.600 rule for initial academic eligibility is adopted.



1959 Ohio State University
basketball team



*Bobby Joe Hill and Texas Western
College crash through a racial barrier.*

1968

SEPTEMBER 1

223 members select membership in the University Division and 386 in the College Division under new legislation.

1973

AUGUST 6

The membership votes in a Special Convention to reorganize into three divisions.



Wayne State University diver
Dacia Schilleru, 1973

1979

MARCH

First two-year agreement with ESPN is signed to televise selected championships; programming begins September 7.

1971

JANUARY 13

Freshman eligibility in all championships except University Division basketball and postseason football is approved. Basketball and football follow suit one year later.



University of California, Los Angeles, basketball coach John Wooden, 1972

1978

JANUARY 11-13

Division I realigns into I-A and I-AA for football.

1980

OCTOBER

The first NCAA women's sports committees are formed; first NCAA women's sports committee meeting occurs (Divisions II and III Women's Basketball Committees).

1981

JANUARY 13

Governance plan including women's athletics programs and services within NCAA structure is approved.

1981

MARCH 4

CBS is awarded rights to the Division I Men's Basketball Championship.

1981

NOVEMBER

First NCAA women's championships are conducted.

1984

JANUARY 9-11

Creation of NCAA Presidents Commission is approved.



Morehouse College high jumper
Gregory Roberts

1981

JANUARY 14

James Frank of Lincoln University (Missouri) is elected first black NCAA president.



Sharon Pfluger, 1981 team co-captain, and Lori Hussong, The College of New Jersey women's lacrosse team

1983


JANUARY 10-12

Division I approves Proposal No. 48, which requires prospective student-athletes to reach specified grade-point averages and standardized-test scores.

1984

JUNE 27

The Supreme Court upholds ruling that NCAA Football Television Plan violates the Sherman Antitrust Act.



1966
1985

Televised college football extends its reach and financial impact. NCAA membership growth gives rise to substantial differences in the scope and cost of programs among the members and triggers a move to a three-division governance structure. Money concerns lead to a court decision divesting the Association of its authority over football television on antitrust grounds. Congressional interest in enforcement issues is enhanced. Academic-eligibility legislation is approved by NCAA Convention delegates, renewing the emphasis on educational primacy in relation to athletic-programs. Women's sports become increasingly popular and are brought under NCAA jurisdiction.

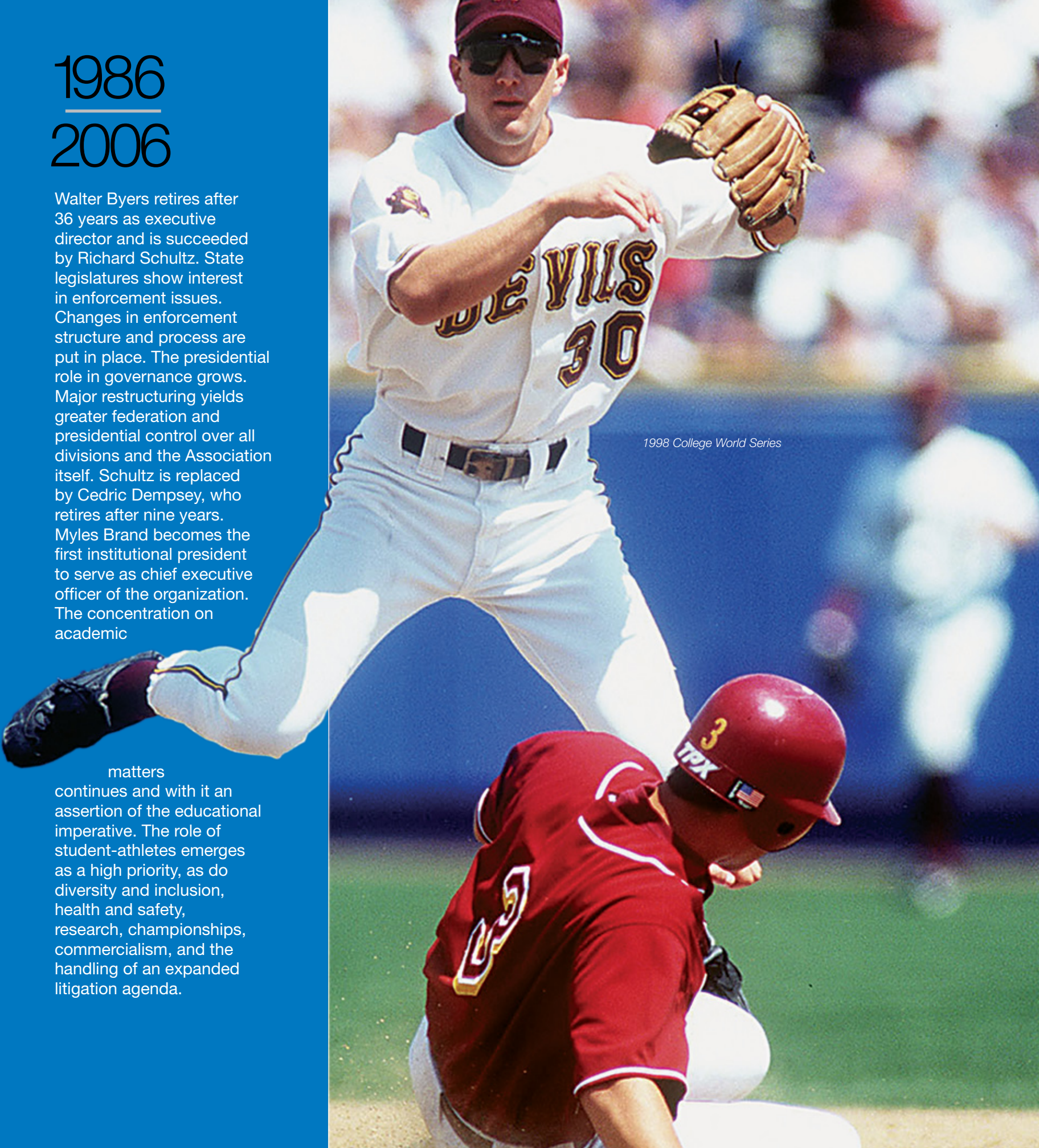
Mia Hamm, University of North Carolina, Chapel Hill, all-American

1986

2006

Walter Byers retires after 36 years as executive director and is succeeded by Richard Schultz. State legislatures show interest in enforcement issues. Changes in enforcement structure and process are put in place. The presidential role in governance grows. Major restructuring yields greater federation and presidential control over all divisions and the Association itself. Schultz is replaced by Cedric Dempsey, who retires after nine years. Myles Brand becomes the first institutional president to serve as chief executive officer of the organization. The concentration on academic

matters continues and with it an assertion of the educational imperative. The role of student-athletes emerges as a high priority, as do diversity and inclusion, health and safety, research, championships, commercialism, and the handling of an expanded litigation agenda.



1998 College World Series

1986

JANUARY 13-15

NCAA drug-testing program is approved.

1991

JANUARY 10

Judith Sweet of University of California, San Diego, elected as the first woman NCAA president.



Judith Sweet

1992

JANUARY 10

Proposal No. 16, establishing an initial-eligibility index based on standardized-test scores and grade-point averages, is approved in Division I.

1997

JANUARY 13

Membership restructuring is approved; a new governance structure is implemented in August. The new structure provides a more federated means of governance, along with a greater leadership role for chief executive officers.

1987

OCTOBER 1

Richard Schultz succeeds Walter Byers as NCAA executive director. Byers served in the position for 36 years.

1991

MARCH 19

The Knight Foundation Commission on Intercollegiate Athletics issues a report concluding that chief executive officer control of intercollegiate athletics is essential.

1993

NOVEMBER 5

Cedric Dempsey of the University of Arizona is selected to succeed Schultz as executive director (the title was changed to "president" after the 1997 restructuring).



Clarion University of Pennsylvania women's swimming, 1999



NCAA headquarters, Indianapolis

1999

JULY 27

The NCAA relocates its national office to Indianapolis.

2003

JANUARY 1

Myles Brand of Indiana University, Bloomington, becomes the fourth NCAA President, succeeding Dempsey. He is the first university president to serve in the position.



Myles Brand

1999

NOVEMBER 18

The NCAA and CBS agree to \$6 billion, 11-year agreement for rights to the Division I Men's Basketball Championship and other championships, including marketing opportunities.

2005

JANUARY 10

The Division I Board of Directors adopts an Academic Progress Rate, subjecting teams that fail to meet established minimum scores to possible penalties ranging from loss of scholarships to postseason bans and membership restrictions.

2006

Association celebrates its 100th anniversary.





Danielle Slaton (17) of Santa Clara and Anne Remy (11) of the University of North Carolina face off during the 2001 Division I Women's Soccer Championship.

2005 Division II Women's Basketball
Championship



2004-2005 In Review

Membership Growth, 1950-2005

Year	Active	Provisional	Conference	Corresponding	Affiliated	Total	% Increase
1950	362		11	5	9	387	
1955	449		24	5	11	489	26.4
1960	524		32	11	14	581	18.8
1965	579		41	18	21	659	13.4
1970	645		44	32	26	747	13.4
1975	704		57	24	39	824	10.3
1980	738		73	24	45	880	6.8
1985	793		97	46	45	981	11.5
1990	828		109	39	58	1,034	5.4
1995	903	96	109	25	69	1,202	16.2
1996	902	92	108	29	71	1,202	0.0
1997	933	52	109	35	72	1,201	0.0
1998	964	67	112	18	77	1,238	3.1
1999	973	68	120	18	81	1,260	1.8
2000	977	62	124	18	80	1,261	0.0
2001	977	59	124	22	85	1,267	0.4
2002	1,005	28	126	24	85	1,268	0.1
2003	1,024	15	127	20	77	1,283	0.1
2004	1,028	17	131	19	78	1,292	0.1
2005	1,027	27	135	14	71	1,302**	0.1

ACTIVE MEMBERS BY DIVISION: I-A—117, I-AA—118, I-AAA—91, II—282, III—419

* PERCENT INCREASE BASED ON FIVE-YEAR INCREMENTS THROUGH 1995. CORRESPONDING MEMBERS ARE NOT ELIGIBLE FOR OTHER MEMBERSHIP BUT RECEIVE NCAA MEMBERSHIP PUBLICATIONS AND MAILINGS.

** TOTAL ALSO INCLUDES 28 EXPLORATORY MEMBERS.

AFFILIATED MEMBERS ARE NONPROFIT GROUPS OR ASSOCIATIONS WHOSE FUNCTIONS OR PURPOSES ARE DIRECTLY RELATED TO ONE OR MORE NCAA SPORTS.



A Message from **Walt Harrison**

CHAIR OF THE NCAA EXECUTIVE COMMITTEE
PRESIDENT, UNIVERSITY OF HARTFORD

By now, we all should understand just how real risk can be. We have read repeatedly about how many people understood the vulnerability of New Orleans years—even decades—before the arrival of Hurricane Katrina in August. Now we know that those risks were assessed but that they were never managed.

Every business and every association faces an equivalent calamity. The stakes rarely are as high as what the nation experienced with Hurricane Katrina, but the point is no less true: Organizations that plan for risk likely will fare the best.

The NCAA, of course, has its vulnerabilities. The most obvious and most commonly understood is that most of the Association's revenue comes from a single, extremely large bundled-rights agreement that focuses on the Division I Men's Basketball Championship. Nobody needs an accounting degree to understand how much the Association depends upon its 11-year, \$6.2 billion arrangement with CBS Sports and ESPN.

With this and other factors in mind, the NCAA Executive Committee commissioned a risk-assessment study by Deloitte & Touche LLP. That study, which the Executive Committee approved in January 2005, now forms the basis of the Association's risk-management program.

This study determined that the NCAA faces three significant risks:

- Adverse reputational or brand impacts resulting from actions by the Association or external forces.
- Lack of revenue diversification.
- Limitations on the Association's ability to govern effectively because of legislative intervention or adverse legal interpretations of NCAA regulations.

The good news is that the study determined that even though these risks are serious, the Association has a number of advantages as it addresses them. Communication is good, the Association has a strategic focus and mitigating approaches have been developed. We appear to possess a relatively enlightened view of risk management compared to other organizations. We recognize the need to formalize a process to identify and monitor risks, and we see the importance of enhancing NCAA assets.

By now, the Association's commitment to risk management is apparent. It is the main reason the Association developed backup plans for championships sites for various high-profile events. It is why the Association, more than ever, is nurturing college basketball through its involvement in the new Men's College Basketball Partnership and through efforts to brand and promote women's basketball. It is why the Association is strengthening relationships with its corporate and media partners, and it

We appear to possess a relatively enlightened view of risk management compared to other organizations. We recognize the need to formalize a process to identify and monitor risks, and we see the value in improving the understanding of the value of NCAA assets.

is why the Association seeks new and diverse revenue sources. Our awareness of risk management has led the Association to develop a financial recovery plan so that the financial needs of the Association would be met if a major championship was unable to occur for reasons beyond our control.

Not surprisingly, we have had outstanding membership support as we have developed strategies to protect our ability to govern and fund college athletics. We may not enjoy the same awareness, however, when it comes to protecting our brand. We have been diligent about enhancing the image of our individual schools and conferences but not always as good about bolstering the public's impression of intercollegiate athletics. This leaves us out of step with many other organizations that consider reputation to be their most valuable asset, one requiring strong strategic management. They know that a strong brand helps stakeholders readily understand the value of the organization.

We must understand that a substantial impact to the Association's reputation could adversely affect the public's confidence in the integrity of intercollegiate athletics and diminish its willingness to support the values of the Association. That concept may sound abstract, but it is not. If the Association's image is eroded, the result could extend beyond simple embarrassment.

So, in case we need to be reminded, our purpose is to effectively integrate intercollegiate athletics and higher education. That is what the public expects of us, and it is the principle that must support every decision we make. That is the most important—and the most risk-free—commitment that we can possibly make.

I am pleased to report that the Association made notable progress in a number of areas in 2004-05 that directly support our core purpose. Among them were the following:

Division I: Many steps were taken to enhance academic performance among Division I student-athletes in 2004-05. The new Academic Performance Rate created the means to impose contemporaneous penalties on programs that fail to meet eligibility and retention standards. This approach also will provide the means by which harsher historically based penalties can be imposed upon programs that ignore the contemporaneous warnings. On a more positive note, it also will lead toward incentives for programs that excel and that exhibit a positive behavioral change with regard to academics.

Division I also initiated an important examination of several major issues through its Presidential Task Force on the Future of Division I Intercollegiate Athletics. This task force, chaired by

Peter Likins of the University of Arizona, will pay particular attention to fiscal responsibility, presidential leadership, internal and external constituencies, and student-athlete well-being.

Division II: Membership issues dominated Division II's attention in 2004-05. A Presidents and Chancellors Summit in Orlando in June focused on research about reclassifying members and also upon what can be done to promote Division II affiliation. Further research on the matter began in November, and a comprehensive sub-branding plan is to be in place by next August.

Division II also established a task force to review football issues. During the summer and fall, that group examined ways in which the Association could view football more holistically or, in the alternative, in which Division II could restructure to accommodate varying program sizes. The topic will be discussed extensively at the 2006 Convention.

Finally, Division II also continued to determine ways in which its championships regionalization policy can be improved. The topic continues to be reviewed and also will be discussed at the 2006 Convention.

Division III: The year saw Division III follow through with significant initiatives approved by the membership at past Conventions, including expansion of team championship brackets to provide greater opportunity for access, as well as successful installation of processes intended to help institutions maintain athletics programs in tune with divisional philosophy.

The expansion of brackets—which accommodates automatic qualification by conference champions while creating additional participation opportunities for deserving teams—began with expansion in fall 2005 of the fields for volleyball (from 48 to 62 teams), field hockey (from 18 to 24 teams), women's soccer (from 45 to 60 teams), men's soccer (from 44 to 56 teams) and football (from 28 to 32 teams) and will continue with comparable expansion in eight other championships in spring 2006.

Division III also took meaningful steps to enhance student-athletes' experiences at those championships by committing funds for enhancements ranging from establishing participant lounges at event sites to providing mementos of competition. In yet another development, the first online "videostreaming" of Division III championship finals occurred at the 2005 volleyball and men's and women's soccer championships, and that initiative will continue this winter and spring with basketball, baseball and softball.

Also noteworthy is the successful implementation of the financial aid reporting process, in which outstanding preparation by

member institutions (assisted by the national office's research and membership services staffs) resulted in first-time submission of data or reasonable requests for extensions by the deadline of all but one of 430 institutions. The reporting program is designed to help ensure that grants awarded to student-athletes are consistent with those awarded to the general student body.

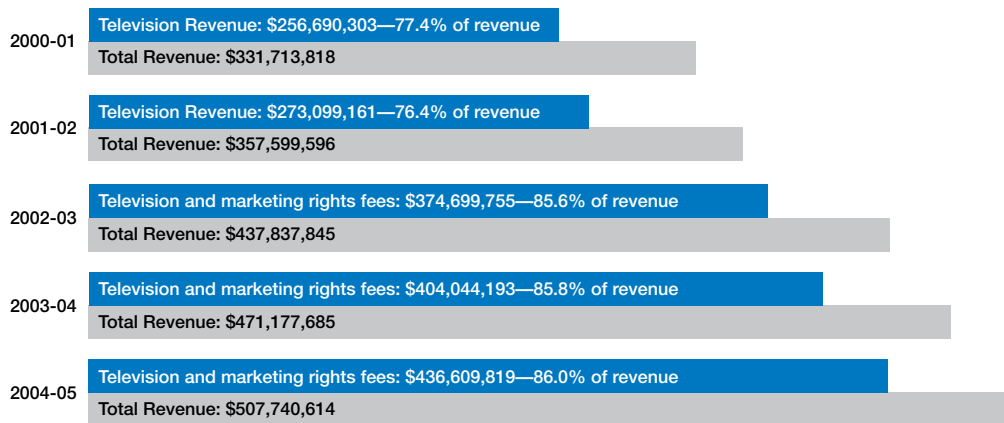
2004-05 Revenues

NCAA revenue for 2004-05 was \$507,740,614, a 7.8 percent increase from 2003-04.

Television and marketing rights fees made up 86 percent of NCAA operating revenue for 2004-05. Other primary revenue sources were championships, 9 percent; and investments, 3 percent.

The 2004-05 fiscal year was the third conducted under the contract with CBS Sports and ESPN. The bundled-rights agreement with CBS Sports and ESPN took effect September 1, 2002, and will run through 2013.

Five-Year Revenues and Related Television and Marketing Rights Fees

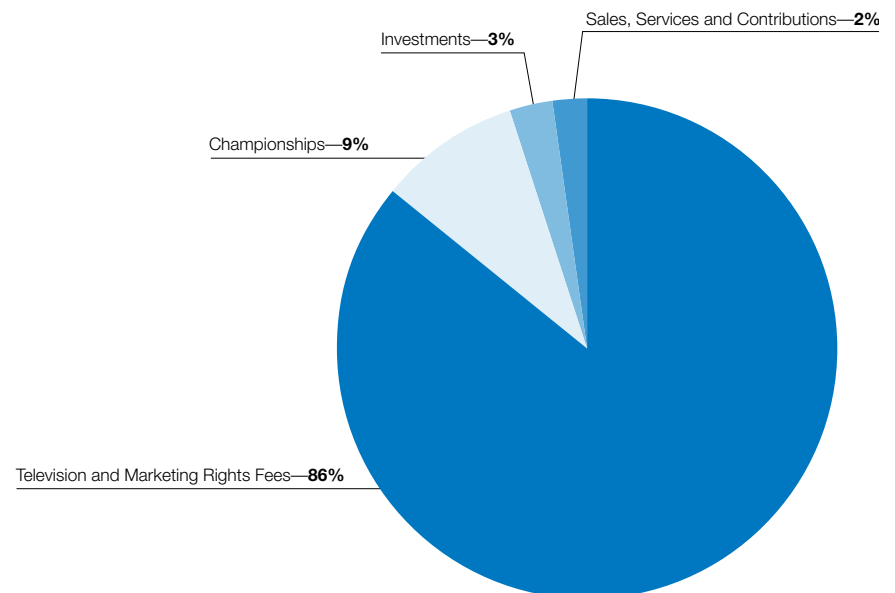


2004-05, 2003-04 and 2002-03 television revenue includes marketing rights fees received under the new CBS agreement. Prior year marketing rights fees were reported under royalties.

2004-05 Revenue Report

Television and marketing rights fees	\$436,609,819
Championships	\$47,180,401
Investments	\$15,230,006
Sales and services	\$5,871,622
Contribution-facilities	\$2,654,775
Contribution-other	\$193,991
Total	\$507,740,614

2004-05 Revenue Sources

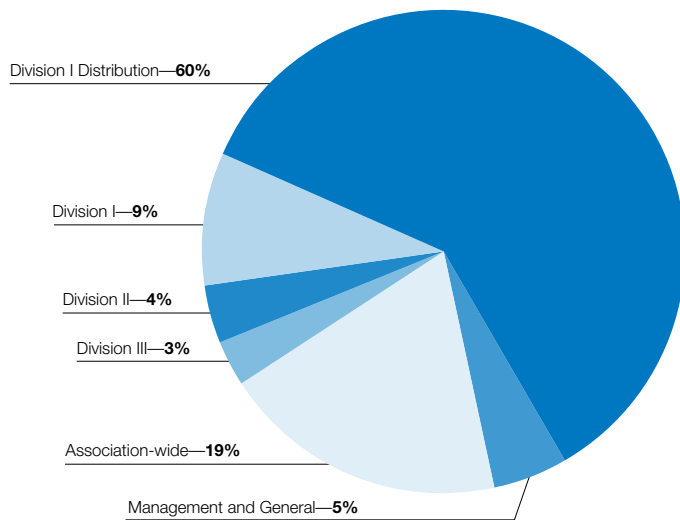


2004-05 Expenses

NCAA operating expenses for 2004-05 were \$496,753,028, a 9.8 percent increase over 2003-04.

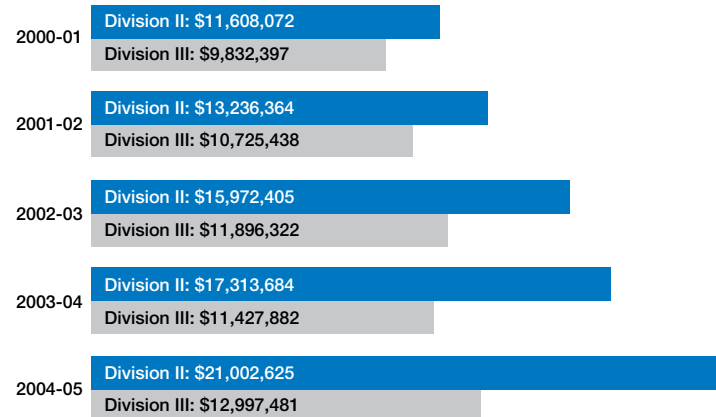
A total of \$298,704,544 was distributed directly to the Division I membership in 2004-05, an increase of \$18,571,888 (6.7 percent) over 2003-04.

2004-05 Expenses



Expenses for championships in all three divisions combined increased in 2004-05 to \$62,871,194 (see page 22), 2.7 percent more than in 2003-04. Championships expenses were down 0.8 percent in Division I but up 12.1 percent in Division II and 9.0 percent in Division III primarily due to championship expansions.

Five-Year Division II and III Expenses



Expenses	2004-05	2003-04	2002-03	2001-02	2000-01
Distribution to Division I members	\$ 298,704,544	\$ 280,132,656	\$ 259,992,448	\$ 186,629,105	\$ 171,176,522
Division I championships and programs	\$ 44,275,928	\$ 42,774,042	\$ 44,756,669	\$ 38,916,818	\$ 45,505,840
Division II distribution, championships and programs	\$ 21,002,625	\$ 17,313,684	\$ 15,972,405	\$ 13,236,364	\$ 11,608,072
Division III championships and programs	\$ 12,997,481	\$ 11,427,882	\$ 11,896,322	\$ 10,725,438	\$ 9,832,397
Association-wide	\$ 94,228,266	\$ 76,239,042	\$ 71,619,361	\$ 65,444,036	\$ 57,582,443
Management and General	\$ 25,544,184	\$ 24,634,059	\$ 23,269,935	\$ 22,292,794	\$ 20,632,129
Total	\$ 496,753,028	\$ 452,521,365	\$ 427,507,140	\$ 337,244,555	\$ 316,337,403

Division I Distribution	2004-05	2003-04	2002-03	2001-02	2000-01
Institutions' athletics programs	\$ 241,105,797	\$ 226,494,377	\$ 209,969,981	\$ 154,999,089	\$ 140,006,429
Student-athlete programs	\$ 51,276,762	\$ 47,574,307	\$ 44,205,472	\$ 26,050,016	\$ 25,900,093
Conference programs	\$ 6,321,985	\$ 6,063,972	\$ 5,816,995	\$ 5,580,000	\$ 5,270,000
Total	\$ 298,704,544	\$ 280,132,656	\$ 259,992,448	\$ 186,629,105	\$ 171,176,522
Cable television royalties	\$ 2,001,585		\$ 4,761,033	\$ 433,960	\$ 571,595
Division II distribution	\$ 5,318,919	\$ 4,200,020	\$ 3,900,080	\$ 3,599,936	\$ 3,000,125

2005 Division I Revenue Distribution Plan

CONFERENCE	BASKETBALL FUND	ACADEMIC ENHANCEMENT	CONFERENCE GRANTS	SPECIAL ASSISTANCE	SPORT SPONSORSHIP	GRANTS-IN-AID FUND	STUDENT-ATHLETE OPPORTUNITY FUND	SUPPLEMENTAL	GRAND TOTAL
America East	912,225	559,540	203,935	269,920	1,501,598	1,680,987	504,873	251,891	\$ 5,884,969
Atlantic 10	5,017,235	671,448	203,935	425,659	1,590,344	1,632,938	635,171	481,607	\$ 10,658,337
Atlantic Coast	11,250,770	615,494	203,935	477,946	2,066,956	5,551,630	1,646,605	1,050,105	\$ 22,863,441
Atlantic Sun	1,064,262	615,494	203,935	230,235	702,766	937,996	254,608	185,221	\$ 4,194,517
Big 12	12,923,182	671,448	203,935	561,978	1,426,201	6,034,398	1,423,927	1,169,405	\$ 24,414,474
Big East	11,858,920	671,448	203,935	606,649	2,542,357	5,728,829	1,386,144	1,149,618	\$ 24,147,900
Big Sky	1,064,262	447,632	203,935	265,957	372,053	1,309,438	320,931	157,923	\$ 4,142,131
Big South	912,225	503,586	203,935	236,647	599,417	541,232	217,709	111,681	\$ 3,326,432
Big Ten	13,379,294	615,494	203,935	501,940	2,645,705	8,239,361	2,077,532	1,511,335	\$ 29,174,596
Big West	1,216,299	559,540	203,935	221,225	1,012,809	1,114,635	284,542	198,913	\$ 4,811,898
Colonial	1,064,262	559,540	203,935	333,137	1,446,871	1,497,335	691,102	254,338	\$ 6,050,520
Conference USA	6,081,497	783,356	203,935	469,012	1,240,175	4,574,578	1,066,407	634,957	\$ 15,053,917
Horizon League	1,672,412	503,586	203,935	194,551	661,427	624,452	245,431	200,040	\$ 4,305,834
Independents	0	223,816	0	30,577	165,540	109,562	7,190	15,346	\$ 552,031
Ivy Group	912,225	447,632	203,935	280,021	2,976,419	0	568,122	237,708	\$ 5,626,062
Metro Atlantic	1,064,262	559,540	203,935	246,947	1,116,156	221,502	255,321	151,784	\$ 3,819,447
Mid-American	2,128,524	727,402	203,935	496,282	1,384,862	5,253,549	1,267,007	585,882	\$ 12,047,443
Mid-Continent	912,225	503,586	203,935	267,064	537,411	516,826	220,397	130,912	\$ 3,292,356
Mid-Eastern	1,064,262	615,494	203,935	506,178	680,620	1,301,323	405,850	177,626	\$ 4,955,288
Missouri Valley	3,040,749	559,540	203,935	262,289	744,105	1,840,879	493,374	335,658	\$ 7,480,529
Mountain West	2,280,561	447,632	203,935	363,697	1,095,488	3,642,951	928,052	360,661	\$ 9,322,977
Northeast	912,225	615,494	203,935	340,648	1,508,878	489,527	381,432	169,434	\$ 4,621,573
Ohio Valley	912,225	615,494	203,935	366,632	806,114	1,552,343	450,142	196,827	\$ 5,103,712
Pacific-10	9,122,246	559,540	203,935	446,060	1,736,243	5,588,731	1,398,050	1,101,610	\$ 20,156,415
Southeastern	12,010,957	671,448	203,935	536,570	1,570,888	6,159,176	1,475,363	1,170,998	\$ 23,799,335
Southern	912,225	671,448	203,935	295,111	1,011,333	1,172,507	380,928	185,690	\$ 4,833,177
Southland	912,225	615,494	203,935	401,911	434,064	1,659,059	399,493	175,038	\$ 4,801,219
Southwestern	912,225	559,540	203,935	592,658	1,033,479	960,923	380,659	177,324	\$ 4,820,743
Sun Belt	912,225	615,494	203,935	372,947	703,542	2,370,356	600,442	226,432	\$ 6,005,373
The Patriot League	912,225	447,632	203,935	188,038	1,777,582	982,844	526,877	210,403	\$ 5,249,536
West Coast	2,888,711	447,632	203,935	159,273	310,045	251,329	107,149	200,432	\$ 4,568,506
Western	3,496,861	559,540	203,935	382,286	475,401	2,262,961	704,883	533,989	\$ 8,619,856
TOTAL	\$ 113,724,003	\$ 18,241,004	\$ 6,321,985	\$ 11,330,045	\$ 37,876,849	\$ 75,804,157	\$ 21,705,713	\$ 13,700,788	\$ 298,704,544



Championships

2004-05 Championships Numbers

Number of championships:
88 (41 men, 44 women, 3 coed)

Number of championship sports:
23

Number of participants in championships:
**51,023 total (25,832 men,
24,851 women, 340 coed)**

2004-05 Championships

In 2004-05, the NCAA administered 88 championships in 23 sports for its member institutions.

A total of 10 National Collegiate Championships were conducted for which all divisions were eligible, three for men, four for women, and three men's and women's combined events.

Division I conducted 26 championships (13 men's and 13 women's), Division II sponsored 25 championships (12 men's and 13 women's) while Division III conducted 27 (13 men's and 14 women's).

A total of 51,023 student-athletes participated in NCAA championships in 2004-05—25,832 men, 24,851 women and 340 student-athletes who participated in National Collegiate combined championships.

Championships expenses: for all three divisions totaled \$62,871,194, \$42,444,348 for Division I, \$10,713,960 for Division II and \$9,712,886 for Division III.

NCAA Championships for 2004-05 Season

Men: Total 41

Baseball (I, II and III)
Basketball (I, II and III)
Cross Country (I, II and III)
Football (I-AA, II and III)
Golf (I, II and III)
Gymnastics (National Collegiate)
Ice Hockey (I and III)
Lacrosse (I, II and III)
Soccer (I, II and III)
Swimming and Diving (I, II and III)
Tennis (I, II and III)
Indoor Track (I, II and III)
Outdoor Track (I, II and III)
Volleyball (National Collegiate)
Water Polo (National Collegiate)
Wrestling (I, II and III)

Cross Country (I, II and III)
Field Hockey (I, II and III)
Golf (I, II and III)
Gymnastics (National Collegiate)
Ice Hockey (National Collegiate and III)
Lacrosse (I, II and III)
Rowing (I, II and III)
Soccer (I, II and III)
Softball (I, II and III)
Swimming and Diving (I, II and III)
Tennis (I, II and III)
Indoor Track (I, II and III)
Outdoor Track (I, II and III)
Volleyball (I, II and III)
Water Polo (National Collegiate)

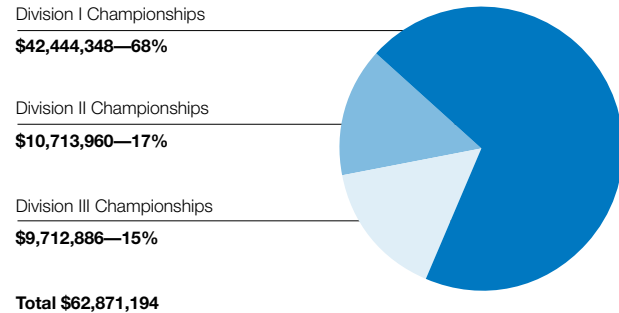
Coed: Total 3

Fencing (National Collegiate)
Rifle (National Collegiate)
Skiing (National Collegiate)

Women: Total 44

Basketball (I, II and III)
Bowling (National Collegiate)

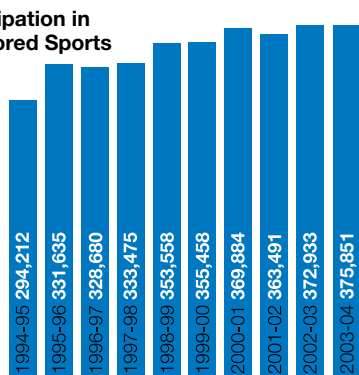
2004-05 Championship Expenses by Division



2004-05 Championship Expenses

	Game Expenses	Championship Committees	Transportation	Per Diem	2004-05 Total	2003-04 Total
Division I Championships	\$ 9,696,738	\$ 1,132,125	\$ 17,187,194	\$ 14,428,291	\$ 42,444,348	\$ 42,774,042
Division II Championships	\$ 1,830,748	\$ 294,676	\$ 4,864,186	\$ 3,724,350	\$ 10,713,960	\$ 9,555,773
Division III Championships	\$ 2,026,641	\$ 277,550	\$ 4,265,632	\$ 3,143,063	\$ 9,712,886	\$ 8,909,449
Total	\$ 13,554,127	\$ 1,704,351	\$ 26,317,012	\$ 21,295,704	\$ 62,871,194	\$ 61,239,264

Overall Participation in NCAA-Sponsored Sports



Year	No. of Championships	No. of Championship Sports	No. of Championships Participants
1997-98	82 (42/37/3)	22 (16/14/3)	36,055 (19,984/15,755/316)
1998-99	82 (42/37/3)	22 (16/14/3)	40,610 (21,640/18,652/318)
1999-00	81 (41/37/3)	22 (16/14/3)	43,824 (21,812/20,555/341)
2000-01	84 (41/40/3)	22 (16/16/3)	42,707 (23,993/19,831/339**)
2001-02	87 (41/43/3)	22 (16/16/3)	44,933 (22,473/22,120/340)
2002-03	87 (41/43/3)	22 (16/16/3)	43,648 (22,071/21,237/340)
2003-04	88 (41/44/3)	23 (16/17/3)	48,847 (24,102/24,405/340)
2004-05	88 (41/44/3)	23 (16/17/3)	51,023 (25,832/24,851/340)

* Numbers in parenthesis are (men/women/coed) ** In 2000-01, co-ed should have been at 340, but rifle allowed 49 participants when they should have only allowed 48. For the 2001-02 season, the number of women's championships increased by three to 43. National Collegiate Women's Rowing split into Divisions I, II and III for separate championships. For the 2003-04 season, the number of women's championships increased by one to 44 with the addition of the Women's Bowling Championship.

2004-05 Team Champions

Division I

Baseball

University of Texas at Austin

Men's Basketball

University of North Carolina, Chapel Hill

Women's Basketball

Baylor University

Men's Cross Country

University of Colorado, Boulder

Women's Cross Country

University of Colorado, Boulder

Field Hockey

Wake Forest University

I-AA Football

James Madison University

Men's Golf

University of Georgia

Women's Golf

Duke University

Men's Ice Hockey

University of Denver

Men's Lacrosse

Johns Hopkins University

Women's Lacrosse

Northwestern University

Women's Rowing

University of California, Berkeley

Men's Soccer

Indiana University, Bloomington

Women's Soccer

University of Notre Dame

Softball

University of Michigan

Men's Swimming and Diving

Auburn University

Women's Swimming and Diving

University of Georgia

Men's Tennis

University of California, Los Angeles

Women's Tennis

Stanford University

Men's Indoor Track and Field

University of Arkansas, Fayetteville

Women's Indoor Track and Field

University of Tennessee, Knoxville

Men's Outdoor Track and Field

University of Arkansas, Fayetteville

Women's Outdoor Track and Field

University of Texas at Austin

Women's Volleyball

Stanford University

Wrestling

Oklahoma State University

Division II

Baseball

Florida Southern College

Men's Basketball

Virginia Union University

Women's Basketball

Washburn University of Topeka

Men's Cross Country

Western State College of Colorado

Women's Cross Country

Adams State College

Field Hockey

Bloomsburg University of Pennsylvania

Football

Valdosta State University

Men's Golf

University of South Carolina at Aiken

Women's Golf

Rollins College

Men's Lacrosse

New York Institute of Technology

Women's Lacrosse

Stonehill College

Women's Rowing

Western Washington University

Men's Soccer

Seattle University

Women's Soccer

Metropolitan State College of Denver

Softball

Lynn University

Men's Swimming and Diving

Drury College

Women's Swimming and Diving

Truman State University

Men's Tennis

University of West Florida

Women's Tennis

Armstrong Atlantic State University

Men's Indoor Track and Field

Abilene Christian University

Women's Indoor Track and Field

St. Augustine's College

Men's Outdoor Track and Field

Abilene Christian University

Women's Outdoor Track and Field

Lincoln University (Missouri)

Women's Volleyball

Barry University

Wrestling

University of Nebraska at Omaha

Division III

Baseball

University of Wisconsin, Whitewater

Men's Basketball

University of Wisconsin, Stevens Point

Women's Basketball

Millikin University

Men's Cross Country

Calvin College

Women's Cross Country

Williams College

Field Hockey

Salisbury University

Football

Linfield College

Men's Golf

Guilford College

Women's Golf

Methodist College

Men's Ice Hockey

Middlebury College

Women's Ice Hockey

Middlebury College

Men's Lacrosse

Salisbury University

Women's Lacrosse

The College of New Jersey

Women's Rowing

Ithaca College

Men's Soccer

Messiah College

Women's Soccer

Wheaton College (Illinois)

Softball

University of St. Thomas (Minnesota)

Men's Swimming and Diving

Kenyon College

Women's Swimming and Diving

Emory University

Men's Tennis

University of California, Santa Cruz

Women's Tennis

Emory University

Men's Indoor Track and Field

University of Wisconsin, La Crosse

Women's Indoor Track and Field

University of Wisconsin, Oshkosh

Men's Outdoor Track and Field

Lincoln University (Pennsylvania)

Women's Outdoor Track and Field

Wartburg College

Women's Volleyball

Juniata College

Wrestling

Augsburg College

National Collegiate

Women's Bowling

University of Nebraska, Lincoln

Men's and Women's Fencing

University of Notre Dame

Men's Gymnastics

University of Oklahoma

Women's Gymnastics

University of Georgia

Women's Ice Hockey

University of Minnesota, Twin Cities

Men's and Women's Rifle

U.S. Military Academy

Men's and Women's Skiing

University of Denver

Men's Volleyball

Pepperdine University

Men's Water Polo

University of California, Los Angeles

Women's Water Polo

University of California, Los Angeles

Student-Athlete Benefits

The Association annually administers programs to help meet the educational, social and financial needs of student-athletes throughout the membership.

The Catastrophic-Injury Insurance Program, which was initiated in 1992, provides financial protection for student-athletes who suffer catastrophic injuries and serious non-catastrophic injuries while engaging in athletically related activities.

Mutual of Omaha has provided coverage for the program since 1998. The policy provides up to \$20 million in lifetime benefits to varsity student-athletes (including student coaches, student managers, student athletic trainers and student cheerleaders) who are catastrophically injured during qualifying play or practice, or during travel related to those activities. The 2004-05 policy had a \$65,000 deductible. It provides benefits for medically necessary care and treatment in excess of all other available benefit plans. The program covers all student-athletes at active NCAA member institutions. The NCAA pays 100 percent of the \$10.5 million annual premium.

Catastrophically injured student-athletes are eligible for full program benefits valued up to \$20 million, including medical, dental and rehabilitation benefits; disability payments; special expenses; ancillary illness coverage; college education expenses; vocational rehabilitation; and assimilation expenses. The program also includes a \$25,000 death benefit for any student-athlete who dies during a covered event or within 12 months of a related injury during a covered event.

Since 1998, the program has provided benefits for more than 120 student-athletes. Those include 16 catastrophic injuries and 38 death claims. More than \$11.7 million in benefits have been paid to student-athletes. For the 2005-06 policy year, the deductible will be increased to \$75,000 and the annual premium will be \$11.5 million.

Beyond the catastrophic-injury insurance program, the NCAA benefits student-athletes in numerous other ways:

- A total of 325 student-athletes from across the nation represented 37 men's and women's sports and every region at the ninth NCAA Leadership Conference May 29 to June 2, 2005, in Lake Buena Vista, Florida.
- The Division I Student-Athlete Opportunity Fund entered its third year funded at \$21.7 million — \$4.7 million more than in its inaugural year. Payments are allocated based on the number of sports sponsored and grants-in-aid awarded by Division I institutions. The fund increases by 13 percent annually. It provides direct benefits to student-athletes or their families as determined by conference offices, consistent with principles determined by the NCAA.
- In 2004-05, a total of 26,463 student-athletes used the Special Assistance Fund — a per capita benefit of about \$389. Money from the Special Assistance Fund may be awarded to Division I student-athletes who are eligible for Pell Grants or who have demonstrated financial need. Student-athletes who may otherwise be unable to afford necessities such as clothing, ba-

Annual Funding Directly Benefiting Student-Athletes

	2004-05	2003-04	2002-03	2001-02	2000-01
Student-Athlete Opportunity Fund ¹	\$ 21,705,713	\$ 19,209,622	\$ 17,000,669	—	—
Academic Enhancement	\$ 18,241,004	\$ 17,496,746	\$ 16,779,960	\$ 16,050,000	\$ 15,900,000
Special Assistance Fund ¹	\$ 11,330,045	\$ 10,867,939	\$ 10,424,843	\$ 10,000,016	\$ 10,000,013
Catastrophic Insurance	\$ 10,521,831	\$ 10,005,642	\$ 9,267,461	\$ 7,534,834	\$ 7,383,000
Drug Testing/Education	\$ 4,737,752	\$ 4,493,792	\$ 4,127,231	\$ 3,905,598	\$ 3,593,254
Scholarships and Student-Athlete Development	\$ 4,295,799	\$ 4,436,020	\$ 4,674,592	\$ 3,697,850	\$ 4,655,696
Initial Eligibility	\$ 570,356	\$ 423,578	\$ 538,788	\$ 1,311,366	\$ 1,089,826
Youth Programs	\$ 2,776,190	\$ 3,458,363	\$ 3,067,916	\$ 2,788,421	\$ 2,197,810
Total	\$ 52,472,977	\$ 51,182,080	\$ 48,880,791	\$ 45,288,085	\$ 44,819,599

1. Conference allocations

Special Assistance Fund Uses

	Actual Expenditures	Total Recipients	Pell Grant Recipients	Non-Pell Recipients	Avg./Recipient
2000-01	\$ 9,976,568	23,646	17,616	6,030	\$ 421.91
2001-02	\$ 10,348,532	24,842	17,996	6,846	\$ 416.57
2002-03	\$ 10,410,621	25,603	18,926	6,677	\$ 406.62
2003-04	\$ 9,880,594	25,907	18,075	7,832	\$ 381.39
2004-05	\$ 10,285,352	26,463	18,365	8,098	\$ 388.67

Student-Athlete Opportunity Fund Uses

	Actual Expenditures	Total Direct Recipients
2003-04	\$ 12,443,050	28,361
2004-05	\$ 17,333,421	32,907

sic supplies for classes, a trip home for a family emergency or medical care not provided by an insurance program may receive help from the Division I Special Assistance Fund.

- Each Division I institution receives \$56,000 from the Academic Enhancement Fund as part of the revenue-distribution plan. In 2004-05, the Academic Enhancement Fund provided \$18.2 million to Division I institutions.
- Student-athletes continued to have the opportunity to participate in the Exceptional Student-Athlete Disability Insurance Program. The program, established in 1991, permits qualified student-athletes in football, men's and women's basketball, baseball and men's ice hockey to purchase disability insurance contracts with preapproved financing, if necessary. Such insurance provides a student-athlete with the opportunity to protect against future loss of earnings as a professional athlete in case the student-athlete suffers a disabling injury or illness during his or her collegiate career.
- Several Division II student-athlete initiatives continued in 2004-05. They included a series of Division II Leadership Action Academies and additional funding for conference grants to enhance student-athlete advisory committees. In addition, Division II planned for the second national championships festival. The festival, to be conducted in November 2006 in Pensacola, Florida, will enhance the NCAA championships experience for student-athletes in men's and women's cross country, field hockey, men's and women's soccer, and women's volleyball.

Also, Division II student-athletes continue their unique national effort to raise funds for the Make-A-Wish Foundation.

- Division III reaffirmed its support for campus- and conference-generated initiatives to enhance student-athlete welfare by allocating more than \$275,000 for programs focusing on such topics as eating disorders, behavior management, alcohol education and sportsmanship. It also again committed \$500,000 to support participation by up to three student-athletes from an institution (accompanied by a coach or administrator) in two regional student-athlete leadership conferences and continued to offer annual grants to support student-athlete advisory committees in Division III's 42 conferences. As the fiscal year ended, Division III was considering the possibility of transferring responsibility for administration of funding for student-athlete programs to conferences—a move intended to reduce overhead costs and free more dollars for initiatives while giving conferences greater flexibility in supporting programs.
- In 2004-05, the Association supported the following scholarship and academic programs: postgraduate scholarships (174 annual grants of \$7,500), Walter Byers Scholarships (two \$21,500 postgraduate scholarship grants, each renewable for a second year), and ethnic and women's enhancement scholarships (32 annual grants, each valued at \$6,000). Also, the NCAA provides degree-completion grants in Divisions I and II for student-athletes who are near graduation but whose eligibility has expired.

New Initiatives

Significant resources were allocated in 2004-05 to fund division-specific and Association-wide initiatives supported by the Executive Committee, the Division I Board of Directors, and the Divisions II and III Presidents Councils.

Division I

Revenue Distribution

Total increase allocated: \$34,509,000

- Increases were provided to all components of the Division I revenue-distribution plan (basketball, grants-in-aid, sports sponsorship, academic enhancement, special assistance, student-athlete opportunity and conference grant funds) (\$20,809,000).
- A supplemental distribution of \$13.7 million was provided.

Championships

Total increases allocated: \$1,518,200

- Transportation and per diem increase (\$600,000)—Per diem for Division I championships was increased from \$100 to \$105.
- Women's ice hockey bracket expansion (\$338,000)—The bracket was expanded from four to eight teams.
- Softball format changes (\$148,500)—Various changes were approved for the Women's College World Series, including a best-of-three final series.
- Competitive Safeguards and Medical Aspects of Sports (\$123,000)—All-sport, year-round drug testing was implemented.
- Women's water polo bracket expansion (\$122,000)—The bracket was expanded from four to eight teams.
- Officials' per diem (\$65,000)—Increased from \$30 to \$45.
- Regional baseball format (\$36,000)—Regionals changed from a three-day to a four-day format.
- Women's lacrosse (\$27,000)—Various improvements made, among them payment for assignor's travel, seeding of 50 percent of the bracket, and full funding for the NCAA play-in game.
- Men's lacrosse (\$26,000)—Eight of the 16 teams in the men's lacrosse bracket seeded.
- Men's ice hockey (\$8,000)—Preliminary site visits authorized for prospective Frozen Four sites.
- Field hockey (\$7,700)—Full funding provided for play-in game.
- Wrestling (\$7,000)—Travel authorized for two committee members and the NCAA primary and secondary liaisons to visit prospective wrestling championship sites.

- Others (\$10,000)—Other new initiatives valued at less than \$5,000 were undertaken in men's and women's fencing, men's and women's swimming and diving, men's and women's rifle, and women's and men's track and field.

Division II

Total championships increases allocated: \$1,504,000

- Football bracket expansion (\$825,000)—The bracket was expanded from 16 to 24 teams.
- Volleyball bracket expansion (\$308,000)—The bracket was expanded from 48 to 64 teams.
- Track event expansion (\$127,000)—200-meter dash and distance medley relay were added to indoor track competition.
- Participant awards (\$127,000)—Participant awards enhanced from a certificate to a medallion.
- Officials per diem (\$47,000)—Increased from \$30 to \$45.
- Field hockey bracket expansion (\$33,000)—The bracket was increased from four to six teams.
- Football officials (\$16,000)—Increased from six to seven in all rounds of competition.
- Flights for officials (\$15,000)—Up to six airline flights (two per region) for officials for preliminary rounds in women's volleyball, women's soccer and field hockey.
- Host's administrative fee increase (\$5,000)—Administrative fee for hosting a preliminary round of competition in men's and women's tennis increased from \$350 to \$500.
- Awards (\$1,000)—Additional individual awards provided in women's rowing.

Total governance increases allocated: \$150,000

- Drug-testing pilot study (\$100,000)—Study to deter performance-enhancing drugs use by student-athletes.
- Faculty Athletics Representatives Association (FARA) (\$50,000)—Support FARA in development of a program to assist Division II institutions and conferences by clarifying the duties and responsibilities of Division II FARs and by enhancing the FAR role at the campus and conference levels.

Division III

Total championships increases allocated: \$439,400

- Per diem (\$235,000)—Per diem to all championships partici-

pants increased from \$60 to \$65.

- Men's soccer predetermined site (\$56,000)—Predetermined site established.
- Women's soccer predetermined site (\$42,000)—Predetermined site established.
- Women's rowing bracket expansion (\$37,400)—Two "Eight boats" (two additional teams) added.
- Baseball predetermined regional sites (\$31,000)—Increased from two to five.
- Women's volleyball predetermined final site (\$22,000)—Predetermined site established.
- Data specialist (\$5,000)—Men's and women's track and field data specialist authorized.
- Others (\$11,000)—Other new initiatives valued at less than \$5,000 involved officials transportation in men's and women's golf and women's lacrosse; also an increase in the number of men's and women's swimming officials from six to eight.

Association-wide Programs

Total increases allocated: \$3,068,000

- NFUSA Promotions (\$500,000)—Financial support to promote NCAA Football.
- Presidents and Chancellors Orientation Program (\$281,000)—Provision of NCAA information to new presidents and chancellors to acquaint them with the NCAA so that they can more effectively assert appropriate institutional control over their athletics programs.
- International television (\$250,000)—Grow and promote 18 NCAA championships on a worldwide basis.
- Office for Diversity and Inclusion (\$225,000)—To develop strategies, policies and programs to promote diversity and inclusion in intercollegiate athletics.
- NCAA Coaches Academy (\$198,000)—Expansion of the NCAA Coaches Academy.
- Women's Coaches Academy (\$198,000)—Professional development to aid in career retention.
- Initial-eligibility education (\$198,000)—Educational efforts targeted at high school personnel, prospective student-athletes and parents to better educate them on increased core-course requirements.
- NCAA corporate champion/corporate partner hospitality and

recognition (\$195,000)—Corporate champions and corporate partner events at NCAA championship cities.

- Creation of a Division I Committee on Academic Performance (\$193,000).
- Student-athlete programming (\$100,000)—Materials for CHAMPS/Life Skills initiatives including coaching as a career, anti-harassment and homophobia issues.
- Clear language initiative (\$100,000)—Revision of various membership services publications and Web materials for easy reading and comprehension.
- Best practices (\$100,000)—A program to identify and publicize leadership and life skills best practices strategies.
- Grants to affiliates (\$100,000).
- Pilot Committee (\$88,000)—20-person group of presidents from conferences unrepresented on the Board whose purpose is to advise the Board about agenda items.
- Sportsmanship tool kit (\$60,000)—Consolidate the best sportsmanship information available, packaged in CD/DVD format.
- Title IX Initiatives (\$55,000)—Commitment to additional Title IX education programming in response to the Paige Commission.
- Continuation of technology plan (\$55,000)—Increased use of Webcasts in the areas of legislative updates, initial eligibility, recruiting, and progress-toward-degree and secondary-school education efforts.
- Professional development (\$50,000)—Professional development and training for the national office staff.
- FARA (\$42,000)—Financial support for FARA initiatives.
- Progress-toward-degree educational efforts (\$35,000)—Development of educational pieces (Web material, Webcasts, presentations) outlining applications of the new progress-toward-degree standards and identifying best practices.
- Health and safety education fund initiative (\$17,000)—Membership education on important health and safety issues.
- Olympic Sports Liaison Committee (Joint NCAA/USOC Task Force) (\$13,000)—Joint NCAA-USOC effort to maintain sponsorship of Olympic sports at the NCAA level.
- NCAA patches for student-athlete uniforms (\$15,000)—NCAA logo uniform patches for all student-athletes participating in NCAA championship competition.

Scholarship Programs

The NCAA annually awards academic grants to about 300 students who participate in college athletics or who are seeking a career in an athletically related field.

NCAA Postgraduate Scholarships

The NCAA awards 174 postgraduate scholarships each year, 87 for men and 87 for women. The scholarships are awarded to student-athletes who excel academically and athletically and who are in their last year of intercollegiate athletics competition.

One-time grants of \$7,500 each were equally divided in 2004-05 among fall, winter and spring sports. During each sports season, a total of 58 postgraduate scholarships are available — 29 for men and 29 for women. The scholarships are one-time, non-renewable grants.

Eligibility is restricted to student-athletes at NCAA member institutions who, in their final year of competition, have performed with distinction as members of varsity teams in the sport for which they were nominated. Nominees must have a minimum grade-point average of 3.200 (based on a 4.000 scale), be nominated by their faculty athletics representative or athletics director, and intend to continue academic work beyond the baccalaureate degree as a full-time or part-time graduate-degree student.

Postgraduate Scholarships data

Number of annual recipients	174
Value of each grant (2004-05)	\$7,500
Program established	1964
Number of postgraduate scholarships, all-time	4,478
Total money awarded	\$16,934,200

Degree-Completion Grants

Divisions I and II conduct programs to assist student-athletes who have exhausted their eligibility for institutional financial aid.

Applicants for the Division I program must meet the following criteria:

- Have completed eligibility for athletically related aid (in five years) at a Division I member institution.
- Be within 30 hours of their degree requirement.

Full-time students receive grants equal to a full athletics grant at the institution; part-time students receive tuition and an allowance for books. The program is administered by the NCAA Division I Degree-Completion Award Consultants.

Division II initiated a similar program in 2001-02. To be considered for a Division II degree-completion award, a student-athlete must meet the following criteria (other requirements also apply):

- Have exhausted athletics eligibility within the previous calendar year at an active Division II member institution.
- Received athletically related financial aid from the Division II institution.
- Be within 30 semester (or 45 quarter) hours of completing an undergraduate degree.
- Have at least a 2.000 cumulative grade-point average (4.000 scale).

Division I Degree-Completion Data

Avg. number of annual recipients	120
Avg. value of each grant	\$6,450
Program established	1988
Number of degree-completion recipients, all-time	1,939
Total money awarded	\$12,492,461
Graduation rate, 1988-99	95%

Division II Degree-Completion Data

Number of recipients	93*
Avg. value of each grant	\$2,500
Program established	2001
Number of degree-completion recipients, all-time	278
Total money awarded	\$350,000

*Number of recipients in 2004.

Walter Byers Postgraduate Scholarship Program

The Walter Byers Postgraduate Scholarship Program was established in 1987 in honor of former NCAA Executive Director Walter Byers to recognize and encourage excellence in academic performance by student-athletes. This scholarship is awarded annually to one male and one female in recognition of outstanding undergraduate achievement and potential for success in graduate study and their chosen career field.

Candidates are nominated by institutional representatives and must have achieved a 3.500 grade-point average on a 4.000 scale while showing character, leadership and citizenship.

The program is administered by the Walter Byers Scholarship

Committee. The annual stipend is \$21,500 and is renewable for a second year if the recipient is in good academic standing.

Byers Scholarship data

Number of annual recipients	2
Value of each grant	\$21,500*
Program established	1987
Number of Byers Scholars, all-time	34
Total money awarded	\$850,120

*The grants are renewable for a second year if the recipient is in good academic standing. Therefore, in any single year, \$86,000 of scholarships are awarded through this program (\$43,000 to the current year's recipients and \$43,000 to recipients from the previous year).

Ethnic Minority and Women's Enhancement Program

A total of 32 scholarships — 16 to ethnic minorities and 16 to women — are available annually through the Ethnic Minority and Women's Enhancement Program to college graduates who will be entering the first semester of their postgraduate studies. Applicants must be seeking admission (or have been accepted) into a sports-administration or related program that will assist the applicant in obtaining a career in intercollegiate athletics. Six scholarships are available for Division III students only. The applicant must be accepted into a sports administration or related program. Each award is valued at \$6,000.

The NCAA also offers one-year internships at its national office, providing on-the-job learning experience for college graduates who express an interest in pursuing a career in college athletics administration.

Ethnic Minority Enhancement Scholarships data

Number of annual recipients	16
Value of each grant	\$6,000
Program established	1989
Number of ethnic minority enhancement scholarships, all-time	151
Total money awarded	\$1,266,000

Women's Enhancement Scholarships data

Number of annual recipients	16
Value of each grant	\$6,000
Program established	1989
Number of women's enhancement scholarships, all-time	151
Total money awarded	\$1,266,000

NCAA Internship Program

Number of annual recipients	13
Value of each internship	\$24,000
Program established	1989
Number of internships, all-time	153
Total amount (app.)	\$3,071,000

Freedom Forum-NCAA Sports Journalism Scholarships

The Freedom Forum, through a grant to the NCAA, provides eight \$3,000 scholarships to college juniors who have career goals in sports journalism and major in journalism or have experience in campus sports journalism.

The program assists deserving full-time students in their final year of study and is designed to foster freedoms of speech and press while promoting quality sports journalism education at the collegiate level.

Sports Journalism Scholarships data

Number of annual recipients	8
Value of each grant	\$3,000
Program established	1993
Number of sports journalism scholarships, all-time	111
Total money awarded	\$334,000

Other Programs

Home Team

Home Team, a new partnership between the NCAA and Habitat for Humanity International, will raise funds and provide volunteer labor to assist in the long-term rebuilding efforts in Gulf Coast regions devastated by Hurricanes Katrina and Rita.

The Home Team partnership includes a \$1 million lead gift from Division II, a matching gift of \$500,000 from the NCAA national office and additional voluntary donations to be collected at all 88 NCAA national championships. The NCAA also will promote Habitat for Humanity hurricane-rebuilding efforts at all 88 national championships through customized promotional plans.

As part of the Home Team partnership, the NCAA will work with various Habitat for Humanity programs to mobilize the NCAA's national Student-Athlete Advisory Committees in all three divisions and member coaches associations to provide volunteer support to build dwellings for families needing decent, affordable housing.

CHAMPS/Life Skills

In 1991, the NCAA initiated efforts to create a total-development program for student-athletes. Through the collaborative efforts of the NCAA and the Division 1A Athletic Directors' Association, the CHAMPS/Life Skills Program (Challenging Athletes' Minds for Personal Success) was created and launched to the NCAA membership in 1994.

That summer, 46 NCAA institutions participated in the first orientation for administrators from around the nation. Since then, about 40 member institutions have joined the CHAMPS/Life Skills program in each succeeding year. A total of 513 member institutions and conference offices currently participate in the CHAMPS/Life Skills program.

The NCAA education outreach staff oversees the development of the program, offering services, support and programs to participating institutions throughout the year.

CHOICES

CHOICES, a competitive-grant program, provides funding to NCAA institutions for alcohol education. CHOICES projects integrate athletics into campus-wide efforts to educate students about the risks involved with the misuse of alcohol. The program is made possible through a 1991 gift from the Anheuser-Busch

Companies, Inc., to the NCAA Foundation.

The NCAA chose the theme "CHOICES" because college students are confronted with a daily variety of choices, some of which have lasting effects on their lives. The NCAA believes that programs implemented through this grant program help create an environment that supports and encourages personal CHOICES that are legal, healthy, appropriate and safe.

CHOICES data

Number of annual grants	10-15
Value of each grant	\$30,000*
Program established	1991
Number of CHOICES grants, all-time	153
Total money awarded (app.)	\$3.4 million

*Average size of grants for 2005

Citizenship Through Sports Alliance

The Citizenship Through Sports Alliance (CTSA) is an organization that includes the NCAA, the National Federation of State High School Associations, the National Junior College Athletic Association, the National Association of Intercollegiate Athletics, the Women's National Basketball Association, the National Basketball Association, the National Hockey League and Major League Baseball.

The alliance was formed because of each group's concern about the current sports culture. Over the past several years, member organizations have noted a worrisome decline in sportsmanship and ethical conduct in athletics, a deterioration that permeates sports competition from the youth leagues to the professional leagues. The alliance is a joint effort by the school-college community and professional sports organizations to promote the values of citizenship that are realized through sportsmanship and ethical play in athletics.

The CTSA is based on six principles: the value of sport, academic and social achievement, the value of diversity, drug-free athletes, ethical conduct and non-violence.

Coaches Education

The NCAA, the National Federation of State High School Associations and the United States Olympic Committee have formed

a coalition to develop and improve the coaching profession.

The goal of this initiative, known as the USA Coaching Coalition, is to improve the philosophical, physical, psychological, social and ethical development of coaches and athletes so they can achieve their full potential in life.

Objectives of the coalition are to develop and promote standards of competence, to facilitate coaching education, and to encourage other sports organizations to participate in the coalition's initiatives.

First Team

The Division I Men's Basketball Mentoring Program promotes the value of education and the proper role of athletics in education. In the late 1990s, a group was formed to study issues affecting basketball, and "First Team" was created to address some of its findings.

The program seeks to provide information to help prospective student-athletes successfully navigate the recruiting process while maintaining a balance between academics and athletics. Prospective members are eighth- and ninth-graders identified by athletics ability but not selected solely on that basis. Participants remain in the program throughout high school. They must be enrolled in an accredited school and maintain a minimum "C" grade-point average.

Another program objective is to provide secondary-school administrators and coaches with instructional materials that can be used in counseling prospective basketball student-athletes.

The National Federation of State High School Associations and the National Association of Basketball Coaches work closely with this initiative.

Leadership Conference

The annual NCAA Leadership Conference operates on the assumption that leadership abilities can be consciously developed and that student-athletes are well-positioned to be leaders. The NCAA encourages this leadership through a variety of interactive and collaborative programs.

In May 1997, the first NCAA Leadership Conference was conducted at Disney's Wide World of Sports Complex in Lake Buena Vista, Florida. Since 1997, nine annual conferences have convened, involving more than 2,700 student-athletes who are di-

verse among race, gender, division and sport. A total of 325 student-athletes representing 37 men's and women's sports gathered May 29-June 2, 2005, for the ninth annual conference.

Some of the learning outcomes that student-athletes have gained from participating in the conferences are decision-making and problem-solving skills, networking skills, understanding and appreciation for diversity, and planning and priority-setting skills. In addition, each student-athlete has been required to develop an action plan that will address a critical issue of importance facing their campus community or society as a whole. The goal is for each student-athlete to be confident agents of change by the end of the conference.

Only NCAA institutions enrolled in the NCAA CHAMPS/Life Skills Program are invited to submit nominations to the selection committee, which is coordinated by the NCAA education outreach staff.

*Babe Ruth, the home-run king,
and future President
George H. W. Bush, 1948.*



A Look **Ahead**



Cross-country 2004



A Look Ahead **Division I**

Philip Austin (left)
UNIVERSITY OF CONNECTICUT
2006 BOARD OF DIRECTORS CHAIR

Ronald D. Wellman (right)
WAKE FOREST UNIVERSITY
2006 MANAGEMENT COUNCIL CHAIR

January 2006 signifies not only the beginning of the NCAA's Centennial celebration but also a benchmark for Division I academic reform. By now Division I members know the Academic Progress Rates (APR) for all their teams based on two years of student-athlete eligibility and retention data, and for the first time, contemporaneous penalties have been assessed for under-performing teams.

Because the reform structure has been implemented gradually and strategically — from enhanced core-course and eligibility standards in 2003, to the establishment of an APR cut-off score for contemporaneous penalties, to releasing the first year of APR data without penalties attached — Division I institutions have developed expectations and adjusted behavior accordingly. Thus, the issuance of contemporaneous penalties, or scholarship losses, was not widespread.

The contemporaneous-penalty phase is not the meat of reform, however. Still to come — and where Division I institutions are expected to focus this year — is the historically based reforms that are intended to identify those teams that ignore the warning shots of the contemporaneous-penalty phase and continue to lag academically. Once three years of APR data are collected by fall 2006, institutions not meeting a to-be-identified APR cut-off score will be warned, then regulated in subsequent years if performance does not improve.

The Division I Committee on Academic Performance (CAP) will play an important role in 2006 and beyond. Not only will the group the Board of Directors appointed as the caretakers of academic reform recommend the APR cut-off score for the historically based penalty phase, CAP also is expected to propose an incentives program that rewards outstanding academic achievement and significant academic improvement. CAP members also will continue to monitor the implementation of reform, including adjustments to the APR calculation when necessary. The group already has made accommodations in the APR for student-athletes who leave the institution for reasons beyond their or the institution's control, provided they maintain their academic eligibility through the given term. That includes student-athletes who pursue a career in professional sports.

While academic reform may be the primary focus in Division I during 2006, it is not the only area demanding Division I presidents' attention. Fiscal responsibility continues as a significant concern, particularly in light of data indicating that spending in Division I athletics is growing at a rate about three times that of spending in higher education. While operating expenses even for institutions whose athletics programs earn revenues over ex-

penses are but 3 to 4 percent of the overall institutional budget, economists and presidents alike acknowledge that the current rate of expenditures in big-time college sports cannot be sustained.

For that reason and others, NCAA President Myles Brand formed the Presidential Task Force on the Future of Division I Intercollegiate Athletics to develop recommendations that address not only the fiscal pressures facing Division I programs, but also areas such as student-athlete well-being, relationships among presidents and university boards, the effects of booster programs in athletics, and the integration of athletics within higher education.

As was the case with academic reform, the presidential-led task force is expected to play a prominent role in the coming year with the development of guidelines, best practices and legislation (where appropriate) to help Division I institutions navigate challenging economic times without compromising the integrity of the educational mission.

Division I Strategic Priorities for 2006

- Determine cut-off scores in the Academic Progress Rate under which teams are subject to historically based penalties.
- Implement a financially based incentives and rewards system that acknowledges academic achievement and improvement.
- Consider a change in Division I nomenclature that removes or revises current subdivision labels as a way to enhance membership.
- Implement a Graduation Success Rate that serves as more accurate measure of student-athlete academic success than the federally mandated methodology that does not take transfer students into account.
- Consider recommendations from the Presidential Task Force on the Future of Division I Intercollegiate Athletics.
- Examine potential enhancements to the Division I governance structure that provide for a more efficient legislative process.
- Implement strategies to enhance men's and women's basketball, including improvements to the NIT Season Tip-Off and the postseason NIT events.
- Monitor initial-eligibility and progress-toward-degree standards adopted in 2003 to ensure those benchmarks provide for optimum student-athlete academic success.
- Implement a clearinghouse operation that certifies the amateur status of both domestic and international prospects.

Division I Facts

Division I Institutions, 2004-05

327 total members
326 active
1 provisional

Source: September 1, 2005, report from membership services staff

66 percent public
34 percent private

Source: 2005 Graduation-Rates Report

Average Undergraduate Enrollment, 2003-04

Division I	10,792
Division I-A	16,844
Division I-AA	7,215
Division I-AAA	7,577

Source: 2005 Graduation-Rates Report

Average Number of Participating Athletes per Division I Institution, 2004

	Men	Women
I-A	327	262
I-AA	277	208
I-AAA	163	163

Source: 1982-05 Sports Sponsorship and Participation Report

NCAA-Sponsored Championships for Division I, 2005-06

	Number of sports
Men	13
Women	13

National Collegiate Championships, 2005-06

Men	3
Women	4
Coed	3

Average Number of Varsity Sports Offered per Division I Institution, 2003-04

Men	8.8
Women	10.1
Total	18.9

Source: 1982-05 Sports Sponsorship and Participation Report

Average Expenses per Institution, 2003-04

Division I-A	\$30.7 million
Division I-AA	\$9.1 million
Division I-AAA	\$7.8 million

Source: 2004 Gender-Equity Report



A Look Ahead **Division II**

Charles Ambrose (left)
PFEIFFER UNIVERSITY
2006 PRESIDENTS COUNCIL CHAIR

Jill Willson (right)
TEXAS A&M UNIVERSITY-KINGSVILLE
2006 MANAGEMENT COUNCIL CHAIR

Division II's agenda for 2006 involves continued identification of ways in which it can distinguish itself from the other two NCAA membership divisions.

Through creative thinking and reasonable risk-taking, Division II also will make certain that key NCAA attributes such as "balance" are truly part of the student-athlete experience.

The student-athlete experience will be at the forefront of the second Division II National Championships Festival, which will be conducted November 15-20 in Pensacola, Florida, and hosted by the University of West Florida. At that time, Division II championships will be conducted in men's and women's cross country, field hockey, men's and women's soccer, and women's volleyball. The first festival, conducted for spring sports in Orlando in 2004, succeeded in enhancing the championships experience for the 600 participating student-athletes.

The Division II Student-Athlete Advisory Committee will enter the third year of its relationship with the Make-A-Wish Foundation. In 2004-05, Division II SAACs across the country raised \$100,000 for Make-A-Wish, which provides dream-come-true experiences for young people with life-threatening illnesses. In addition to its work with Make-A-Wish, the Division II SAAC will support hurricane-relief efforts through the Association's new "Home Team" program with Habitat for Humanity.

In addition, Division II will continue to find ways to enhance pride among Division II members. Late in 2005, each member institution and conference office was provided with Division II floor decals and game-official vests. Also, conference offices received Division II field stencils and paint packages that could be used for conference championships or special events (such as regional telecasts) at their member institutions. In 2006, Division II will evaluate the success of this program and determine whether additional products, such as chairback covers, might be desirable.

Division II also is committed to strengthening the links between its member institutions and the communities in which they are located. To this end, research undertaken in late 2005 should help direct a national program aimed at developing community bonds among student-athletes, coaches and administrators.

Division II also will continue to expand its championship television opportunities in 2006. This expansion is in keeping with the belief that television opportunities, when properly managed, can provide an effective platform for educating the public about Division II.

With regard to other programs, Division II anticipates further development of its "model program" series. Descriptions have

been created for model conference offices, for institutional athletics programs and for campus student-athlete advisory committees. All are supported through the Division II enhancement fund and the conference-grant program.

Also, Division II's ongoing study of its regionalization philosophy will continue. The topic will be discussed in depth at the January Convention. The Division II Regionalization Task Force will use that feedback to determine if it is possible to build an alternate model that the membership will accept.

Division II Strategic Priorities for 2006

- Continue data collection and research about the Division II identity.
- Enhance television coverage and employ new technology to feature Division II regular-season and national championship competition.
- Continue celebration of Division II affiliation through field markings, arena signage/banners, uniform and equipment markings, and merchandise opportunities.
- Develop a "tool kit" to assist Division II institutions in connecting with their communities as they promote events and programs locally.
- Celebrate the second Division II National Championship Festival at the University of West Florida in November 2006.
- Continue a study to restructure Division II football in order to sustain or improve the health of the sport at the Division II level.
- Continue review of Division II regionalization policies to ensure that the division's championships structure is consistent with the Division II philosophy.
- Implement the new Division II Academic Success Rate reporting system.
- Implement the new Model Division II Student-Athlete Advisory Committee for member institutions; also, the national SAAC will focus on sportsmanship initiatives.
- Activate Division II strategic priorities through direct funding to committees responsible for outcomes.

Division II Facts

Division II Institutions, 2004-05

290 total members
282 active
8 provisional

Source: September 1, 2005, report from membership services staff

56 percent public
44 percent private

Source: 2005 Graduation-Rates Report

Average Undergraduate Enrollment, 2003-04

Men	1,700
Women.	2,233
Total	3,933

Source: 2005 Graduation-Rates Report

Average Number of Participating Athletes per Division II Institution, 2004

	Men	Women
With football	227	133
Without football	109	96

Source: 1982-05 Sports Sponsorship and Participation Report

NCAA-Sponsored Championships for Division II, 2005-06

	Number of sports	
Men	12	
Women.	13	

National Collegiate Championships, 2005-06

Men	3
Women.	4
Coed	3

Average Number of Varsity Sports Offered per Division II Institution, 2003-04

Men	6.4
Women.	7.1
Total	13.5

Source: 1981-05 Sports Sponsorship and Participation Report

Average Expenses per Institution, 2003-04

With football	\$3.2 million
Without football	\$2.2 million

Source: 2004 Gender-Equity Report



A Look Ahead **Division III**

Ivory Nelson (left)
LINCOLN UNIVERSITY (PENNSYLVANIA)
2006 PRESIDENTS COUNCIL CHAIR

Michael Miranda (right)
PLATTSBURGH STATE UNIVERSITY OF NEW YORK
2006 MANAGEMENT COUNCIL CHAIR

After an era of significant reforms resulting from two phases of the Future of Division III initiative, attention will shift this year to promoting greater institutional and conference autonomy over the creation and administration of a wide range of programs designed to support Division III ideals and objectives.

Beginning in July 2006, voting conferences and the Association of Division III Independents will receive more authority and discretion over use of funds that are allocated annually for Division III strategic initiatives. The program is envisioned as a means of enhancing conference and institutional autonomy and broadening membership participation in achieving the division's strategic goals and objectives, while making more funds available by lowering administrative costs.

The \$1.6 million in distributions will provide continuing support for student-athlete advisory committees, compliance and rules education, enhancement of the roles of faculty athletics representatives and senior woman administrators, and regular meetings of conference commissioners and sports information directors, and also will support a recently established initiative to include "direct reports" (such as chief academic or student affairs officers who supervise athletics programs) in Division III activities. The funds also will support initiatives addressing student-athlete well-being, diversity and gender equity, and sportsmanship. Conferences and the Association of Division III Independents also will receive latitude under the program to devote a portion of funds to enhancement or improvement of technology; officiating; training, medicine and nutrition; promotions and marketing; championships; and professional development.

Division III national administration will retain direct oversight of the Strategic Alliance Matching Grant and Women and Minority Internship Grant programs, which make available \$1.6 million annually to fund full-time administrative/coaching positions and internship opportunities at institutions and conferences; continue to allocate \$500,000 annually for Student-Athlete Regional Leadership Conferences; and maintain support of educational partnerships with the National Association of Division III Athletics Administrators and National Association of Collegiate Women Athletics Administrators.

In addition to empowering institutions to strengthen existing initiatives, Division III also is seeking innovative ways of serving its strategic emphasis on student-athlete well-being, diversity, membership education and communication, and the division's identity and promotion.

Noteworthy developing initiatives include implementation of a formal plan for enhancing the student-athlete experience at

Division III championships. Aided with funds provided by the NCAA's Corporate and Broadcast Alliance, the initiative seeks to provide memories for participants at 22 championships finals sites. The Division III Championships Committee also is pursuing other enhancements, including presenting participation awards to all student-athletes competing in all rounds of competition.

Another promising initiative—proposed “Webcasting” of a number of championship events via the Internet—would serve the goal of establishing a better identity for and promoting Division III.

While the legislative work of the Future of Division III initiative essentially will be completed with voting on proposals at the 2006 Convention, its legacy will continue during coming years not only through expansion of institutional and conference autonomy, but through efforts to promote self-study within conferences and to compile institutional “best practices” for pursuing greater adherence to Division III philosophy.

One proposal slated for consideration at the 2006 Convention would establish a formal process, through development of a Conference Self-Study Guide, for conferences to evaluate their shared philosophy and practices.

Another product of the Future of Division III—Phase II initiative, a compilation of “best practices,” seeks to assist the membership in administering athletics programs in a manner that is more consistent with the tenets of the Division III philosophy. These compiled practices will address the areas of academic success of student-athletes, cultural and campus integration, and sport and program equity.

Division III Strategic Priorities for 2006

- Implement a conference-grant program to provide conferences and independent institutions with more authority and discretion over strategic-initiatives funds.
- Enhance championships through continuing bracket expansion and through improvement of the student-athlete experience.
- Support and promote the Division III identity through initiatives such as “webcasting” of championships.
- Compile and share “best practices” in the areas of academic success of student-athletes, sport and program equity, and cultural and campus integration.
- Continue support for educational partnerships with the National Association of Division III Athletics Administrators and National Association of Collegiate Women Athletics Administrators.
- Continue support for Student-Athlete Regional Leadership Conferences.

Division III Facts

Division III Institutions, 2004-05

437 total members
419 active
18 provisional

Source: September 1, 2005, report from membership services staff

21 percent public
79 percent private

Source: 2005 Graduation-Rates Report

Average Undergraduate Enrollment, 2003-04

Men	1,069
Women.	1,367
Total	2,436

Source: 2005 Graduation-Rates Report

Average Number of Participating Athletes per Division III Institution, 2004

	Men	Women
With football	290	176
Without football	119	129

Source: 1981-05 Sports Sponsorship and Participation Report

NCAA-Sponsored Championships for Division III, 2005-06

	Number of sports	
Men	13	
Women.	14	

National Collegiate Championships, 2004-05

Men	3
Women.	4
Coed	3

Average Number of Varsity Sports Offered per Division III Institution, 2003-04

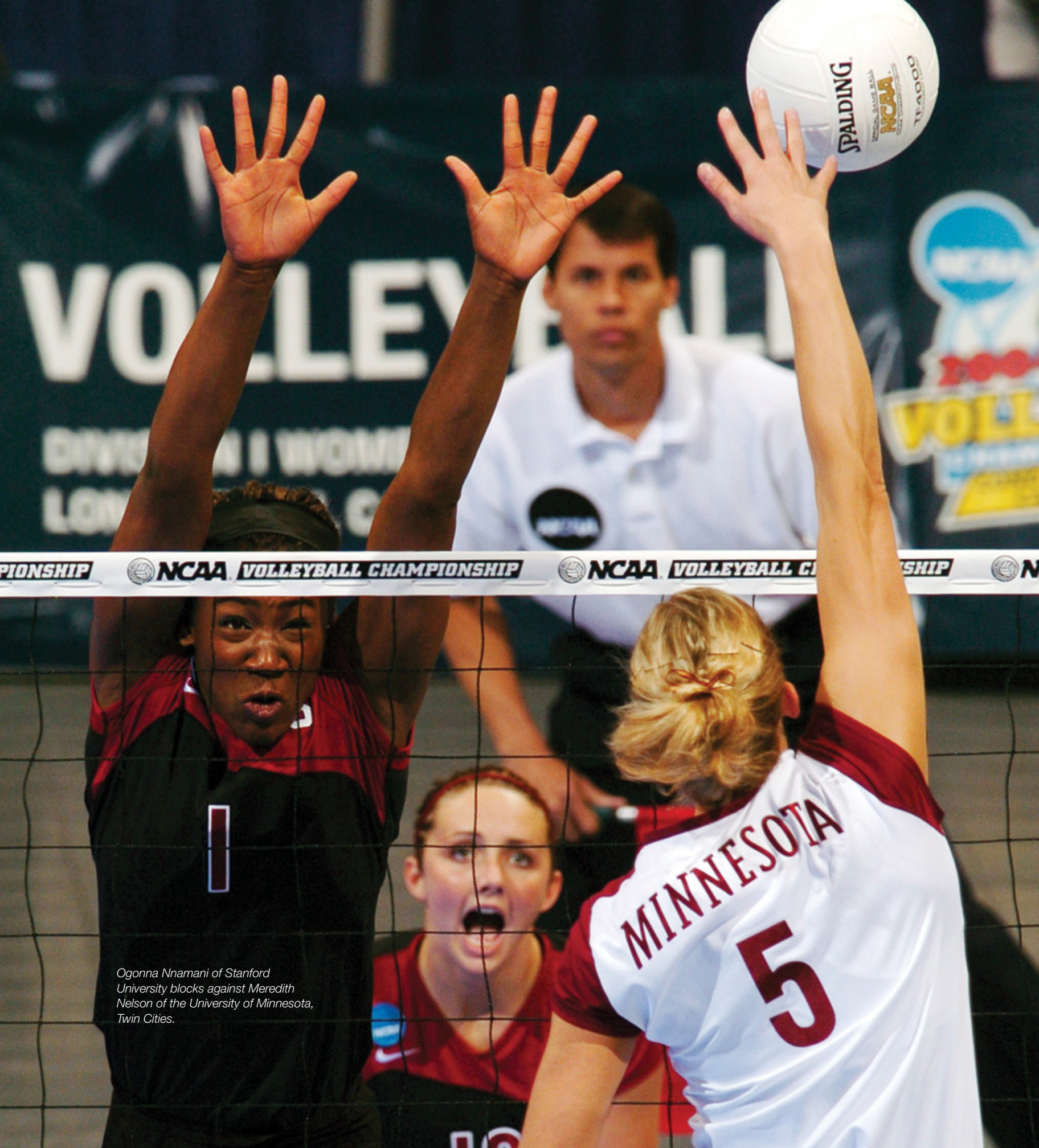
Men	7.8
Women.	8.5
Total	16.3

Source: 1981-05 Sports Sponsorship and Participation Report

Average Expenses per Institution, 2003-04

With football	\$1.9 million
Without football	\$0.9 million

Source: 2004 Gender-Equity Report



Ogonna Nnamani of Stanford University blocks against Meredith Nelson of the University of Minnesota, Twin Cities.

2005 NCAA Executive Committee



Michael F. Adams
UNIVERSITY OF GEORGIA



Philip Austin
UNIVERSITY OF CONNECTICUT



Myles Brand
NCAA PRESIDENT



Clinton Bristow Jr.
ALCORN STATE UNIVERSITY



G. Wayne Clough
GEORGIA INSTITUTE
OF TECHNOLOGY



Daniel Curran
UNIVERSITY OF DAYTON



Paul H. Engelmann
CENTRAL MISSOURI STATE
UNIVERSITY



Robert Fisher
BELMONT UNIVERSITY



Walter Harrison
UNIVERSITY OF HARTFORD



Martin C. Jischke
PURDUE UNIVERSITY



Arthur F. Kirk Jr.
SAINT LEO UNIVERSITY



Peter Likins
UNIVERSITY OF ARIZONA



Sidney McPhee
MIDDLE TENNESSEE STATE
UNIVERSITY



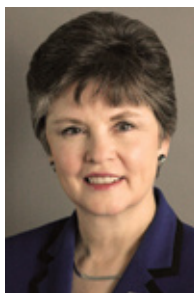
Kathryn A. Martin
UNIVERSITY OF MINNESOTA
DULUTH



Michael Miranda
PLATTSBURGH STATE
UNIVERSITY OF NEW YORK



Ivory Nelson
LINCOLN UNIVERSITY
(PENNSYLVANIA)



Shirley Raines
UNIVERSITY OF MEMPHIS



Phillip C. Stone
BRIDGEWATER COLLEGE
(VIRGINIA)



Ronald D. Wellman
WAKE FOREST UNIVERSITY



John D. Welty
CALIFORNIA STATE
UNIVERSITY, FRESNO

NCAA 2004 Postgraduate Scholarship Winners

Men

Andrew Aakre

North Dakota State University

Bryce M. Abbey

University of Nebraska at Kearney

Robert Altenau

University of Dayton

Ryan Bowman Andrus

University of Oregon

Konstantinos John Arnaoutakis

Columbia University

Blake Landon Barlow

University of Central Arkansas

Neil Wurzer Baumgartner

Saginaw Valley State University

Nathan Beerling

University of Minnesota Duluth

Christian Andrew Bowers

University of Denver

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University of Pittsburgh, Johnstown

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Saint Francis University (Pennsylvania)

Lucia Tallova
California State University, Fresno

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City College of New York

Jessica Nicole Walden
Concordia College, Moorhead

Jennifer Catherine Walker
Bentley College

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Emory University

Heather Audrey Watts
University of Memphis

Andrea Wells
Pacific Lutheran University

Kelly Lynn Wilson
University of Texas at Austin

Amy Williams
University of North Carolina, Chapel Hill

2005 **Walter Byers Scholarship Winners**

Sarah Marie Dance
Truman State University

Matthew G. Gunn
University of Arkansas, Fayetteville

NCAA 2004-05 Degree-Completion Grant Awardees

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Appalachian State University

Hamisi Amani-Dove

Rutgers, The State University of New Jersey, New Brunswick

Delfino Arevalo

University of Utah

Gediminas Banevicius

University of Tennessee at Chattanooga

Casey Benjamin

Tennessee Technological University

Heather Bown

University of Hawaii, Manoa

Breanna Boyd

University of Nebraska, Lincoln

Kandice Brown

Morehead State University

Douglas Buckles

University of Mississippi

Michael Burke

Brigham Young University

Blessing Bvunzawabaya

Prairie View A&M University

Kristen Caldwell

University of Missouri, Kansas City

Eric Campbell

Alabama State University

Rita Castans

Western Illinois University

Greichaly Cepero-Febres

University of Nebraska, Lincoln

Anthony Chambers

Purdue University

Corey Chamblin

Tennessee Technological University

Brad Christie

Hofstra University

Marcus Cornell

Ohio University

Christopher Cox

University of Wyoming

Jeremy Deitrick

Pennsylvania State University

Heather Denison

University of Portland

Elvis Dickson

University of Oklahoma

Shawn Fagan

Pennsylvania State University

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Texas Christian University

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University of Minnesota, Twin Cities

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Robert Gaines

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Alvaidas Gedminas

University of Texas, Pan American

Ralphell Goodson

Gardner-Webb University

Kathleen Hahn

Indiana University-Purdue University at Indianapolis

Corey Hall

Appalachian State University

Joe Hamilton

Virginia Polytechnic Institute and State University

Mitchell Hancock

Central Michigan University

Genevieve Hann

Eastern Michigan University

Jennifer Hartman

Youngstown State University

Shakeitha Henfield

Southeastern Louisiana University

Erin Hesselbach

Indiana University, Bloomington

Raion Hill

Louisiana State University

Gregg Hiller

Kent State University

Ronald Hobbs

Texas Christian University

Sheila Hutchison

Montana State University-Bozeman

Karl Ivory

California Polytechnic State University

Mark Jayne

University of Illinois, Champaign

Antony Jordan

Vanderbilt University

Paul Justin

Arizona State University

Ivan Kartelo

Purdue University

Kari Keddington

University of Utah

Jim Kessenich

Indiana University-Purdue University, Fort Wayne

George Kirgan

Northern Illinois University

Steven Kocsis

University of Tennessee at Chattanooga

Isabel Konno De D. Cysneiros

Louisiana State University

Emily Krueger

Illinois State University

Stephon Latulas

Chicago State University

Clarence Love

University of Toledo

Angeline McIntosh

Morgan State University

Luke Mackay

East Carolina State University

Rickey McKenzie

University of Akron

Winston Martinez

Savannah State University

Clarence Masters

Kansas State University

Joshua Mayle

Kent State University

Lindsey Metcalf

Brigham Young University

Kristen Michaelis

California State University, Fresno

David Miller

Ball State University

Andrea Milner

University of Illinois, Chicago

Andy Mohr

California State University, Sacramento

Manuel Monreal

Florida International University

Sherita Moore

Tennessee Technological University

Patrick Ngongba

George Washington University

Felix Okello

University of South Alabama

Patricia Ortiz

Savannah State University

Brandon Parker

California State University, Sacramento

Kenneth Parker

University of Florida

Tristen Perlberg

Central Michigan University

Trent Powell

Brigham Young University

Juan Razo

Texas Tech University

Abbey Reif

University of South Alabama

Juan Reyes

Arizona State University

Geoffrey Richard

Chicago State University

Thomas Ricks

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Nathaniel Sconiers

Alabama State University

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Roosevelt Bolden
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Texas Woman's University

Ariel Bonderer
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Tyreece Brown
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Sarah Cargill
Valdosta State University

Renae Carter
Lincoln Memorial University

Kimberly Chippis
Concord University

Blake Christenson
Henderson State University

Tomyriam Crutches
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Navreet Gill
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Eric Goudge
Northwest Missouri State University

Alexis Grafton
Philadelphia University

Larisa Graham
Northern Michigan University

Aaron Graumann
Augustana College (South Dakota)

Sarah Griffith
Fort Lewis College

Chelsie Groslie
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Rikole Hall
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Sonya Hauan
University of Missouri, St. Louis

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Amanda Kalmus
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Kim Kilmer
Colorado School of Mines

Kristian Kleminsky
University of Alabama, Huntsville

Susan Kolbow
Minnesota State University Moorhead

Anthony Lampkin
University of Central Arkansas

Erin Livingston
Kutztown University

David Lutz
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Erin MacNabb
Texas Woman's University

Jason Mai
Southwest Minnesota State University

Julie Maples
Tusculum College

Kelli McCune
Northern Michigan University

Emily McMahan
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Thomas Meester
Augustana College (South Dakota)

Jennifer Mihulka
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Robyn Milne
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Erica Nieman
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Melanie Pabalate
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Tabitha Panter
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Jessica Parker
Paine College

Chanda Parker
Carson-Newman College

Nicole Patry
Emporia State University

Melissa Patterson
University of Pittsburgh, Johnstown

Lindsay Pelozo
California State University, Dominguez Hills

Suni Petty
West Texas A&M University

Jacob Pool
Henderson State University

Ashley Potter
University of Alabama, Huntsville

Kelly Powe
Florida Gulf Coast University

Keisha Powell
Limestone College

Toni Purgatori
Wayne State University (Michigan)

Kalia Quarles
Shaw University

Milica Radovic
University of Central Arkansas

Oscar Rodriguez
Fort Hays State University

Aaron Sanchez
New Mexico Highlands University

Kari Sandstrom
Minnesota State University Mankato

Nicole Schierer
Georgian Court University

Nikki Schwarz
Saginaw Valley State University

Jessica Sears
Truman State University

Adam Shaw
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Melissa Sneller
Grand Valley State University

Ja'Marcus Snipes
University of North Alabama

Anna Sonderman
Truman State University

Brook Strickland
University of Wisconsin, Parkside

Christina Taylor
Virginia Union University

Amber Timmons
Northern Kentucky University

Blaire Toleman
Florida Gulf Coast University

Natalie Walther
Texas A&M University-Kingsville

Shelly Wilson
St. Mary's University (Texas)

Marques Woods
Fort Hays State University

Danielle Yeager
Bloomsburg University of Pennsylvania

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Sul Ross State University

Charlie Wilson

Olivet College

Joyce Wong

Eastern Connecticut State University

2005 Financial Statements

For the Year Ended August 31, 2005 and Independent Auditors' Report with Summarized Financial Information for the Year Ended August 31, 2004

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Executive Committee of the
National Collegiate Athletic Association
Indianapolis, Indiana

We have audited the accompanying statement of financial position of the National Collegiate Athletic Association ("NCAA") as of August 31, 2005, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the NCAA's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the financial statements of the NCAA for the year ended August 31, 2004 and, in our report dated November 19, 2004, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NCAA's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, such financial statements present fairly, in all material respects, the financial position of the NCAA as of August 31, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

December 2, 2005

Member of
Deloitte Touche Tohmatsu

Statement of Financial Position as of August 31, 2005
with Summarized Financial Information as of August 31, 2004

	2005	2004
Assets		
Cash and cash equivalents	\$ 6,813,230	\$ 6,305,039
Investments	234,649,780	207,754,000
Prepaid expenses	2,593,868	1,971,051
Receivables:		
Accounts receivable	16,009,730	7,240,501
Contributions receivable— other, net	94,592	157,626
Contributions receivable— facilities, net	<u>52,310,764</u>	<u>52,591,639</u>
Total receivables, net	68,415,086	59,989,766
NIT intangible assets	25,695,283	
Properties, net	12,888,769	14,142,943
Other assets	<u>1,615,230</u>	<u>1,332,324</u>
Total	<u>\$ 352,671,246</u>	<u>\$ 291,495,123</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 15,812,261	\$ 12,434,660
Distribution payable	17,142,672	14,566,479
Cable television royalties payable	1,595,035	1,980,655
Deferred revenue and deposits	8,627,828	8,749,563
Bond payable, net	12,245,105	12,829,641
NIT payable, net	44,708,884	
Accrued lease expense	<u>3,934,807</u>	<u>3,317,057</u>
Total liabilities	<u>104,066,592</u>	<u>53,878,055</u>
Net assets:		
Unrestricted	196,273,948	184,086,552
Temporarily restricted	52,181,504	53,382,913
Permanently restricted	<u>149,202</u>	<u>147,603</u>
Total net assets	<u>248,604,654</u>	<u>237,617,068</u>
Total	<u>\$ 352,671,246</u>	<u>\$ 291,495,123</u>

See notes to financial statements.

Statement of Cash Flows for the Year Ended August 31, 2005
with Summarized Financial Information for the Year Ended August 31, 2004

	2005	2004
Cash Flows from Operating Activities:		
Change in net assets	\$ 10,987,586	\$ 18,656,320
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	3,033,748	2,420,483
Change in unrealized gain on investments	(4,845,118)	(4,327,875)
Realized gain on investments	(2,949,282)	(662,787)
Increase in accrued lease expense	617,750	642,011
Loss on disposal of properties	10,145	10,059
Changes in certain assets and liabilities:		
Receivables	(8,425,320)	180,093
Prepaid expenses	(622,817)	(208,127)
Other assets	(282,906)	(332,664)
Accounts payable and accrued liabilities	3,383,065	2,133,682
Distribution payable	2,576,193	(16,518,959)
Cable television royalties payable	(385,620)	1,111,149
Deferred revenue and deposits	(121,735)	4,739,087
NIT payable	<u>9,000,000</u>	<u> </u>
Net cash provided by operating activities	<u>11,975,689</u>	<u>7,842,472</u>
Cash Flows from Investing Activities:		
Capital expenditures	(1,789,719)	(1,125,659)
Purchases of investments	(403,394,629)	(235,687,307)
Proceeds from sales of investments	<u>384,293,249</u>	<u>232,894,058</u>
Net cash used in investing activities	<u>(20,891,099)</u>	<u>(3,918,908)</u>
Cash Flows from Financing Activities:		
NIT payable, net	10,013,601	
Payment of bond payable	<u>(590,000)</u>	<u>(565,000)</u>
Net cash provided by (used in) financing activities	<u>9,423,601</u>	<u>(565,000)</u>
Net Increase in Cash and Cash Equivalents	<u>508,191</u>	<u>3,358,564</u>
Cash and Cash Equivalents:		
Beginning of year	<u>6,305,039</u>	<u>2,946,475</u>
End of year	<u>\$ 6,813,230</u>	<u>\$ 6,305,039</u>
Supplemental Disclosures:		
Cash paid for interest	<u>\$ 693,203</u>	<u>\$ 720,086</u>
Non-cash operating and financing activities:		
NIT intangible asset purchase financed through NIT payable	<u>\$ 25,695,283</u>	

See notes to financial statements.

Statement of Activities for the Year Ended August 31, 2005
with Summarized Financial Information for the Year Ended August 31, 2004

	2005			Total	2004
	Unrestricted	Temporarily Restricted	Permanently Restricted		Summarized Total
Revenues:					
Television and marketing rights fees	\$ 436,609,819	\$	\$	\$ 436,609,819	\$ 404,044,193
Championships	47,180,401			47,180,401	47,943,827
Investment income, net	14,832,839	397,167		15,230,006	10,889,436
Sales and services	5,871,622			5,871,622	5,486,231
Contributions—facilities, net		2,654,775		2,654,775	2,654,775
Contributions—other		192,392	1,599	193,991	159,223
Total revenues	504,494,681	3,244,334	1,599	507,740,614	471,177,685
Reclassifications:					
Temporarily restricted resources used for occupancy costs	3,553,400	(3,553,400)			
Temporarily restricted resources used for program services	892,343	(892,343)			
Total reclassifications	4,445,743	(4,445,743)			
Expenses:					
Distribution to Division I members	298,704,544			298,704,544	280,132,656
Division I championships and programs	44,275,928			44,275,928	42,774,042
Division II championships, distribution and programs	21,002,625			21,002,625	17,313,684
Division III championships and programs	12,997,481			12,997,481	11,427,882
Association-wide programs	94,228,266			94,228,266	76,239,042
Management and general	25,544,184			25,544,184	24,634,059
Total expenses	496,753,028			496,753,028	452,521,365
Changes in net assets	12,187,396	(1,201,409)	1,599	10,987,586	18,656,320
Net Assets—Beginning of year	184,086,552	53,382,913	147,603	237,617,068	218,960,748
Net Assets—End of year	\$ 196,273,948	\$ 52,181,504	\$ 149,202	\$ 248,604,654	\$ 237,617,068

See notes to financial statements.

Notes to Financial Statements

1. The Association

The National Collegiate Athletic Association (the “NCAA” or the “Association”) is an unincorporated not-for-profit educational organization founded in 1906. The NCAA is the organization through which the colleges and universities of the nation speak and act on athletics matters at the national level. It is a voluntary association of more than 1,000 institutions, conferences and organizations devoted to the sound administration of intercollegiate athletics in all its phases. Through the NCAA, its members consider any athletics issue that has crossed regional or conference lines and is national in character. The NCAA strives for integrity in intercollegiate athletics and serves as the colleges’ national athletics accrediting agency. A basic purpose of the NCAA is to maintain intercollegiate athletics as an integral part of the educational program and the athlete as an integral part of the student body.

The NCAA operates through a governance structure which empowers each division to guide and enhance their ongoing division-specific activities. In Division I, the legislative system is based on conference representation and an eighteen member Board of Directors that approves legislation. The Division II and III presidential boards are known as the Presidents Council; however, legislation in Division II and III is considered through a one-school, one-vote process at the NCAA Annual Convention. The governance structure also includes an Executive Committee composed of sixteen chief executive officers (member institution chief executive officers) that oversee association-wide issues which is charged with ensuring that each division operates consistently with the basic purposes, fundamental policies and general principles of the NCAA. The Executive Committee has representation from all three divisions and oversees the Association’s finances.

2. Summary of Significant Accounting Policies

Basis of Presentation—The financial statements include certain prior year summarized comparative information in total, not by net asset class. Accordingly, such information should be read in conjunction with the NCAA’s financial statements for the year ended August 31, 2004, from which the summarized information was derived.

The classification of the NCAA’s net assets and its revenues, expenses, gains and losses is based on the existence or absence of donor-imposed restrictions. Net assets are grouped into the

following three categories:

- **Unrestricted Net Assets**—Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Executive Committee.
- **Temporarily Restricted Net Assets**—Net assets whose use by the NCAA is subject to donor-imposed stipulations that can be fulfilled by actions of the NCAA pursuant to those stipulations or that expire by the passage of time.
- **Permanently Restricted Net Assets**—Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the NCAA.

Investments—Investments include debt securities having a maturity of more than three months, or intended to be held more than three months, and shares in mutual funds. Investments are stated at fair value based on quoted market prices.

Accounts Receivable—Accounts receivable are amounts due to the NCAA from championships, insurance policies proceeds and various contractual rights fees.

Contributions Receivable, Other—Legally enforceable grants and pledges, including unconditional promises to give, are reported at their fair market value at the date of the gift, less an allowance for uncollectible amounts, using a discount rate to reflect present value. All contributions receivable are considered to be available for unrestricted use unless specifically restricted by the donor.

Deferred Revenue and Deposits—Deferred revenue is generated by the sale of championship tickets up to a year before the actual event. Once the event occurs, the related revenue will be recognized. Deposits are funds to be returned to applicants who do not receive tickets for the event due to the demand exceeding the supply. Membership dues billed prior to year-end are recorded as deferred revenue.

Revenue Recognition—Revenue related to the CBS and ESPN contracts is recognized when earned pursuant to the corresponding agreement. Membership dues are recognized as revenue in the period earned. All other revenue is recognized when earned.

Intangible Assets—Pursuant to Financial Accounting Standards Board (“FASB”) Statement No. 142, Goodwill and Other Intangible Assets, goodwill and intangible assets acquired in a business combination between not-for-profit organizations, are

accounted for in accordance with Accounting Principles Board (“APB”) No. 17, Intangible Assets, whereby intangible assets acquired by a not-for-profit organization are recognized at the fair value of the intangible, including goodwill, and amortized over a period not to exceed 40 years.

Long-Lived Assets—The NCAA identifies and records impairment losses on long-lived assets whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. In accordance with FASB Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, recoverability of those assets is determined by comparing the forecasted undiscounted cash flows attributable to such assets to their carrying value. If the carrying value of the assets exceeds the forecasted undiscounted cash flows, then the assets are written down to their fair value. Fair value is determined based on discounted cash flows or appraisal values, depending upon the nature of the assets.

Properties—Properties are recorded at cost. Maintenance and repairs are expensed in the year incurred. Expenditures that result in betterment or extensions of the useful lives of assets are capitalized and depreciated over the remaining lives of such assets. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are capitalized and amortized over the lesser of their estimated lives or the life of the related lease.

Association-Wide Programs—Association-wide program expenses include costs for student-athlete programs and services, membership educational and promotional programs and services, legal services, and governance committee expenses. Expenditures have been classified as program or management and general based primarily on actual expenditures. Fundraising costs for the NCAA are insignificant due to the nature of its operations.

In-Kind Exchanges—In-kind exchanges for goods and services are reflected as royalties and sales and services revenue and a related expense in the accompanying financial statements at their estimated values at date of receipt. In-kind exchanges for which no objective basis is available to measure the value are not reflected in the financial statements.

Income Taxes—The NCAA is exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Income tax expense is provided for unrelated business income, if any.

Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

Short-term investments with a maturity of less than three months are reported as cash equivalents. Cash and cash equivalents include designated cash of \$1,604,987 and \$1,112,193 as of August 31, 2005 and 2004, respectively. The designated cash consists of compensating balances on deposit with banks for certain NCAA employee benefit plans and the Exceptional Student-Athlete Disability Insurance Program. Money market funds managed by outside investment managers are included in investments.

4. Investments

Investments as of August 31 consist of the following:

	2005	2004
Money market funds	\$ 20,330,387	\$ 18,184,330
Pooled equity funds	65,378,017	16,748,007
Other fixed income mutual funds	114,601,039	149,476,168
U.S. government securities	14,460,783	11,619,741
Pooled fixed income funds	3,712,999	8,080,323
Corporate bonds	15,153,132	3,645,431
Foreign bonds	1,013,423	
Investments	<u>\$ 234,649,780</u>	<u>\$ 207,754,000</u>

Investment income, consisting primarily of interest income and realized and unrealized gains and losses, was \$15,230,006 and \$10,889,436 for the years ended August 31, 2005 and 2004, respectively.

5. Accounts Receivable

As of August 31, 2005 and 2004, the NCAA has accounts receivable from championships, insurance policies proceeds and various contractual rights fees of \$16,009,730 and \$7,240,501, respectively. Included in accounts receivable as of August 31, 2005 is \$10,354,427 due from the Association’s insurance policies related to insurance claims for the period ended August 31, 2005. No insurance receivables were recorded as of August 31, 2004.

6. Contribution Receivable and Facilities Lease

The NCAA relocated its headquarters from Overland Park, Kan-

sas to White River State Park near downtown Indianapolis, Indiana in July 1999. The NCAA leases its headquarters and related facilities from the Indiana White River State Park Development Commission. The NCAA's lease has a term of 30 years with three 10-year renewal options and requires the NCAA to make annual lease payments in the amount of one dollar. The State of Indiana, City of Indianapolis and other interested parties provided funds for the construction of the NCAA's facilities.

At the inception of the lease, the NCAA recorded temporarily restricted contribution revenue and a corresponding contribution receivable representing the fair value of the total contributed facility lease payments less the corresponding net present value discount. Annual occupancy expense consists of the fair value of the current year contributed lease payment adjusted for the straight line effect of scheduled increases. As of August 31, 2005 and 2004, the related accrued lease expense is \$3,934,807 and \$3,317,057, respectively. Occupancy expense is also reclassified from temporarily restricted net assets to unrestricted net assets to reflect the fulfillment of the donor imposed restrictions associated with the original contribution. The net present value discount amortization follows the original contribution and is recorded as temporarily restricted contribution revenue.

Contributions receivable—facilities as of August 31 consists of the following:

	2005	2004
Fair value of remaining lease payments	\$ 195,226,180	\$ 198,161,830
Unamortized discount	<u>(142,915,416)</u>	<u>(145,570,191)</u>
Contributions receivable—facilities—net	<u>\$ 52,310,764</u>	<u>\$ 52,591,639</u>

Occupancy expense for the years ended August 31 consists of the following:

	2005	2004
Fair value of lease payments	\$ 2,935,650	\$ 2,911,389
Accrued lease expense adjustment	<u>617,750</u>	<u>642,011</u>
Occupancy expense	<u>\$ 3,553,400</u>	<u>\$ 3,553,400</u>

7. National Invitation Tournament

In August, 2005, the NCAA and the Metropolitan Intercollegiate Basketball Association (“MIBA”) agreed to terms under which the NCAA purchased the rights and assets identified in organizing, promoting and administering the preseason and postseason National Invitation Tournaments (“NIT”). The NCAA will pay MIBA \$56,250,000 over a nine year period pursuant to the terms and conditions of a lawsuit settlement and an asset purchase agreement (the “Agreements”), including guaranteed minimum profit

sharing payments of \$250,000 in each of those nine years. The terms of the Agreements transfer the ownership of the tournaments and settle all litigation matters between the NCAA and MIBA.

Pursuant to a third party valuation, as of August 31, 2005, the value of the intangible assets acquired by the NCAA were \$34,000,000 (before imputed interest of \$8,304,717) resulting in \$22,250,000 (before present value discount of \$3,236,399) of settlement expense in the statement of activities for the year ended August 31, 2005. Imputed interest and present value discount rates were at 6%.

As of August 31, 2005, the related NIT intangible assets acquired consist of the following:

	Estimated Useful Lives	2005
Goodwill	20 years	\$ 19,703,283
Trademark	20 years	2,600,000
Non-compete agreement	5 years	2,200,000
ESPN contract	12 years	1,000,000
Participant contracts	5 years	125,000
Madison Square Garden contract	6 years	54,000
Domain name/website	5 years	<u>13,000</u>
NIT intangible assets		<u>\$ 25,695,283</u>

Future cash payments related to the Agreements as of August 31, 2005:

Years ending August 31		
2006		\$ 14,250,000
2007		5,250,000
2008		5,250,000
2009		5,250,000
Thereafter		<u>26,250,000</u>
Total		56,250,000
Imputed interest and present value discount		<u>(11,541,116)</u>
NIT payable, net		<u>\$ 44,708,884</u>

8. Properties

Properties consist of an 89,000 square foot warehouse and distribution facility, tenant finish improvements for the NCAA headquarters conference facilities and furnishings, technology infrastructure and equipment to support the NCAA national office.

Properties according to their specific category as of August 31 are as follows:

	Estimated Useful Lives	2005	2004
Land		\$ 350,000	\$ 350,000
Buildings	30 years	2,977,205	2,977,205
Leasehold improvements	10–30 years	9,545,104	9,545,104
Furniture, equipment, and fixtures	3–10 years	<u>14,215,799</u>	<u>13,264,327</u>
		27,088,108	26,136,636
Less: accumulated depreciation and amortization		<u>(14,199,339)</u>	<u>(11,993,693)</u>
Properties, net		<u>\$ 12,888,769</u>	<u>\$ 14,142,943</u>

9. Commitments and Contingencies

The NCAA acts as the governing body for college athletics. In the course of carrying out its responsibilities, the NCAA is the target of litigation from student-athletes, coaches, universities and the general public. In addition, decisions made by the NCAA to enforce legislation and rules, as well as eligibility determination for student-athletes, are often challenged by the affected parties through lawsuits. These lawsuits range from seeking to overturn NCAA committee and legislative decisions to seeking monetary damages and reimbursement of legal fees.

The NCAA and its legal counsel are defending against lawsuits and claims arising in the normal course of its day-to-day activities. The NCAA does not believe the ultimate resolution of these matters will result in material losses or have a material adverse effect on the financial position, change in net assets or cash flows of the NCAA. The NCAA has incurred attorney's fees in the process of defending against such matters, which are recorded in the accompanying financial statements.

10. Bond Payable

On August 15, 1999, the NCAA issued a \$15,355,000 face, tax exempt, fixed rate bond with interest rates ranging from 3.70% to 5.70%. The bond was issued at a \$107,904 discount. Interest is payable on May 1 and November 1 of each year. Proceeds from the bond issue were used to finance the construction and equipping of a warehouse and distribution facility and certain improvements, furnishings and equipment for the NCAA's headquarters in Indianapolis, Indiana and to pay costs of issuance of the Series 1999 Bond. Bond issue costs of \$233,632, less \$71,470 accumulated amortization (\$59,640 as of August 31, 2004), included in other assets in the accompanying financial statements.

Principal payments as of August 31, 2005, due over the next five years are as follows:

Years ending August 31	Principal Amount
2006	\$ 625,000
2007	650,000
2008	685,000
2009	720,000
2010	750,000
Thereafter	<u>8,809,641</u>
Total	<u>\$ 12,239,641</u>

11. Distribution of Revenues

In August 1990, the NCAA Executive Committee approved a plan to distribute revenues to member institutions for the year ended August 31, 1991, and each year thereafter. For Division I members, the plan consists of a basketball fund distribution based on historical performance in the Division I Men's Basketball Championship, a broad-based distribution based on Division I sports sponsored and athletics grants-in-aid, an academic enhancement fund for academic programs for student-athletes, a student-athlete opportunity fund, a conference grant program and a special assistance fund for student-athletes to be used for emergency situations. For Division II members, the plan consists of a basketball fund distribution based on historical performance in the Division II Men's and Women's Basketball Championship, sports sponsorship, and an equal distribution among all active members.

The distribution payable of \$17,142,672 and \$14,566,479 as of August 31, 2005 and 2004, respectively, primarily consists of payments that were made in late August that remained outstanding at the end of each fiscal year.

12. Cable Television Royalties Payable

The NCAA has represented the interests of the membership before the Copyright Royalty Tribunal (the "Tribunal") regarding rights fees for cable television broadcasts of collegiate sporting events since 1978. The NCAA acts as the collection agent for any cable television broadcast fees that relate directly to NCAA members or the NCAA. As a result, a liability is recorded for fees received from the Tribunal that will ultimately be disbursed to members. Although claims are filed each year for the previous calendar year, royalties are distributed to claimants only when any and all controversies are resolved with the claimants. As of August 31, 2005 and 2004, the NCAA has recorded in the accom-

panying financial statements satellite cable television rights fee obligations to member institutions in the amount of \$1,595,035 and \$1,980,655, respectively.

These rights fees are for 2002 cable television rights and 2000 satellite rights that are still being disputed by the claimants. Amounts will be distributed after all legal claims have been resolved. Several years may pass before the copyright office determines through administrative proceedings among the claimants that an allocation should be distributed. For the fiscal year ended August 31, 2005, \$2,001,585 was distributed for royalties for the years 1998-2001. No distribution of royalties was made during the year ended August 31, 2004.

13. Television and Marketing Rights Fees

On November 18, 1999, the NCAA entered into an agreement (the "agreement") with CBS that provides CBS exclusive television broadcast rights for the National Collegiate Division I Men's Basketball Championship along with other championship and marketing rights effective from fiscal 2003 and continuing through fiscal 2013. The agreement is for 11 years, with the NCAA having an option to renegotiate after eight years. The rights fees include: telecast rights, including over-the-air cable, satellite, digital and home video, marketing rights, championships publication program rights, championship radio rights, internet rights, fan festival rights, and selected licensing rights. The contract also includes year-round promotion of the NCAA and its championships.

The rights fee for this package is a guaranteed minimum of \$6.0 billion over the 11-year contract. Pursuant to the agreement, for the year ended August 31, 2005, the NCAA received \$420,000,000 (\$389,000,000 for the year ended August 31, 2004). The NCAA will receive future television broadcast payments as follows:

Fiscal year ending August 31, 2006	\$ 453,000,000
Fiscal year ending August 31, 2007	490,000,000
Fiscal year ending August 31, 2008	529,000,000
Fiscal year ending August 31, 2009	571,000,000
Fiscal year ending August 31, 2010	617,000,000
Fiscal year ending August 31, 2011	657,000,000
Fiscal year ending August 31, 2012	710,000,000
Fiscal year ending August 31, 2013	764,000,000
	<u>\$4,791,000,000</u>

On June 29, 2001, the NCAA entered into an agreement with ESPN (the "ESPN agreement") that provides ESPN exclusive television broadcast rights for the Division I Women's Basketball

championship along with broadcast rights to other NCAA championships, excluding those to which rights have been granted to CBS. The contract is effective from fiscal year 2003 and continues through fiscal year 2013. The ESPN agreement is for 11 years, with the NCAA having an option to renegotiate after eight years.

The rights fee for this package is on a fixed, nonrefundable basis for the sum of \$163 million over the 11-year contract. Pursuant to the ESPN agreement, for the years ended August 31, 2005 and 2004, the NCAA received \$12,000,000 and \$11,000,000, respectively.

The NCAA will receive future television broadcast payments as follows:

Fiscal year ending August 31, 2006	\$ 13,000,000
Fiscal year ending August 31, 2007	13,800,000
Fiscal year ending August 31, 2008	14,800,000
Fiscal year ending August 31, 2009	15,800,000
Fiscal year ending August 31, 2010	16,800,000
Fiscal year ending August 31, 2011	17,900,000
Fiscal year ending August 31, 2012	18,800,000
Fiscal year ending August 31, 2013	19,100,000
	<u>\$ 130,000,000</u>

14. Net Assets

As of August 31 the NCAA has permanently restricted net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the NCAA as follows:

	2005	2004
NCAA Leadership Conference	\$ 100,000	\$ 98,981
Usher Scholarships	49,202	48,622
Total permanently restricted net assets	<u>\$ 149,202</u>	<u>\$ 147,603</u>

As of August 31 the NCAA has temporarily restricted net assets whose use by the NCAA is subject to donor-imposed stipulations that can be fulfilled by actions of the NCAA pursuant to those stipulations or that expire by the passage of time as follows:

	2005	2004
Facility lease	\$ 48,375,957	\$ 49,274,582
Student-athlete programs and services	3,805,547	4,108,331
Total temporarily restricted net assets	<u>\$ 52,181,504</u>	<u>\$ 53,382,913</u>

The NCAA Executive Committee has designated certain unrestricted net assets to fund future strategic and operational initiatives. While designated for specific purposes, these designations

may be modified at the discretion of the NCAA Executive Committee.

As of August 31 unrestricted net assets include the following designations:

	2005	2004
Association-wide operating reserve	\$ 58,000,000	\$ 54,000,000
Quasi-Endowment Reserve	95,996,281	64,123,437
Division II reserve	18,566,634	18,156,959
Division III reserve	11,158,073	8,911,304
Furniture and equipment	3,595,388	3,759,752
Office building improvement reserve	3,500,000	3,200,000
Centennial and championships anniversaries reserve	2,957,572	2,498,404
Available for operations	2,500,000	29,436,696
Total unrestricted net assets	<u>\$ 196,273,948</u>	<u>\$ 184,086,552</u>

15. Pension Plan and Employee Benefits

The NCAA has defined contribution plans, which include the pension trust plan, the 403(b) savings plan and the 401(a) qualified savings plan. Employees become eligible for participation in the pension trust plan and the 401(a) qualified savings plans beginning in the quarter after the employee completes six months of service.

The NCAA provides, through the pension trust plan, a bi-weekly contribution to each employee's pension account at a rate of 10% of their salary. The NCAA's 401(a) qualified savings plan is based on matching provisions from the employee's 403(b) savings plan program. The NCAA will provide matching contributions to the plan on the employee's behalf in an amount equal to 100% of the first 3% of compensation contributed to the 403(b) savings plan and 50% of the next 2% of contribution contributed to the 403(b) savings plan. A participant becomes eligible for the matching contribution only if the participant makes a deferral contribution in the 403(b) savings plan. For the year ended August 31, 2005, the NCAA contributed \$704,262 to the 401(a) qualified savings plan and \$1,831,551 to the pension trust plan, for total contributions of \$2,535,813 compared to total contributions of \$2,268,712 for the year ended August 31, 2004.

16. Subsequent Events

In September, 2005, the NCAA organized the NIT, LLC, a limited liability company. The NCAA is the sole member of the company. The NIT, LLC was organized as the entity that will administer the NIT Season Tip-Off and the postseason collegiate basketball tournaments. The financial results of the NIT, LLC will

be consolidated in the financial statements of the NCAA.

In November, 2005, the NCAA issued a \$31,750,000 face, tax exempt, fixed rate bond with interest rates ranging from 3% to 5%. Interest is payable on May 1 and November 1 of each year. Proceeds from the bond issue will be used to advance refund a portion of the Series 1999 revenue bonds for the NCAA and fund certain costs to acquire the NIT intangible assets.



