A G E N D A

National Collegiate Athletic Association

Executive Committee

Hyatt Regency Atlanta
Atlanta, Georgia

January 16, 2010

1. Welcome and announcements.

2. Approval of October 29, 2009, meeting minutes. (Action) [Supplement No. 1]

***Anticipated Action*. Approve the October 29, 2009, meeting minutes.**

3. NCAA Interim President's report.

   a. Presidential search update. (Information)

***Informational*. Interim President provides an update on the presidential search process to include a review of a position description and compensation range.**

   b. Rights negotiations update. (Information)

***Informational*. Receive an update on the current rights contract negotiations.**

   c. Other.

4. St. Andrews Presbyterian College request. (Action) [Supplement No. 2]

***Anticipated Action*. Approve appointment of an Executive Committee ad hoc working group to review the request from St. Andrews Presbyterian College.**

5. Association-wide membership and the approval of a working group. (Action)

***Anticipated Action*. Discuss Association-wide membership issues and approve appointments to a working group.**

6. NCAA Executive Committee Finance Committee report.

Anticipated Action. Review and approve financial statements and related reports.

a. Fiscal year 2008-09 audited statements. (Action) [Supplement No. 3]

b. Recommended uses of unallocated net assets. (Action) [Supplement No. 4]

c. First quarter fiscal year 2009-10 budget to actual. (Action) [Supplement No. 5]

d. Investment Committee report. (Information) [Supplement No. 6]

e. New building project financing. (Information)

7. Litigation update. (Information) [Supplement No. 7 will be distributed at the meeting.]

Informational. Receive an update from the NCAA general counsel regarding litigation and settlement actions.

8. NCAA Division I Board of Directors and Divisions II and III Presidents Councils reports. (Action may be necessary from the reports.)

Informational. Receive oral reports from the chairs of the Division I Board of Directors and the Divisions II and III Presidents Councils regarding divisional issues that have Association-wide impact.

9. NCAA Executive Committee Subcommittee on Gender and Diversity Issues. (Information)

Informational. Receive an oral report on the subcommittee's work.

10. Future meetings. (Information)

Informational. Review dates of future Executive Committee meetings.

a. April 29, 2010. Indianapolis, Indiana.

b. August 12, 2010. Indianapolis, Indiana.

c. October 28, 2010. Indianapolis, Indiana.

11. Adjournment.

EXECUTIVE COMMITTEE ROSTER

2009 NCAA EXECUTIVE COMMITTEE

Division I

Charles Bantz
Chancellor
Indiana Univ.-Purdue Univ. at Indianapolis
355 North Lansing Street
Indianapolis, Indiana 46202
Phone: 317/274-4417
Fax: 317/274-4615
E-mail: cbantz@iupui.edu
Term Expiration: April 2011

James Barker
President
Clemson University
201 Sikes Hall
Clemson, South Carolina 29634-5002
Phone: 864/656-3413
Fax: 864/656-4676
E-mail: jbarker@clemson.edu
Term Expiration: April 2010

Robert Bruininks
President
University of Minnesota
202 Morrill Hall; 100 Church St. S.E.
Minneapolis, MN 55455
Phone: 612/626-1616
Fax: 612/625-3875
E-mail: bruin001@umn.edu
Term Expiration: April 2011

Judy Genshaft
President
University of South Florida
4202 East Fowler Ave., ATH100
Tampa, Florida 33620
Phone: 813/974-2791
Fax: 813/974-5530
E-mail: jgensha@admin.usf.edu
Term Expiration: April 2013

William R. Harvey
President
Hampton University
121 Holland Hall
Hampton, Virginia 23668
Phone: 757/727-5231
Fax: 757/727-5746
E-mail: carolyn.acklin@hamptonu.edu
Term Expiration: April 2013

Robert Kustra
President
Boise State University
1910 University Drive
Boise, Idaho 83725-1000
Phone: 208/426-1491
Fax: 208/426-3779
E-mail: bobkustra@boisestate.edu
Term Expiration: April 2012

Ann Millner
President
Weber State University
1001 University Circle
Ogden, Utah 84408-2701
Phone: 801/626-6001
Fax: 801/626-8021
E-mail: amillner@weber.edu
Term Expiration: April 2012

Kevin Mullen
President
Siena College
515 Loudon Road
Loudonville, New York 12211
Phone: 518/783-2302
Fax: 518/783-4184
E-mail: kmullen@siena.edu
Term Expiration: April 2011

Harvey Perlman
Chancellor
University of Nebraska, Lincoln
201 Canfield Administration Building
P.O. Box 880419
Lincoln, Nebraska 68588-0419
Phone: 402/472-2116
Fax: 402/472-5110
E-mail: hperlman1@unl.edu
Term Expiration: April 2013

John Peters
President
Northern Illinois University
Altgeld Hall #300
DeKalb, Illinois 60115
Phone: 815/753-9500
Fax: 815/753-8686
E-mail: jpeters@niu.edu
Term Expiration: April 2013

Shirley Raines
President
University of Memphis
341 Administration Building
Memphis, Tennessee 38152-3730
Phone: 901/678-2234
Fax: 901/678-5065
E-mail: sraines@memphis.edu
Term Expiration: April 2010

Edward Ray ***{Chair}***
President
Oregon State University
600 Kerr Administration Building
Corvallis, Oregon 97331-2128
Phone: 541/737-4133
Fax: 541/737-3033
E-mail: ed.ray@oregonstate.edu
Term Expiration: April 2011

DIVISION II

Stephen Jordan
President
Metropolitan State College of Denver
P.O. Box 173362, Campus Box 1
Denver, Colorado 80217-3362
Phone: 303/556-3022
Fax: 303/556-3912
E-mail: smjordan@mscd.edu
Term Expiration: January 2010

Beverley J. Pitts
President
University of Indianapolis
1400 East Hanna Avenue
Indianapolis, Indiana 46227
Phone: 317/788-3211
Fax: 317/788-6152
E-mail: bpitts@uindy.edu
Term Expiration: September 2010

DIVISION III

James Harris
President
Widener University
One University Place
Chester, Pennsylvania 19013
Phone: 610/499-4101
Fax: 610/499-4196
Cell: 610/585-5723
E-mail: james.t.harris@widener.edu
Term Expiration: January 2011

Paul Trible
President
Christopher Newport University
One University Place
Newport News, Virginia 23606-2998
Phone: 757/594-7001
Fax: 757/594-7864
E-mail: ptrible@cnu.edu
Term Expiration: January 2010

LEADERSHIP/MANAGEMENT COUNCIL CHAIRS

Division I
Damon Evans
Director of Athletics
University of Georgia
1 Selig Circle
Athens, Georgia 30602
Phone: 706/542-9036
Fax: 706/542-9100
E-mail: devans@sports.uga.edu
Term Expiration: April 2010

Division II
Kathleen Brasfield
Director of Athletics
Angelo State University
ASU #10899
San Angelo, Texas 76909
Phone: 325/942-2267
Fax: 325/942-2158
E-mail: Kathleen.brasfield@angelo.edu
Term Expiration: January 2011

Division III
Lynn Oberbillig
Director of Athletics
Smith College
Ainsworth Gym
Northampton, Massachusetts 01063
Phone: 413/585-2701
Fax: 413/585-2712
E-mail: loberbil@email.smith.edu
Term Expiration: January 2011

Executive Committee Staff:

Bernard W. Franklin
Executive VP of Membership & Student-Athlete Affairs
E-Mail: bfranklin@ncaa.org

Delise S. O'Meally
Director of Membership & Student-Athlete Affairs
E-Mail: domeally@ncaa.org

US MAIL ADDRESS
NCAA
P.O. Box 6222
Indianapolis, IN 46206-6222

SHIPPING ADDRESS
NCAA Distribution Center
1802 Alonzo Watford Sr. Drive
Indianapolis, IN 46202

Telephone: 317/917-NCAA (6222)
Fax: 317/917-6808

The National Collegiate Athletic Association
October 22, 2009 BWF:jw

SUPPLEMENT NO. 1

NCAA -- Draft Executive Committee MinutesMINUTES OF THE

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

EXECUTIVE COMMITTEE

NCAA National Office
Indianapolis, Indiana

October 29, 2009

Participants:

Michael Adams, University of Georgia, chair
Charles Bantz, Indiana Univ.-Purdue Univ. at Indianapolis
James Barker, Clemson University
Damon Evans, University of Georgia
Judy Genshaft, University of South Florida
James Harris, Widener University
Stephen Jordan, Metropolitan State College of Denver
Robert Kustra, Boise State University
Lynn Oberbilling, Smith College
Ann Millner, Weber State University
Kevin Mullen, Siena College
Harvey Perlman, University of Nebraska, Lincoln
John Peters, Northern Illinois University
Beverley Pitts, University of Indianapolis
Shirley Raines, University of Memphis
Edward Ray, Oregon State University
Tim Selgo, Grand Valley State University
Paul Trible, Christopher Newport University
Bernard Franklin, NCAA
Jim Isch, NCAA
Delise O'Meally, NCAA, recording secretary

Drew Bogner, Molloy College, attended a portion of the meeting. William Harvey, Hampton University, was not able to participate.

Also in attendance were: Scott Bearby, managing director of legal affairs; Gary Brown, director of NCAA News; Elsa Cole, vice president of legal affairs/general counsel; Joni Comstock, senior vice president of championships/senior woman administrator; Dennis Cryder, senior vice president of branding and communications; Greg Shaheen, senior vice president of basketball and business strategies; Keith Martin, interim vice president of administration/chief financial officer; Kevin Lennon, vice president of academic and membership affairs; Todd Leyden, president of the Eligibility Center, LLC; Wallace Renfro, vice president and senior advisor to the president;

Greg Shaheen, senior vice president of basketball and business strategies; Robert Vowels, vice president of educational affairs; Charlotte Westerhaus, vice president of diversity and inclusion; Bob Williams, managing director of public and media relations; David Berst, Daniel Dutcher and Mike Racy, NCAA governance vice presidents; and Jacqueline Campbell, Leah Kareti, and Terri Steeb, NCAA governance directors.

[Note: These minutes contain only actions taken (formal votes or stated "sense of the meeting") in accordance with NCAA policy regarding minutes of all Association entities. While certain items on the Committee's agenda were acted on at various times throughout the meeting, all final actions within a given topic are combined in these minutes for convenience of reference.]

The meeting was called to order at 1:15 by the chair, President Adams. All members were present as noted above.

1. Welcome and announcements. Adams welcomed all attendees and noted the appointment of new member William Harvey from Hampton University.

2. Executive session. Adams convened an executive session during which the Committee received an update from NCAA Interim President Jim Isch and other staff members.

3. Approval of August 6, 2009, meeting minutes.

   It was VOTED

   "To approve the Executive Committee minutes of the August 6, 2009, meeting as distributed."

4. Interim President's report. Adams noted that the Interim President's report was received during executive session. The Committee took action on two items:

   a. The Committee approved with unanimous support, and one abstention, funding for a building addition to the NCAA national office. Construction will begin in spring 2010 and is projected to be completed early in 2012.

   b. The Committee endorsed with unanimous support, and one abstention, a contribution from the NCAA to the Myles Brand Chair in Cancer Research at the Indiana University School of Medicine.

5. Litigation update. The Committee received a report from the NCAA general counsel regarding litigation and settlement actions.

6. NCAA Limited Liability Company (LLC) updates. The Committee received an update on NCAA Limited Liability Companies, including the NCAA Eligibility Center, ArbiterSports and the NIT. Todd Leyden, president of the NCAA Eligibility Center, LLC, provided an overview of the Eligibility Center's mission and scope of operations, as well as challenges and areas of focus for the foreseeable future. Leyden noted that last year the Eligibility Center conducted a survey of the membership to determine whether it was meeting its service goals. The results from that survey were generally favorable. A follow-up survey will be released in the coming year. Greg Shaheen, senior vice president of basketball and business strategies, provided updates on ArbiterSports and the NIT. Shaheen noted that the five-year period within which the NCAA committed to retaining the NIT in the New York area was coming to a close, and decisions would be made regarding the future location of that event.

7. NCAA Division I Board of Directors and Divisions II and III Presidents Councils reports.

   a. Division I Board of Directors. The Committee received an update on the actions of the Division I Board of Directors that included the following:

      (1) Infractions Appeals Committee policies. Unanimous approval of the following recommendations for two changes to the Infractions Appeals Committee's policies:

         (a) Modification to NCAA Bylaw 32.10.1.2 to require individual appellants to disclose current or future employment at a member institution.

         (b) Modification of the committee's policies and procedures to require individual appellants to disclose current or future employment at a member institution.

      (2) Men's Basketball recruiting. Received a presentation from several members of the enforcement staff, four commissioners and the executive director of the National Association of Basketball Coaches regarding recurring issues of concern in the men's basketball recruiting world. The Board approved the group's proposed four-tier plan that will begin to address the recruiting issues in question.

(3) Eligibility for team selection to a bowl game. Agreed to sponsor legislation presented by the Big 12 Conference that would, in the Football Bowl Subdivision, permit an institution with a final winning percentage of .500 or better to be selected for participation in a bowl game.

(4) Men's Basketball Academic Enhancement Group. Reviewed proposals recommended by the Men's Basketball Academic Enhancement Group and expressed concern regarding the proposals related to the summer athletics development-retention model and providing travel expenses for parents accompanying prospects on official visits. The Board agreed not to enter these proposals into the 2009-10 legislative cycle but rather use them as a discussion topic at the Division I Forum during the January NCAA Convention in an effort to encourage all parties (coaches, faculty, commissioners and administrators) to seek consensus in initiatives that will enhance graduation rates. It voted unanimously to sponsor the remaining proposals in this year's legislative cycle.

(5) Elections. Identified Harvey Perlman, University of Nebraska, to serve as chair of the Board when President Barker's term end, which will be following the April 2010 meeting. Additionally, with the departure of Tom Powell, the Board selected William Harvey, to serve as the NCAA Football Championship Subdivision representative on the Executive Committee.

b. Division II Presidents Council. The Committee received an update on the actions of the Division II Presidents Council that included the following:

(1) Life in the Balance Initiative. Continued discussions related to the division's Life in the Balance initiative. The Life in the Balance Initiative is a four-proposal package that aligns Division II legislation with its strategic positioning platform. It was designed to streamline playing and practice seasons and reduce contests, where appropriate, to ensure a stronger balance between academics and athletics. As a supplementary effect, the package also introduces better business practices, alleviating some of the financial pressures plaguing higher education. Division II members will vote on the package of legislation at the NCAA Convention in January.

(2) 2010 Division II priorities. Endorsed the 2010 priorities, which correspond with the five strategic goals and funding initiatives of the 2009-12 Division II strategic plan, and emphasize three overarching strategies for Division II: a) continuing to work to engage chancellors and presidents with strategic issues; b) working to sustain the Division II "Life in the

Balance" strategic positioning platform in all student-athlete well-being, regulatory, financial and membership decisions; and c) promoting the institutional benefit and value of Division II membership.

(3) Division II Championships Festival. Selected Louisville, Kentucky, as the site for the 2010 Division II National Championships Festival, to be conducted November 30-December 4. The festival will be co-hosted by Bellarmine University and the Louisville Sports Committee. This will be the fifth Championships Festival that Division II has staged and the second time for fall sports. Championships will be crowned in the sports of men's and women's cross country, women's volleyball; field hockey and men's and women's soccer.

(4) Presidents Council chair. Elected Drew Bogner, president, Molloy College, to serve as chair of the Presidents Council in 2010. President Molloy also will be eligible to run for and serve a second term, if he so desires.

(5) Management Council chair. Kathleen Brasfield, director of athletics at Angelo State University, was elected to serve as chair of the Management Council in 2010.

c. Division III Presidents Council. The Committee received an update on the actions of the Division III Presidents Council. These included:

(1) Division III Identity Initiative.

(a) Reviewed the final draft of the Strategic Positioning Platform, a document which describes the essence of Division III and highlights key communication points specific to different audience, both internal and external to the membership.

(b) The Convention will include a full membership release of the platform, including a creative video depicting the essence of Division III and other creative expressions of the platform.

(c) Pre-Convention outreach has or will include teleconferences with all members of the Presidents Advisory Group, all Division III presidents, senior administrators with athletics oversight and several other key constituents, including commissioners, chairs of governance committees, attendees at the Faculty Athletics Representative Association annual symposium, the board of the National

Association of Division III Athletics Administrators, representatives from the College Sports Information Directors Association, and the Student-Athlete Advisory Committee.

(d) The Pre-Convention outreach effort also includes four pilot conference meetings, where Division III athletics administrators have been presented with the details of the platform, and have engaged in a dialog about what methods or materials would prove most useful and effective for institutions and conferences to communicate the contents of the platform to internal and external constituents.

(e) Long term, the division will continue to develop materials to activate the platform, which will also guide strategic, financial and policy decisions for the division.

(2) Drug education and testing pilot. Reviewed the results of the recently concluded Drug Education and Testing Pilot, which was a study designed to test the deterrent effect of an education-based drug prevention program supplemented by academic year round drug testing. Student-athlete well-being and competitive equity were the guiding principles of the pilot study, which also assessed student-athlete and athletics administrator perceptions and experiences with drug education and testing. The results of the pilot, especially related to drug testing, proved largely inconclusive. Awareness, understanding and perceptions of the educational programs and processes in place to deter substance use are at less than desired levels.

The next steps in the division's exploration of academic year round drug testing includes further refinement of the meaning of the pilot results leading to a 2011 NCAA Convention presentation of pilot results. A full release of the results will not occur until after the January Convention. Any change to the division's current drug testing program would not be implemented without a full membership vote, which would likely not take place until the 2012 Convention.

(3) 2010 Convention legislation. Reviewed the nine proposals up for membership vote at the 2010 Convention, approved voting order and proposal groupings, and took positions on membership-sponsored proposals.

One significant proposal would clarify in the Division III philosophy statement expectations for presidential leadership at the campus, conference and national levels. This important concept is based on the NCAA

model of presidential leadership but has not previously been codified in the philosophy statement.

Other significant proposals would deregulate Division III tryout legislation, and practically address the issue of facility monitoring by athletics personnel in light of the strict Division III prohibition on out-of season skill instruction.

(4) Presidents Council leadership. Appointed James Harris and James Bultman to serve as chair and vice chair, respectively, of the Division III Presidents Council, effective January 2010 to January 2011.

The Presidents Council approved four nominations to the Presidents Council for four-year terms (January 2010 – January 2014):

(a) Brian Levin-Stankevich, University of Wisconsin, Eau Claire.

(b) Frederick Ohles, Nebraska Wesleyan University.

(c) Rosalind Reichard, Emory and Henry College.

(d) Jack Ohle, Gustavus Adolphus College.

8. NCAA Executive Committee Subcommittee on Gender and Diversity Issues. The Committee received a written report of the work of the Executive Committee Subcommittee on Gender and Diversity Issues. The subcommittee is discussing representational diversity on Association-wide committees and also is currently reviewing its overall structure and composition to determine whether it is strategically positioned to effectively fulfill its charge.

9. Election. The Committee approved the appointment of Ed Ray as chair of the Executive Committee, effective immediately. The former chair, Michael Adams, announced his resignation.

10. Presidential search. The Committee appointed a six-member presidential panel chaired by Ed Ray to oversee the search for a successor to the late NCAA President Myles Brand. Ray will be joined by Harvey Perlman, William Harvey, Drew Bogner, James Harris and

Ann Millner. Ray noted that the process will be characterized by two important principles, integrity and confidentiality. Further, Ray noted that the search effort must be open, inclusive, deliberative and fair. The search committee anticipates having a new president in place by the beginning of the next academic year.

11. Future meetings. The Committee reviewed its future meetings schedule.

12. Adjournment. Ray adjourned the meeting at 3 p.m.

# # # # #

SUPPLEMENT NO. 2

St. Andrews
PRESBYTERIAN COLLEGE

TO: NCAA Executive Committee
Attn. Dr. Bernard W. Franklin

FROM: Paul Baldasare, Jr. PB
President
St. Andrews Presbyterian College

DATE: October 14, 2009

SUBJECT: Request for Substitution of Recognized Accrediting Agencies
Reference: 3.2.3.3 (Accreditation and Division Classification)

St. Andrews Presbyterian College, located in Laurinburg, North Carolina, has been a member in good standing of the NCAA, Division II, since 1988. It is also a member of Conference Carolinas (and its predecessor, the Carolinas – Virginia Athletics Conference). In longevity, it is one of the oldest members of its Conference.

St. Andrews respectfully requests that the NCAA Executive Committee (a) grant it a substitution with regard to that portion of the requirement of 3.2.3.3 (NCAA Constitution, Article 3, NCAA Membership, Accreditation and Division Classification) that specifies that the test of "acceptable academic standards" be based exclusively on accreditation "...by one of the six regional accrediting agencies;" and (b) that accreditation by the nationally recognized American Academy for Liberal Education (AALE) be substituted for regional accreditation as verification of acceptable academic standards.

Since 1961, St. Andrews has been accredited by one of the six regional agencies, the Southern Association of Colleges and Schools (SACS), and the College's predecessor institutions carry that accreditation back much further.

However, St. Andrews requests that its preaccreditation status as conferred by the American Academy for Liberal Education (AALE) be accepted as evidence of compliance with the provision in 3.2.3.3 requiring verification of acceptable academic standards. In the same manner, and by the same process, as the six regional agencies,

1700 Dogwood Mile Laurinburg, NC 28352 • (910) 277-5000 • fax (910) 277-5020 • www.sapc.edu

the AALE is authorized by the Secretary of the U. S. Department of Education to accredit institutions of higher education – only in its case, its accreditation mandate is national rather than regional. Students attending institutions accredited or preaccredited by the AALE qualify for Federal Student Aid in the same manner as is the case with those accredited or preaccredited by the regional agencies.

As the Department of Education says in the Accreditation section of its Web site: "The Secretary of the U. S. Department of Education recognizes select accrediting agencies as reliable authorities regarding the quality of education or training offered by the institutions or programs they accredit....Accrediting agencies recognized by the Secretary meet certain criteria, the institutions accredited by those agencies meet standards that address the quality of an institution and its programs. An accrediting agency that meets the Department's criteria for recognition is determined to be a reliable authority in measuring the quality of education or training provided by the institutions it accredits in the United States and its territories. " (see enclosures for the Dept. of Education)

The granting of nationwide accreditation authority to AALE by the U. S. Department of Education is in every way the same as the recognition the Department has granted to the six regional agencies. And AALE was required to undergo exactly the same careful scrutiny by the Department of Education prior to its recognition. Furthermore, accreditation or preaccreditation by the AALE carries with it the identical full and complete access to federal student aid, and other programs, as is the case with the regional agencies.

The reason that St. Andrews is making this request is that the College has been in protracted litigation with The Southern Association of Colleges and Schools regarding its application of its financial resources standards and the College's financial plan. At no time has SACS questioned the quality of the academic programs of the College. However, the move to accreditation by AALE, that was initiated with its recent grant of preaccreditation status, has allowed the College to put the litigation in the past and focus on its core mission of educating students.

Athletics is an integral part of the educational process at St. Andrews and membership in the NCAA denotes the high ethical and academic standards we set for our student-athletes. Accreditation by the AALE is fully congruent with the expectations of both the College and the NCAA, and provides exactly the same verification of acceptable academic standards as that provided by the regional agencies.

At the time the academic quality standard embedded in 3.2.3.3 was adopted, recognition by one of the six regional agencies was the only available means to provide the verification sought by the NCAA. However, the AALE is a relatively new national accrediting agency, having been founded in 1992, and gaining U. S. Department of Education recognition as a national accrediting agency in 1995. Compared to the six regionals, it is still very small and not yet well known. Nevertheless, its official status and authority are in every way identical to that of the six regionals.

As further evidence of its academic quality, St. Andrews is also accredited by the North Carolina Department of Public Instruction (NCDPI), the National Council for Accreditation of Teacher Education (NCATE), and the North American Riding for the Handicapped Association (NARHA). And its educational / general education programs had previously been accredited by AALE after the lengthy review that is typical of such processes.

Finally, St. Andrews has received numerous recognitions for academic quality in addition to accreditation. For example, it has appeared on the *U. S. News & World Report* list of the best national liberal arts colleges every year since 1996. In 1989, St. Andrews was cited in the book, ***Colleges That Enable***. This was the first in a series of recent national recognitions of the overall quality of the total St. Andrews educational experience that has continued unabated. In the following year, 1990, St. Andrews was profiled in the book, ***Looking Beyond the Ivy League***. In 1996, the college was featured in a third book, ***Colleges That Change Lives***. The introduction tells its student readers: "Any one of the 40 colleges profiled here will do at least as much as, and usually far more than, an Ivy League school, an Ivy clone, or a major research university to give you a rich, full life, and to make you a winner." Focusing specifically on St. Andrews, it says: "It can truly claim to be a value-added place. The track records of its graduates bear witness."

St. Andrews would sincerely appreciate your thoughtful and timely consideration of this request for a substitution of recognized accrediting agencies with regard to requirement 3.2.3.3.

Enclosures:

1. U. S. Department of Education statement of its process for approval of accrediting agencies.
2. U. S. Department of Education listing of the AALE as an approved accrediting agency.

3. Letter from AALE granting preaccreditation status (which carries with it all the benefits of accreditation) to St. Andrews.

Cc: Dr. Alan Patterson, Commissioner
Conference Carolinas
1723 Country Club Drive
High Point, NC 27262

PREPARE FOR MY FUTURE
Diploma Mills and Accreditation - Accreditation

| Diploma Mills and Accreditation Home |
| Diploma Mills | Resources |

Accreditation in the United States is a voluntary, nongovernmental process, in which an institution and its programs are evaluated against standards for measuring quality.

ACCREDITING AGENCIES RECOGNIZED BY THE U.S. DEPARTMENT OF EDUCATION

The Secretary of the U.S. Department of Education recognizes select accrediting agencies as reliable authorities regarding the quality of education or training offered by the institutions or programs they accredit. Accreditation by a recognized accrediting agency is part of the requirements for institutions to participate in federal student aid programs. **The Secretary and the Department are not responsible for accrediting institutions of higher education.** Accrediting agencies accredit institutions, colleges, universities, and programs. Note: The U.S. Department of Education does not have the authority to accredit private or public elementary or secondary schools, and the Department does not recognize accrediting bodies for the accreditation of private or public elementary and secondary schools. However, the U.S. Department of Education does recognize accrediting bodies for the accreditation of institutions of higher (postsecondary) education. If an accrediting body which is recognized by the Department for higher education also accredits elementary and secondary schools, the Department's recognition applies only to the agency's accreditation of postsecondary institutions.

Important: Accrediting agencies may voluntarily seek recognition from the Secretary only if the schools and institutions the agency accredits need the Secretary's recognition in order to participate in some federal program, such as the federal student financial aid programs.

Accrediting agencies recognized by the Secretary meet certain criteria, the institutions accredited by those agencies meet standards that address the quality of an institution and its programs. An accrediting agency that meets the Department's criteria for recognition is determined to be a reliable authority in measuring the quality of education or training provided by the institutions it accredits in the United States and its territories. Agencies that meet these criteria are placed on the Department's List of Nationally Recognized Accrediting Agencies.

UNRECOGNIZED ACCREDITING AGENCIES

Unrecognized accrediting agencies have not had their accreditation standards reviewed by the U.S. Department of Education. There are a variety of reasons why an agency is unrecognized, some agencies may be working towards recognition with the Secretary and others may not meet the criteria for recognition.

An unrecognized accrediting agency should be viewed with caution until its reputation can be determined. Although these accrediting agencies are unrecognized, it does not mean that they do not have high standards of quality. Likewise, because the Secretary does not recognize an accrediting agency does not mean that the institutions accredited by that agency do not provide a quality education.

Remember: Many employers in the United States only recognize degrees earned from institutions accredited by an accrediting agency recognized by the Secretary of Education. The federal government's Office of Personnel Management (OPM) has been involved with keeping diploma mill degrees from the federal workplace. "OPM has provided ongoing guidance to federal departments and agencies... making it clear that so-called 'degrees' from diploma mills will not be accepted for purposes of qualifying for federal positions, for student loan repayment, and for purposes of paying for employees to obtain college degrees."

Any institution can claim to be accredited. It is important that you, as a consumer, do your homework. For more information about recognized and unrecognized accrediting agencies, as well fraud, waste, and abuse related to accreditation, take a look at the U.S. Network for Education Information.

ACCREDITED INSTITUTIONS

Accredited institutions have agreed to have their institution and its programs reviewed to determine the quality of education and training being provided. If an institution is accredited by a recognized agency, its teachers, coursework, and facilities, equipment, and supplies are reviewed on a routine basis to ensure students receive a quality education and get what they pay for. Attending an accredited institution is often a requirement for employment and can be helpful later on if you want to transfer academic credits to another institution.

UNACCREDITED INSTITUTIONS

Unaccredited institutions are not reviewed against a set of standards to determine the quality of their education and training. This does not necessarily mean that an

ED Recovery Act
LEARN MORE

How Do I Find...?

- Grants to apply for
- Grant opportunities
- Accreditation
- Money for college
- Research and statistics
- Facts and figures
- More...

Related Topics

- College Preparation Checklist

FINANCIAL AID FOR POSTSECONDARY STUDENTS
Accreditation in the United States

SPECIALIZED ACCREDITING AGENCIES

The dates specified for each entry are the date of initial listing as a recognized agency, the date of the Secretary's most recent grant of renewed recognition, and the date of the agency's next scheduled review for renewal of recognition by the National Advisory Committee on Institutional Quality and Integrity. (Note: S = Spring meeting and F = Fall meeting)

ARTS AND HUMANITIES |EDUCATION TRAINING |LEGAL |COMMUNITY AND SOCIAL SERVICES |PERSONAL CARE AND SERVICES| HEALTHCARE|

ARTS AND HUMANITIES

American Academy for Liberal Education
1995/2007/F2010
Scope of recognition: the accreditation and preaccreditation ("Candidacy for Accreditation") of institutions of higher education and programs within institutions of higher education throughout the United States that offer liberal arts degree(s) at the baccalaureate level or a documented equivalency.
Title IV Note: *Only institutions of higher education accredited by this agency may use that accreditation to establish eligibility to participate in Title IV programs.*

Jeff A. Martineau, President
1050 17th Street, N.W., Suite 500
Washington, DC 20036
Tel (202) 452-8611, Fax (202) 452-8620
E-mail address: jmartineau@aale.org
Web address: www.aale.org

National Association of Schools of Art and Design, Commission on Accreditation
1966/2008/F2012
Scope of recognition: for the accreditation throughout the United States of freestanding institutions and units offering art/design and art/design-related programs (both degree- and non-degree-granting), including those offered via distance education.
Title IV Note: *Only freestanding schools or colleges of art and design may use accreditation by this agency to establish eligibility to participate in Title IV programs.*

Samuel Hope, Executive Director
11250 Roger Bacon Drive, Suite 21
Reston, Virginia 20190
Tel. (703) 437-0700, Fax (703) 437-6312
E-mail address: info@arts-accredit.org
Web address: www.arts-accredit.org

National Association of Schools of Dance, Commission on Accreditation
1983/2008/F2012
Scope of recognition: for the accreditation throughout the United States of freestanding institutions and units offering dance and dance-related programs (both degree- and non-degree-granting), including those offered via distance education.
Title IV Note: *Only freestanding schools or colleges of dance may use accreditation by this agency to establish eligibility to participate in Title IV programs.*

Samuel Hope, Executive Director
11250 Roger Bacon Drive, Suite 21
Reston, Virginia 20190
Tel. (703) 437-0700, Fax (703) 437-6312
E-mail address: info@arts-accredit.org
Web address: www.arts-accredit.org

National Association of Schools of Music, Commission on Accreditation,
1952/2008/F2012
Scope of recognition: the accreditation throughout the United States of freestanding institutions and units offering music and music-related programs (both degree- and non-degree-granting), including those offered via distance education.
Title IV Note: *Only freestanding schools or colleges of music may use accreditation by this agency to establish eligibility to participate in Title IV programs.*

Samuel Hope, Executive Director
11250 Roger Bacon Drive, Suite 21
Reston, Virginia 20190
Tel. (703) 437-0700, Fax (703) 437-6312
E-mail address: info@arts-accredit.org
Web address: www.arts-accredit.org

National Association of Schools of Theatre, Commission on Accreditation
1982/2008/F2012
Scope of recognition: the accreditation throughout the United States of freestanding institutions and units offering theatre and theatre-related programs (both degree- and non-degree-granting), including those offered via distance education.
Title IV Note: *Only freestanding schools or colleges of theatre may use accreditation by this agency to establish eligibility to participate in Title IV programs.*

Samuel Hope, Executive Director
11250 Roger Bacon Drive. Suite 21
Reston, Virginia 20190
Tel. (703) 437-0700, Fax (703) 437-6312
E-mail address: info@arts-accredit.org
Web address: www.arts-accredit.org

ED Recovery Act
LEARN MORE

How Do I Find...?

- Grants to apply for
- Grant opportunities
- Accreditation
- Money for college
- Research and statistics
- Facts and figures
- More...

Related Topics

- No Related Topics Found

American Academy for Liberal Education

Telephone: 202.452.8611 Fax: 202.452.8620

12 October 2009

Paul Baldasare, '77
President
St. Andrews Presbyterian College
1700 Dogwood Mile
Laurinburg, NC 28352

Re: Request for substantive change

Dear President Baldasare,

After a comprehensive review by the Academy staff, including the current state of the academic program and institutional finances and resources, the Academy has agreed to the substantive change request submitted October 6, 2009 - that the college's membership status be moved from program to institutional, per USDOED guidelines.

The time granted is effective as of the first day of the fall semester and through the end of the 2009-10 academic year. The college must also agree to submitted a revised self-study and accept a site visit team before the end of the academic year. As the college has also applied for a full term of Institutional Pre-Accreditation, the team visit will serve as the on-site review for this application. Any decision on this application can only be made by the Academy's Board of Trustees, which meets in early June of 2010.

As you know, the college must continue to abide by the Academy's published standards and policies, and respond to any requests for documents and materials.

St. Andrew's has built a solid reputation for providing students with a full academic, and college life experience, and we hope to work with the college as it grows and prospers in the future. Please let me know if we can be of help to you in the coming months as you prepare for the team visit.

With best regards,

Jeff A. Martineau
President

1050 17th Street, NW Suite • 400 • Washington, DC 20036
www.aale.org

SUPPLEMENT NO. 3

KPMG

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION AND SUBSIDIARIES

Consolidated Financial Statements and
Supplementary Information

August 31, 2009
(with summarized comparative financial information for August 31, 2008)

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 1500
111 Monument Circle
Indianapolis, IN 46204

Independent Auditors' Report

The Executive Committee
National Collegiate Athletic Association
Indianapolis, Indiana:

We have audited the accompanying consolidated statement of financial position of the National Collegiate Athletic Association and subsidiaries (NCAA) as of August 31, 2009, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the NCAA's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the consolidated financial statements of the NCAA as of and for the year ended August 31, 2008 and, in our report dated December 11, 2008, we expressed an unqualified opinion on those consolidated financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated 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, the consolidated financial statements referred to above, present fairly, in all material respects, the consolidated financial position of the National Collegiate Athletic Association and subsidiaries as of August 31, 2009, and the changes in their net assets and their cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The information included in the schedule of consolidating statement of activities is presented for purposes of additional analysis rather than to present the results of activities of the individual companies. The supplementary information included in the schedule of revenues and expenses for the National Invitation Tournament is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. The consolidating information and other supplementary information referred to in this report have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, are fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

December 8, 2009

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
AND SUBSIDIARIES

Consolidated Statement of Financial Position

August 31, 2009
(with summarized comparative financial information as of August 31, 2008)

Assets		**2009**	**2008**
Cash and cash equivalents	$	7,794,179	8,315,852
Investments		372,591,315	356,660,532
Prepaid expenses		10,477,746	6,961,005
Receivables:			
Accounts receivable, net		10,632,785	5,780,040
Contributions receivable – facilities, net		50,697,032	51,099,215
Total receivables, net		61,329,817	56,879,255
NIT intangible assets, net		18,996,627	20,671,291
Arbiter/eOfficials intangible assets, net		11,665,611	—
Investment in Youth Basketball, LLC		214,009	—
Properties, net		19,188,385	17,717,777
Other assets		1,218,737	1,819,229
Total	$	503,476,426	469,024,941
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued liabilities	$	29,643,362	34,311,826
Distribution payable		8,297,623	8,854,214
Deferred revenue and deposits		8,710,329	14,900,614
Bonds payable, net		29,504,453	31,114,983
NIT payable, net		20,088,268	24,055,922
Accrued lease expense		5,920,575	5,424,133
Total liabilities		102,164,610	118,661,692
Minority interest		3,887,478	—
Net assets:			
Unrestricted		350,007,670	301,126,554
Temporarily restricted		47,268,634	49,088,661
Permanently restricted		148,034	148,034
Total net assets		397,424,338	350,363,249
Total	$	503,476,426	469,024,941

See accompanying notes to consolidated financial statements.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION AND SUBSIDIARIES

Consolidated Statement of Activities

Year ended August 31, 2009
(with summarized comparative financial information for the year ended August 31, 2008)

	2009				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	2008 summarized total
Revenues:					
Television and marketing rights fees	$ 597,377,482	—	—	597,377,482	552,287,787
Championships and NIT tournaments	76,364,409	—	—	76,364,409	70,640,409
Investment income, net	9,237,963	(139,062)	—	9,098,901	(3,998,529)
Sales and services	16,211,295	—	—	16,211,295	14,519,175
Contributions – facilities, net	—	2,654,775	—	2,654,775	2,654,775
Contributions – other	—	200,906	—	200,906	191,811
Total revenues	699,191,149	2,716,619	—	701,907,768	636,295,428
Reclassifications:					
Temporarily restricted resources used for occupancy costs	3,553,400	(3,553,400)	—	—	—
Temporarily restricted resources used for program services	983,246	(983,246)	—	—	—
Total reclassifications	4,536,646	(4,536,646)	—	—	—
Expenses:					
Distribution to Division I members	391,759,050	—	—	391,759,050	359,349,169
Division I championships, programs, and NIT tournaments	63,630,373	—	—	63,630,373	69,900,383
Division II championships, distribution, and programs	28,246,989	—	—	28,246,989	29,846,478
Division III championships and programs	19,047,135	—	—	19,047,135	18,907,533
Association-wide programs	121,025,224	—	—	121,025,224	108,882,864
Management and general	32,016,487	—	—	32,016,487	26,060,135
Total expenses	655,725,258	—	—	655,725,258	612,946,562
Net increase (decrease) in net assets before other changes in net assets	48,002,537	(1,820,027)	—	46,182,510	23,348,866
Other changes in net assets:					
Minority interest	878,579	—	—	878,579	—
Change in net assets	48,881,116	(1,820,027)	—	47,061,089	23,348,866
Net assets – beginning of year	301,126,554	49,088,661	148,034	350,363,249	327,014,383
Net assets – end of year	$ 350,007,670	47,268,634	148,034	397,424,338	350,363,249

See accompanying notes to consolidated financial statements

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Year ended August 31, 2009
(with summarized comparative financial information for the year ended August 31, 2008)

		2009	2008
Cash flows from operating activities:			
Change in net assets	$	47,061,089	23,348,866
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation and amortization		5,698,261	4,626,435
Change in unrealized loss on investments		6,874,619	24,119,730
Loss in equity of joint venture		515,991	—
Realized gain on investments		(4,177,739)	(6,115,160)
Increase in accrued lease expense		496,442	496,442
Loss on disposal of properties		88,236	52,028
Changes in minority interest		(878,579)	—
Changes in certain assets and liabilities:			
Receivables		(4,450,562)	13,854,558
Prepaid expenses		(3,516,741)	(2,428,774)
Other assets		600,492	216,874
Accounts payable and accrued liabilities		(4,668,464)	1,398,612
Distribution payable		(556,591)	(3,721,381)
Deferred revenue and deposits		(6,190,285)	9,251,980
NIT payable		(1,472,222)	(1,472,222)
Net cash provided by operating activities		35,423,947	63,627,988
Cash flows from investing activities:			
Capital expenditures		(4,629,444)	(5,820,735)
Investments in consolidated entities, net of cash acquired		(8,598,486)	—
Purchases of investments		(67,594,982)	(69,527,225)
Proceeds from sales of investments		48,967,319	16,832,144
NIT payable		(2,495,432)	(2,495,432)
Investment in Youth Basketball, LLC		(730,000)	—
Proceeds from sale of 5.0% of The Arbiter, LLC		600,000	—
Proceeds from sale of 7.5% of eOfficials, LLC		105,405	—
Net cash used in investing activities		(34,375,620)	(61,011,248)
Cash flows from financing activity:			
Payment of bond payable		(1,570,000)	(1,510,000)
Net cash used in financing activity		(1,570,000)	(1,510,000)
Net increase (decrease) in cash and cash equivalents		(521,673)	1,106,740
Cash and cash equivalents:			
Beginning of year		8,315,852	7,209,112
End of year	$	7,794,179	8,315,852
Supplemental disclosure:			
Cash paid for interest	$	1,415,290	1,478,758

See accompanying notes to consolidated 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 athletic matters at the national level. It is a voluntary association of more than 1,200 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 Divisions II and III presidential boards are known as the Presidents Council; however, legislation in Divisions 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, legal affairs, and the hiring and evaluation of the Association's President.

In May, 2007, the NCAA organized the Collegiate Sports, LLC, a limited liability company. The NCAA is the sole member of the company. The Collegiate Sports, LLC was organized for the primary purpose of being the sole member of certain limited liability companies organized by the NCAA including the NIT, LLC; Eligibility Center, LLC; and Collegiate Football Officiating, LLC. Ownership of these limited liability companies was transferred from the NCAA to the Collegiate Sports, LLC in 2007. The NIT, LLC is the entity that administers the NIT Season Tip-Off and the Postseason NIT collegiate basketball events. The Eligibility Center, LLC was organized for the primary purpose of performing academic and amateurism eligibility certification decisions for prospective student-athletes desiring to compete for NCAA Divisions I and II member institutions. The Eligibility Center, LLC also has administrative responsibility for the National Letter of Intent program. The College Football Officiating, LLC was organized to pursue the development and maintenance of a national Division I college football officiating program. The financial results of the limited liability companies are consolidated in the financial statements of the NCAA. All significant intercompany balances and transactions have been eliminated in consolidation.

In September 2008, the NCAA formed The Arbiter, LLC, an Indiana limited liability company and wholly owned subsidiary of the NCAA, for purposes of consummating the actions and conducting business for the acquisition. During the year ended August 31, 2009, 38.33% of The Arbiter, LLC has been involved with two transactions and that portion is controlled by other outside entities. The Arbiter develops web-based applications for the officiating market including official assignment software, official payment facilitation, data collection, and sales.

Also in September 2008, the NCAA formed eOfficials, LLC, an Indiana limited liability company and a wholly owned subsidiary of the NCAA for purposes of consummating the actions and conducting business for the acquisition. The NCAA has since sold 7.5% of eOfficials as part of a transaction to purchase Excel Sports Officiating, LLC. eOfficials provides web-based educational and certification application for athletic officials. The financial results of The Arbiter, LLC and eOfficials, LLC are consolidated in the financial statements of the NCAA. All significant intercompany balances and transactions have been eliminated in consolidation.

In January 2009, the NCAA organized Collegiate Properties, LLC, a limited liability company. The NCAA is the sole member of the company. Collegiate Properties, LLC was organized for the primary purpose of advancing youth-based initiatives. In February 2009, Collegiate Properties, LLC, in cooperation with NBA Youth Basketball Holding, LLC, a member of the National Basketball Association (NBA) formed the joint venture Youth Basketball, LLC. Youth Basketball, LLC was organized for the primary purpose of focusing on activities and initiatives relating to youth basketball (i.e. 6 through 17 year olds), including young athlete education and development, outreach programs for elite players, and sanctioning and certification processes for leagues, coaches, and referees. Collegiate Properties, LLC owns a 50% interest in Youth Basketball, LLC. As of August 31, 2009, Collegiate Properties, LLC had contributed $730,000 to Youth Basketball, LLC. The NCAA recognized $515,991 of additional expenses related to its share of Youth Basketball, LLC's loss for the period ended August 31, 2009. The financial results of Collegiate Properties, LLC are consolidated in the financial statements of the NCAA. All significant intercompany balances and transactions have been eliminated in consolidation. Furthermore, Collegiate Properties, LLC accounts for its investment in Youth Basketball, LLC using the equity method of accounting.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the NCAA's consolidated financial statements as of and for the year ended August 31, 2008, 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.

(b) Investments

Investments include debt and equity securities and U.S. government obligations having a maturity of more than three months, or intended to be held more than three months, and shares in mutual funds. Publicly traded investments are stated at fair value based on quoted market prices. Pooled equity and debt investments that are not publicly traded are stated at net asset value, as a practical expedient to fair value based on the NCAA's ownership percentage of the pooled investments multiplied by the fair value of the publicly traded underlying investments.

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 157 (SFAS 157), *Fair Value Measurements*, which defines fair value, establishes guidelines for measuring fair value, and expands disclosures regarding fair value measurements. SFAS 157 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements and is effective for fiscal years beginning after November 15, 2007. Effective September 1, 2008, the NCAA adopted SFAS 157, which did not have a material impact on the consolidated financial statements. See note 4 for information and related disclosures regarding fair value measurements.

(c) Accounts Receivable

Accounts receivable are amounts due to the NCAA from championships and various contractual rights fees. Accounts receivable are shown net of an allowance for uncollectibles in the amount of $285,074 at August 31, 2009. There was no allowance recorded at August 31, 2008.

(d) Contributions Receivable, Other

Legally enforceable grants and pledges, including unconditional promises to give, are reported at their fair 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.

(e) 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 for future periods billed and collected prior to year-end are recorded as deferred revenue. The Executive Committee of the NCAA voted to waive the fiscal year 2009–2010 membership dues for all active members during this time of economic stress.

(f) Revenue Recognition

Revenue related to the CBS and ESPN agreements 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.

(g) Intangible Assets

Pursuant to 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) Opinion 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.

(h) 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.

(i) 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.

(j) 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. Expenses 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.

(k) 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 consolidated 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 consolidated financial statements.

(Continued)

(l) 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.

(m) Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles 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 consolidated 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 an original maturity of less than three months are reported as cash equivalents. Cash and cash equivalents include designated cash of $1,198,942 and $1,716,629 as of August 31, 2009 and 2008, respectively. 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) Fair Value Measurements of Financial Assets and Liabilities

SFAS 157 establishes a framework for measuring fair value, which provides fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under SFAS 157 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the NCAA has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value according to the levels described above. There have been no changes in the methodologies used at August 31, 2009.

The NCAA measured the fair value of the investments as of August 31 as follows:

	Level 1	Level 2	2009	2008
Money market funds	$ 50,549,039	—	50,549,039	28,006,222
Domestic pooled equity funds	—	56,394,318	56,394,318	49,742,357
International pooled equity funds	—	32,069,110	32,069,110	24,588,226
Domestic mutual funds	22,948,149	—	22,948,149	16,051,183
International mutual funds	41,881,691	—	41,881,691	33,136,526
Global investment funds	20,438,909	—	20,438,909	17,674,419
U.S. government securities	4,827,987	—	4,827,987	14,101,367
Government and corporate fixed income funds	105,517,124	—	105,517,124	125,402,887
Fixed income securities	37,964,988	—	37,964,988	47,957,345
	$ 284,127,887	88,463,428	372,591,315	356,660,532

Investment income as of August 31 consists of the following:

	2009	2008
Interest income	$ 11,795,781	14,006,041
Realized gain, net	4,177,739	6,115,160
Unrealized loss, net	(6,874,619)	(24,119,730)
	$ 9,098,901	(3,998,529)

(5) Accounts Receivable

As of August 31, 2009 and 2008, the NCAA has accounts receivable from championships and various contractual rights fees of $10,632,785 and $5,780,040, respectively.

(6) Contribution Receivable and Facilities Lease

The NCAA relocated its headquarters from Overland Park, Kansas 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, 2009 and 2008, the related accrued lease expense is $5,920,575 and $5,424,133, respectively. An amount equal to 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:

		2009	2008
Fair value of remaining lease payments	$	182,993,348	186,050,306
Unamortized discount		(132,296,316)	(134,951,091)
Contributions receivable - facilities, net	$	50,697,032	51,099,215

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

		2009	2008
Fair value of lease payment	$	3,056,958	3,056,958
Accrued lease expense adjustment		496,442	496,442
Occupancy expense	$	3,553,400	3,553,400

(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 NIT. The NCAA agreed to 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 was $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 consolidated statement of activities for the year ended August 31, 2005. Imputed interest and present value discount rates were at 6%.

As of August 31, 2009, the related NIT intangible assets acquired consist of the following:

	Estimated useful lives		
Goodwill	20 years	$	19,703,283
Trademark	20 years		2,600,000
Noncompete 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/web-site	6 years		13,000
		$	25,695,283
Less accumulated amortization			(6,698,656)
NIT intangible assets, net		$	18,996,627

Amortization expense was $1,674,664 for the years ended August 31, 2009 and 2008.

Future cash payments related to the Agreements as of August 31, 2009 are as follows:

Year ending August 31:		
2010	$	5,250,000
2011		5,250,000
2012		5,250,000
2013		5,250,000
2014		5,250,000
Thereafter		250,000
Total		26,500,000
Imputed interest and present value discount		(6,411,732)
NIT payable, net	$	20,088,268

(8) New Business Combinations

Advanced Business Technology, Inc.

In September 2008, the NCAA through its then 100% owned subsidiary, The Arbiter, LLC, purchased Advanced Business Technology, Inc. (ABT), a Utah corporation that is in the business of web-based applications development of the officiating market, including official assignment software, official payment facilitation, data collection, and sales and other related business conducted primarily under the name The Arbiter for $12,000,000. The NCAA formed The Arbiter, LLC, an Indiana limited liability company and wholly owned subsidiary of the NCAA, for purposes of consummating the actions and conducting business for the acquisition. Simultaneous to the purchase of ABT, 33.33% of The Arbiter, LLC was sold to Reid G. Evans, former owner of ABT, for $4,000,000. NCAA subsequently sold an additional 5.00% interest for $600,000 to Richard L. Alderson within the Excel Sports Officiating, LLC transactions described below. RefPay, LLC (RefPay) was a 66.70% owned subsidiary of ABT and is now consolidated into The Arbiter. RefPay's business is to provide a means for sports leagues to pay their referees via an electronic interface through RefPay's proprietary software.

eOfficials, LLC

In September 2008, the NCAA purchased Excel Sports Officiating, LLC, (ESO), a Delaware limited liability company that is in the business of providing web-based educational and certification applications for athletic officials, through its subsidiary eOfficials, LLC, an Indiana limited liability company, a wholly owned subsidiary of the NCAA, for purposes of consummating the actions and conducting business for the acquisition. ESO was purchased for $1,410,405. In the same transaction, 7.5% of eOfficials, LLC was purchased by Richard L. Alderson for $105,405.

Below is the allocation of purchase price for the purchase of ABT and ESO:

	Estimated useful lives		Arbiter, LLC	eOfficials, LLC	Total
Tangible assets		$	324,115	427,152	751,267
Goodwill	15 years		9,675,885	983,253	10,659,138
Trademark	15 years		165,000	—	165,000
Noncompete agreement	6 years		575,000	—	575,000
Subscriptions/contracts	10 years		1,260,000	—	1,260,000
		$	12,000,000	1,410,405	13,410,405

Below is a summary of intangible assets for The Arbiter, LLC and eOfficials, LLC:

		Arbiter, LLC	eOfficials, LLC	Total
Total intangible assets	$	11,675,885	983,253	12,659,138
Accumulated amortization		(899,500)	(94,027)	(993,527)
Arbiter/eOfficials intangible assets, net	$	10,776,385	889,226	11,665,611

Amortization expenses related to these intangible assets were $993,527 in 2009.

Below is the detail of minority interest as of August 31, 2009:

		Arbiter, LLC	eOfficials, LLC	Total
Original purchase	$	4,000,000	105,405	4,105,405
Subsequent sale of 5%		600,000	—	600,000
Minority share of loss		(773,174)	(105,405)	(878,579)
Other		60,652	—	60,652
Minority interest	$	3,887,478	—	3,887,478

(9) 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.

(Continued)

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

	Estimated useful lives		2009	2008
Land		$	350,000	350,000
Buildings and improvements	30 years		4,490,839	4,490,839
Leasehold improvements	10 – 30 years		9,545,104	9,545,104
Furniture, equipment, and fixtures	3 – 10 years		24,611,606	20,487,944
			38,997,549	34,873,887
Less accumulated depreciation and amortization			(19,809,164)	(17,156,110)
Properties, net		$	19,188,385	17,717,777

Depreciation expense was $3,070,600 and $2,991,708 for the years ended August 31, 2009 and 2008, respectively.

(10) 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 consolidated 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 consolidated financial statements.

(11) Bonds Payable

On November 1, 2005, the NCAA issued tax-exempt bonds of $31,750,000 with fixed interest rates ranging from 3.00% to 5.00% with original maturities ranging from 2006 to 2025. The bonds were issued at a premium of $775,288. Interest is payable on May 1 and November 1 of each year. Proceeds from the bond issue were used to advance refund a portion of the Series 1999 revenue bonds and fund certain costs associated with the acquisition and settlement of the NIT. Bond issue costs of $254,938, less $52,588 accumulated amortization, are included in other assets in the accompanying consolidated statement of financial position.

On August 15, 1999, the NCAA issued $15,355,000 face, tax-exempt, fixed rate bonds with interest rates ranging from 3.70% to 5.70% with original maturities ranging from 2000 to 2014. The bonds were 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 revenue bonds. On November 1, 2005, $9,640,000 of the outstanding bonds were legally defeased through refinancing in the 2005 Series bond issue and have been removed from the consolidated statement of financial position. In August 2006, $146,676 in unamortized bond issuance costs and $67,743 in unamortized discount were written off. The Series 1999 revenue bonds were fully matured during fiscal year 2009.

Principal payments as of August 31, 2009 due over the next five years are as follows:

Year ending August 31:	
2010	$ 1,630,000
2011	1,700,000
2012	1,775,000
2013	1,845,000
2014	1,910,000
Thereafter	20,030,000
	28,890,000
Unamortized premium/discount, net	614,453
Total bonds payable, net	$ 29,504,453

(12) Fair Value of Financial Instruments

The NCAA believes the carrying amounts of its financial instruments (excluding long-term debt) approximate their fair values due to the relatively short maturity of these instruments. The fair value of long-term debt approximates the carrying value based on an estimate using the NCAA's current borrowing rate for similar types of borrowing arrangements.

(13) 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 $8,297,623 and $8,854,214 as of August 31, 2009 and 2008, respectively, primarily consists of payments that were made in late August that remained outstanding at the end of each fiscal year.

(14) 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. No cable television broadcast fee obligations were recorded as of August 31, 2009 or 2008.

Amounts are 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, 2009, $3,500,142 was distributed for royalties for the years 1999–2003 and 2006. For the fiscal year ended August 31, 2008, $4,067,389 was distributed for royalties for the years 2003–2005.

(15) Television and Marketing Rights Fees

On November 18, 1999, the NCAA entered into an agreement with CBS (the CBS agreement) that provides CBS exclusive television broadcast rights for the Division I Men's Basketball Championship along with other championship and marketing rights effective from fiscal year 2003 and continuing through fiscal year 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, 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 original rights fee for this package is a guaranteed minimum of $6.0 billion over the 11-year contract. A second supplement to the agreement was signed during the year ended August 31, 2009 that reallocated publishing and marketing rights to a third-party vendor. This supplement has a neutral effect on annual revenues. Pursuant to the agreement, for the year ended August 31, 2009, the NCAA received approximately $569,700,000 ($529,000,000 for the year ended August 31, 2008). The NCAA will receive estimated future television broadcast payments and licensing rights as follows:

Fiscal year ending August 31:	
2010	$ 617,000,000
2011	657,000,000
2012	710,000,000
2013	764,000,000
	$ 2,748,000,000

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, 2009 and 2008, the NCAA received $15,800,000 and $14,800,000, respectively.

The NCAA will receive future television broadcast payments as follows:

Fiscal year ending August 31:	
2010	$ 16,800,000
2011	17,900,000
2012	18,800,000
2013	19,100,000
	$ 72,600,000

(16) 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:

		2009	2008
NCAA Leadership Conference	$	98,034	98,034
Usher Scholarships		50,000	50,000
Total permanently restricted net assets	$	148,034	148,034

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:

		2009	2008
Facility lease	$	44,781,457	45,680,082
Student-athlete programs and services		2,487,177	3,408,579
Total temporarily restricted net assets	$	47,268,634	49,088,661

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:

		2009	2008
Association-wide operating reserve	$	79,000,000	75,000,000
Quasi-endowment reserve		179,298,342	163,232,075
Division II reserve		15,220,110	14,141,049
Division III reserve		14,618,078	13,218,174
Contracted commitments		8,950,000	11,915,000
Furniture and equipment		11,992,917	10,315,399
Office building improvement reserve		14,031,928	5,649,118
Good of the Game reserve		2,676,365	1,832,102
Championships anniversaries reserve		144,913	195,294
College Football Officiating, LLC reserve		208,650	145,534
Arbiter and ESO reserve		8,063,933	—
Available for operations		15,802,434	5,482,809
Total unrestricted net assets	$	350,007,670	301,126,554

(Continued)

(17) 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 plan beginning in the quarter after the employee completes six months of service.

The NCAA provides, through the pension trust plan, a biweekly contribution to each employee's pension account at a rate of 10% of their annual compensation. 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 of at least 1% of their annual compensation. For the year ended August 31, 2009, the NCAA contributed $1,109,101 to the 401(a) qualified savings plan and $3,205,580 to the pension trust plan, for total contributions of $4,314,681 compared to total contributions of $3,740,529 for the year ended August 31, 2008.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
AND SUBSIDIARIES

Schedule of Consolidating Statement of Activities

Year ended August 31, 2009

	NCAA	NIT, LLC	Eligibility Center, LLC	College Football Officiating, LLC	The Arbiter, LLC	eOfficials, LLC	Consolidating entries	Total
Revenues:								
Television and marketing rights fees	$ 594,527,482	2,850,000	—	—	—	—	—	597,377,482
Championships and NIT tournaments	73,388,235	2,976,174	—	—	—	—	—	76,364,409
Investment income, net	9,082,852	6,203	15,956	—	681	1,261	(8,052)	9,098,901
Sales and services	5,012,100	182,259	10,367,241	44,600	712,152	17,943	(125,000)	16,211,295
Contributions – facilities, net	2,654,775	—	—	—	—	—	—	2,654,775
Contributions – other	200,906	—	—	—	—	—	—	200,906
Total revenues	684,866,350	6,014,636	10,383,197	44,600	712,833	19,204	(133,052)	701,907,768
Expenses:								
Distribution to Division I members	390,095,150	1,663,900	—	—	—	—	—	391,759,050
Division I championships, programs, and NIT tournaments	58,874,388	4,699,501	—	181,484	—	—	(125,000)	63,630,373
Division II championships, distribution, and programs	28,246,989	—	—	—	—	—	—	28,246,989
Division III championships and programs	19,047,135	—	—	—	—	—	—	19,047,135
Association-wide programs	109,544,000	—	8,721,974	—	740,819	1,024,904	993,527	121,025,224
Management and general	28,672,878	230,254	1,697,042	—	990,303	434,062	(8,052)	32,016,487
Total expenses	634,480,540	6,593,655	10,419,016	181,484	1,731,122	1,458,966	860,475	655,725,258
Net increase (decrease) in net assets before other changes in net assets	50,385,810	(579,019)	(35,819)	(136,884)	(1,018,289)	(1,439,762)	(993,527)	46,182,510
Other changes in net assets:								
Minority interest	—	—	—	—	44,017	—	834,562	878,579
Change in net assets	50,385,810	(579,019)	(35,819)	(136,884)	(974,272)	(1,439,762)	(158,965)	47,061,089
Net assets – beginning of year	350,279,965	86,264	(2,980)	—	—	—	—	350,363,249
Net assets – end of year	$ 400,665,775	(492,755)	(38,799)	(136,884)	(974,272)	(1,439,762)	(158,965)	397,424,338

See accompanying notes to consolidated financial statements.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
AND SUBSIDIARIES

Schedule of Revenues and Expenses for the National Invitation Tournament

Year ended August 31, 2009

Revenues:		
Television and royalty fees	$	2,850,000
Participating institutions/hosts		2,976,174
Sales and services		188,462
Total revenues		6,014,636
Expenses:		
Distribution to participants		1,663,900
Tournament administration		4,699,501
Management and general		230,254
Total expenses		6,593,655
Excess revenues under expenses	$	(579,019)
Profit sharing percentage		40%
Profit share calculation	$	—
Amount paid to MIBA (note 1)	$	250,000

Note 1: The excess revenue over expenses excludes the amounts paid to MIBA. Per the profit sharing provision of the Asset Purchase Agreement, the NCAA shall pay an amount equal to forty percent (40%) of the net income derived from the events during the 12 months preceding August 31st provided the amount paid to the members in any given year is no less than $250,000. The NCAA paid MIBA the minimum of $250,000 as of August 31, 2009.

The revenues and expenses for the NIT, LLC have been adjusted for this supplemental schedule to include intercompany expenses. In the consolidated financial statements, intercompany transactions are eliminated.

See accompanying independent auditors' report.

SUPPLEMENT NO. 4

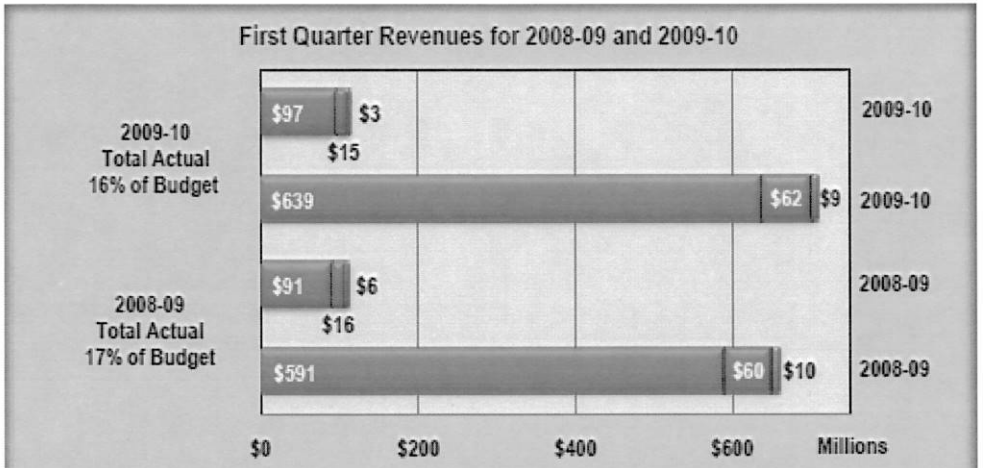
Fiscal Year Ending 2008-09
Recommended Uses of Unallocated Net Assets

1	Division I Revenue Distribution	$	15,000,000
2	Myles Brand Chair for Pancreatic Cancer Research	$	400,000
3	Presidential Search and Executive Move	$	400,000
	Total	**$**	**15,800,000**

The National Collegiate Athletic Association
November 16, 2009 KEM:bar

SUPPLEMENT NO. 5

National Collegiate Athletic Association
Comparison of Budget to Actual
Revenues and Expenses
First Quarter of 2008-09 and 2009-10



	2008-09 Budget $661,000,000 12 Months	2008-09 Actual $112,563,084 Q1 ending 11/30/08	2009-10 Budget $710,000,000 12 Months	2009-10 Actual $114,588,191 Q1 ending 11/30/09
TV & Marketing Rights	$590,730,000	$90,653,131	$638,980,000	$96,609,517
Championships	$60,430,000	$16,399,997	$62,310,000	$14,772,793
Other	$9,840,000	$5,509,956	$8,710,000	$3,205,881

Revenues

- The Association has limited activity in the first quarter with the majority of revenues occurring in the second half of the year related to championships.
- Television and marketing rights fees received is 15 percent of budget, and is consistent with the prior year.
- Championship revenue is behind the previous year's trend due to timing differences on when dollars are received. However, to date, men's basketball revenue sales appear to be trending according to plan.
- Revenue received is 16 percent of the budget for the first quarter, and is consistent with the prior year.

Expenses

- Division I expenses occur primarily in the second half of the year due to revenue distribution and championship expenses.
- Division II and III expenditures are within budget parameters and are in line with the prior year trend of actual expenditures as percent of budget.
- The Associations' expenses are seven percent of the total budget for the first quarter, and is consistent with the prior year trend for the first quarter.

	2008-09 Budget $661,000,000 12 Months	2008-09 Actual $53,168,513 Q1 ending 11/30/08	2009-10 Budget $710,000,000 12 Months	2009-10 Actual $51,204,655 Q1 ending 11/30/09
Division I	$451,274,000	$3,355,616	$479,955,000	$4,702,546
Association-wide	$131,921,000	$30,651,931	$147,432,000	$26,228,548
Division II & III	$49,906,000	$12,169,370	$53,605,000	$13,422,313
Administrative Services	$27,900,000	$6,991,596	$29,007,000	$6,851,248

THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION Three- Year Revenue and Expense Summary BUDGET FOR FISCAL YEAR ENDED AUGUST 31, 2010					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 Actual Through 11/30/09	2009-10 BUDGET	2009-10 Percent of Actual to Budget
REVENUE					
Television and Marketing Rights Fees	549,517,787	594,527,482	96,609,517	638,980,000	15.12%
Championships Revenue	67,700,370	73,388,235	14,772,793	62,310,000	23.71%
Investments, Fees, and Services	2,985,718	15,894,977	3,205,881	8,710,000	36.81%
Membership Dues	1,416,589	1,055,656	0	0	0.00%
TOTAL NCAA OPERATING REVENUE	621,620,464	684,866,350	114,588,191	710,000,000	16.14%
DIVISION SPECIFIC EXPENSES					
Distribution to Division I members	359,349,169	390,095,150	63,510	418,386,000	0.02%
Division I championships and programs	64,231,221	58,874,388	4,639,036	61,569,000	7.53%
DIVISION I EXPENSE & ALLOCATION	423,580,390	448,969,538	4,702,546	479,955,000	0.98%
DIVISION II EXPENSE & ALLOCATION	29,846,478	28,246,989	7,157,745	31,027,000	23.07%
DIVISION III EXPENSE & ALLOCATION	18,907,533	19,047,135	6,264,568	22,578,000	27.75%
TOTAL DIVISION SPECIFIC EXPENSES	472,334,401	496,263,662	18,124,859	533,560,000	3.40%
ASSOCIATION-WIDE EXPENSE - PROGRAMS AND SERVICES					
Student-Athlete Welfare and Youth Programs and Services	23,097,070	23,983,817	5,749,798	23,408,000	24.56%
Membership Programs and Services	77,347,726	85,560,183	22,467,379	88,062,000	25.51%
SUBTOTAL PROGRAM AND SERVICES	100,444,796	109,544,000	28,217,177	111,470,000	25.31%
Administrative Services	25,838,748	28,672,878	6,851,248	29,007,000	23.62%
Division II and III Championships and Program Support			(503,643)	(2,015,000)	
TOTAL ASSOCIATION-WIDE EXPENSES	126,283,544	138,216,878	34,564,782	138,462,000	24.96%
TOTAL NCAA OPERATING EXPENSES	598,617,945	634,480,540	52,689,641	672,022,000	7.84%
Current Year Reserve Allocations, Contingencies, & Supplemental Distributions[2]	23,348,866	31,258,655	373,626	34,637,000	1.08%
Collegiate Sports LLC and other LLC's (net (revenue)/expenses)[3]	(346,347)	3,324,721	(1,858,612)	3,340,000	-55.65%
SUBTOTAL CONTINGENCIES AND RESERVES	23,002,519	34,583,376	(1,484,986)	37,977,000	-3.91%
Available Surplus		15,802,434			
TOTAL	621,620,464	684,866,350	51,204,655	710,000,000	7.21%

NOTE: Actual information for 2007-08 and 2008-09 is from audited financial statements

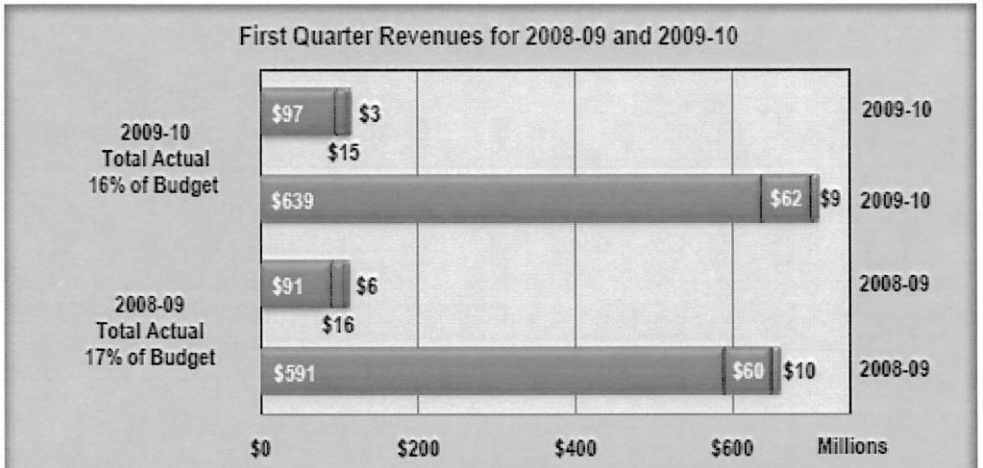
[1]DII/III Support is overhead added to divisional expenses in order to reduce divisional trust allocation. It is not a financial statement item, therefore, is not included in the 2007-08 and 2008-09 actual information.

[2]For more information on association reserves, see our Membership Report athttp://web1.ncaa.org/web_video/membership_report/2008/index1.html Click on "Fiscal Report" to see the 2008-09 Audited Financial Statements.

[3]Collegiate Sports LLC revenue and expense information is reflected as a net (revenue)/expense. For more information on the Association's LLCs, see 2008-09 Audited Financial Statements "Schedule of Consolidating Statement of Activities" on page 21.

SUPPLEMENT NO. 5

National Collegiate Athletic Association
Comparison of Budget to Actual
Revenues and Expenses
First Quarter of 2008-09 and 2009-10



	2008-09 Budget $661,000,000 12 Months	2008-09 Actual $112,563,084 Q1 ending 11/30/08	2009-10 Budget $710,000,000 12 Months	2009-10 Actual $114,588,191 Q1 ending 11/30/09
TV & Marketing Rights	$590,730,000	$90,653,131	$638,980,000	$96,609,517
Championships	$60,430,000	$16,399,997	$62,310,000	$14,772,793
Other	$9,840,000	$5,509,956	$8,710,000	$3,205,881

Revenues

- The Association has limited activity in the first quarter with the majority of revenues occurring in the second half of the year related to championships.
- Television and marketing rights fees received is 15 percent of budget, and is consistent with the prior year.
- Championship revenue is behind the previous year's trend due to timing differences on when dollars are received. However, to date, men's basketball revenue sales appear to be trending according to plan.
- Revenue received is 16 percent of the budget for the first quarter, and is consistent with the prior year.

Expenses

- Division I expenses occur primarily in the second half of the year due to revenue distribution and championship expenses.
- Division II and III expenditures are within budget parameters and are in line with the prior year trend of actual expenditures as percent of budget.
- The Associations' expenses are seven percent of the total budget for the first quarter, and is consistent with the prior year trend for the first quarter.

	2008-09 Budget $661,000,000 12 Months	2008-09 Actual $53,168,513 Q1 ending 11/30/08	2009-10 Budget $710,000,000 12 Months	2009-10 Actual $51,204,655 Q1 ending 11/30/09
Division I	$451,274,000	$3,355,616	$479,955,000	$4,702,546
Association-wide	$131,921,000	$30,651,931	$147,432,000	$26,228,548
Division II & III	$49,906,000	$12,169,370	$53,605,000	$13,422,313
Administrative Services	$27,900,000	$6,991,596	$29,007,000	$6,851,248

THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION Three- Year Revenue and Expense Summary BUDGET FOR FISCAL YEAR ENDED AUGUST 31, 2010					
	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 Actual Through 11/30/09	2009-10 BUDGET	2009-10 Percent of Actual to Budget
REVENUE					
Television and Marketing Rights Fees	549,517,787	594,527,482	96,609,517	638,980,000	15.12%
Championships Revenue	67,700,370	73,388,235	14,772,793	62,310,000	23.71%
Investments, Fees, and Services	2,985,718	15,894,977	3,205,881	8,710,000	36.81%
Membership Dues	1,416,589	1,055,656	0	0	0.00%
TOTAL NCAA OPERATING REVENUE	621,620,464	684,866,350	114,588,191	710,000,000	16.14%
DIVISION SPECIFIC EXPENSES					
Distribution to Division I members	359,349,169	390,095,150	63,510	418,386,000	0.02%
Division I championships and programs	64,231,221	58,874,388	4,639,036	61,569,000	7.53%
DIVISION I EXPENSE & ALLOCATION	423,580,390	448,969,538	4,702,546	479,955,000	0.98%
DIVISION II EXPENSE & ALLOCATION	29,846,478	28,246,989	7,157,745	31,027,000	23.07%
DIVISION III EXPENSE & ALLOCATION	18,907,533	19,047,135	6,264,568	22,578,000	27.75%
TOTAL DIVISION SPECIFIC EXPENSES	472,334,401	496,263,662	18,124,859	533,560,000	3.40%
ASSOCIATION-WIDE EXPENSE - PROGRAMS AND SERVICES					
Student-Athlete Welfare and Youth Programs and Services	23,097,070	23,983,817	5,749,798	23,408,000	24.56%
Membership Programs and Services	77,347,726	85,560,183	22,467,379	88,062,000	25.51%
SUBTOTAL PROGRAM AND SERVICES	100,444,796	109,544,000	28,217,177	111,470,000	25.31%
Administrative Services	25,838,748	28,672,878	6,851,248	29,007,000	23.62%
Division II and III Championships and Program Support			(503,643)	(2,015,000)	
TOTAL ASSOCIATION-WIDE EXPENSES	126,283,544	138,216,878	34,564,782	138,462,000	24.96%
TOTAL NCAA OPERATING EXPENSES	598,617,945	634,480,540	52,689,641	672,022,000	7.84%
Current Year Reserve Allocations, Contingencies, & Supplemental Distributions[2]	23,348,866	31,258,655	373,626	34,637,000	1.08%
Collegiate Sports LLC and other LLC's (net (revenue)/expenses)[3]	(346,347)	3,324,721	(1,858,612)	3,340,000	-55.65%
SUBTOTAL CONTINGENCIES AND RESERVES	23,002,519	34,583,376	(1,484,986)	37,977,000	-3.91%
Available Surplus		15,802,434			
TOTAL	621,620,464	684,866,350	51,204,655	710,000,000	7.21%

NOTE: Actual information for 2007-08 and 2008-09 is from audited financial statements

[1]DII/III Support is overhead added to divisional expenses in order to reduce divisional trust allocation. It is not a financial statement item, therefore, is not included in the 2007-08 and 2008-09 actual information.

[2]For more information on association reserves, see our Membership Report athttp://web1.ncaa.org/web_video/membership_report/2008/index1.html Click on "Fiscal Report" to see the 2008-09 Audited Financial Statements.

[3]Collegiate Sports LLC revenue and expense information is reflected as a net (revenue)/expense. For more information on the Association's LLCs, see 2008-09 Audited Financial Statements "Schedule of Consolidating Statement of Activities" on page 21.

SUPPLEMENT NO. 6

NCAA Investment Update

Operating Reserves

The Operating Reserve Pool is broken out into two liquidity buckets: the Liquid Operating Reserves and the Core Operating Reserves. Below are the market values of each plan as of September 30, 2009.

Total Liquid Operating Reserves	$165 million
Total Core Operating Reserves	$108 million

The Liquid Operating Reserves is invested in short-term fixed income securities, with about 80% currently invested in an AIM money market fund. The remainder is invested in PIMCO. The Investment Subcommittee recently made the decision to terminate two PIMCO funds in the Liquid Operating Reserves; PIMCO Short-Term Bonds was recently terminated and PIMCO Low Duration is planned for termination in early 2010. While the Investment Subcommittee and its consultant Ennis, Knupp & Associates continue to have confidence in PIMCO and believe the firm to be among the best bond managers in the industry, it was determined that PIMCO's investment strategy and portfolio management techniques were more appropriate for longer-term bond funds and that the NCAA's short-term reserves should be invested in more traditional money market and short-term bond strategies. The NCAA continues to utilize PIMCO in the Core Operating Reserve Pool.

The Core Operating Reserves are invested according the following investment policy:

U.S. Equity	15%
Global Equity	10%
Non-U.S. Equity	15%
Aggregate Bonds	30%
Intermediate Bonds	30%

The Core Operating Reserve Pool produced a return of 20.7% during the first nine months of 2009, easily beating its benchmark return of 15.1%. The Pool benefited from strong results from its active manages, as firms such as PIMCO and Dodge & Cox have performed very well thus far in 2009. Since its inception in 2005, the Core Operating Reserve Pool has produced an annualized return of 5.0%, net of investment management fees. Its benchmark return over the same period has been 3.8%.

Quasi-Endowment

The Quasi-Endowment had a market value of $171 million on September 30, 2009. The assets of the Quasi-Endowment are invested according to the following investment policy:

U.S. Equity	24%
Global Equity	12%
Non-U.S. Equity	24%
Fixed Income	40%

The Investment Subcommittee has determined that it is appropriate to take more risk in the Quasi-Endowment as compared to the Core Operating Reserve Pool, hence the higher equity allocation of 60%. The Quasi-Endowment has fully participated in the market rally in 2009, as it has returned 26.9% in the first nine months of the year. Its benchmark has returned 19.7% over the same time period. Similar to the Core Operating Reserve Pool, the Quasi-Endowment has benefited from strong results produced by several of its investment managers such as EARNEST Partners and Loomis Sayles on the bond side and Dodge & Cox in non-U.S. equity. Since the Quasi-Endowment's inception in November of 2005, it has produced an annualized return of 4.7%, net of investment management fees; the benchmark is up 3.6% over this same period.

The Investment Subcommittee recently made the decision to add an "Opportunistic Strategies" allocation to the Quasi-Endowment. The primary reasons for adding an Opportunistic Strategies allocation are increased diversification, the potential for a partial hedge against future inflation, and the possibility of additional alpha by allowing managers more discretion in their investment approach. The Investment Subcommittee has approved the addition of Wellington Diversified Inflation Hedges and Leuthold Weeden's Core Fund for 10% of the overall Quasi-Endowment to be funded in early 2010. Funding will come from the annual contribution to the Quasi-Endowment and the current stock and bond funds.

SUPPLEMENT NO. 7
WILL BE
DISTRIBUTED
AT THE MEETING.