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www.ncaa.org

MEMORANDUM

January 5, 2011

TO: NCAA Executive Committee.

FROM: Bernard W. Franklin
Executive Vice President of Membership and Student-Athlete Affairs/
Chief Inclusion Officer/Liaison to the Executive Committee

Delise S. O'Meally
Director of Membership and Student-Athlete Affairs.

SUBJECT: January 15 NCAA Executive Committee Meeting.

This message is to notify you that the agenda and supplements for the January 15 meeting of the NCAA Executive Committee are ready for your review.

The Executive Committee meeting, which is occurring in conjunction with the 2011 NCAA Convention, will begin at **4 p.m. in Salon E at the Marriott Rivercenter, 101 Bowie Street, San Antonio, Texas 78205** [phone: 210-223-1000; guest fax: 210-223-6239].

You will receive your January 15 meeting materials electronically. Please access the NCAA Sharepoint committee zone site (http://committeezone.ncaa.org/default.aspx) to log on and review the meeting materials, which can be found in the document library section of the Executive Committee. As a reminder, your user name is your e-mail address.

If you have any questions or need assistance in accessing the materials, please do not hesitate to contact us or Janice Whitehead, our assistant. We look forward to seeing you in San Antonio.

BWF/DOM:jw

cc: NCAA Division I Board of Directors
NCAA Division II Presidents Council
NCAA Division III Presidents Council
Selected NCAA Staff Members

A G E N D A

National Collegiate Athletic Association

Executive Committee

Marriott Rivercenter
San Antonio, Texas

January 15, 2011

1. Welcome and announcements.

2. Approval of October 28, 2010, meeting minutes. (Action) [Supplement No. 1]

Anticipated Action. Approve the October 28, 2010, meeting minutes.

3. NCAA President's report.

   a. NCAA advertising. (Information)

   b. High profile cases. (Information)

   c. Continuing the restructuring process for the NCAA national office. (Information)

4. NCAA Executive Committee Finance Committee report.

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

   a. Fiscal year 2009-10 audited financial statements. (Action) [Supplement No. 2]

   b. Recommended uses of unallocated net assets. (Action) [Supplement No. 3]

   c. Recommended target balance for Quasi-Endowment Reserve. (Action) [Supplement No. 4]

   d. Recommended budget allocations for 2011-12. (Action) [Supplement No. 5]

e. First quarter fiscal year 2010-11 budget to actual. (Information) [Supplement No. 6]

5. 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.

6. Future meetings. (Information)

Informational. Review dates of future Executive Committee meetings.

a. April 28, 2011. Indianapolis, Indiana.

b. August 11, 2011. Indianapolis, Indiana.

c. October 27, 2011. Indianapolis, Indiana.

7. Adjournment.

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The National Collegiate Athletic Association
January 5, 2011 BWF:jw

MINUTES OF THE

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

EXECUTIVE COMMITTEE

Westin Indianapolis
Indianapolis, Indiana

October 28, 2010

Participants:

Michael Alden, University of Missouri, Columbia
Charles Bantz, Indiana Univ.-Purdue Univ. at Indianapolis
Drew Bogner, Molloy College
Kathleen Brasfield, Angelo State University
James Bultman, Hope College
Judy Genshaft, University of South Florida
James Harris, Widener University
William Harvey, Hampton University
Nathan Hatch, Wake Forest University
Sidney McPhee, Middle Tennessee State University
Ann Millner, Weber State University
Kevin Mullen, Siena College
Beverley Pitts, University of Indianapolis
Edward Ray, Oregon State University, chair
Lou Anna Simon, Michigan State University
Lee Todd, University of Kentucky
Mark Emmert, NCAA
Bernard Franklin, NCAA
Delise O'Meally, NCAA, recording secretary

Lynn Oberbillig, Smith College; John Peters, Northern Illinois University; and David Schmidly, University of New Mexico, were not able to participate.

Also in attendance were: Scott Bearby, interim vice president of legal affairs/general counsel; Gary Brown, associate director of digital communications; Joni Comstock, senior vice president of championships; Kevin Lennon, vice president of academic and membership affairs; Keith Martin, interim vice president of administration/chief financial officer; Karen Morrison, director of gender inclusion initiatives; Wallace Renfro, vice president and senior advisor to the NCAA president; Greg Shaheen, interim executive vice president of championships and alliances; Robert Vowels, vice president of student-athlete affairs and leadership development programs; Wendy Walters, director of membership and student-athlete affairs/Infractions Appeals; Bob Williams, interim vice president of communications; Wendy Walters, director of membership and student athlete affairs/infractions appeals; David Berst, Daniel Dutcher and Mike Racy, NCAA governance vice presidents; and Jackie 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 1:30 pm by the chair, President Ray. All members were present as noted above.

1. Welcome and announcements. Ray welcomed Patrick O'Brien, president of West Texas A&M University, who is the new vice chair of the Division II Presidents Council, and Michael Alden, director of athletics at the University of Missouri, Columbia, who is the new chair of the Division I Leadership Council.

   Ray thanked Kathleen Brasfield, Division II Management Council chair, for her service as she is attending her last Executive Committee meeting.

2. Approval of August 12, 2010, meeting minutes.

   It was VOTED

   "To approve the Executive Committee minutes of the August 12, 2010, meeting as distributed."

3. NCAA President's report. President Emmert provided an update on the Association's strategic plan and noted that the goals and objectives identified during the previous strategic planning process continue to be relevant and that the Association will continue to build on these ideals. Emmert called on Kevin Lennon to provide an overview of the performance management metrics being developed within the national office. Lennon noted that the purpose of the performance management program was to enhance accountability, improve results and demonstrate value to the membership. Finally, Emmert called on Bernard Franklin to inform the Committee of the development of an inclusion initiative within the national office that combines efforts that support gender inclusion and minority inclusion within the office of the chief inclusion officer. Franklin noted an increased focus on policy development, greater presidential involvement, and greater affiliation and increased collaboration with other national organizations that either have diversity and inclusion as a primary mission or some aspect of diversity and inclusion within their core principles.

4. Report from Executive Committee working group on membership issues. The Committee received a report from the working group on membership growth chaired by Charles Bantz. Bantz reported that the group began its meeting with a discussion on legal issues surrounding membership growth and will continue to engage legal counsel as recommendations are formulated. The working group also engaged in an expanded discussion on trends in intercollegiate athletics and higher education, focusing specifically on sports sponsorship and participation trends, including an examination of schools at the extremes of the distribution. The data generally showed modest growth in sports sponsorship and participation over the past five years, with some outliers representing significant increases and decreases in sports sponsorship and participation. Additional data (e.g., athletics finance, institutional finance and institutional enrollment trends) will be added to this analysis to provide valuable context. The group discussed growth opportunities for the NCAA, essentially, where possible growth could originate given average number of sports sponsored by four-year degree granting institutions affiliated with athletics associations other than the NCAA, as well as non-affiliated institutions.

   The group concluded the meeting with a broad discussion on possible recommendations, including a general sense that the current membership processes within each division were effective and should be continued. However, there was support for increased education around membership standards and the differences among the divisions. The group also supported scenario planning to manage membership growth in the event of significant changes to the current landscape of athletics associations. The timeline for the conclusion of these discussions is April 2011, with a report and recommendations to the Executive Committee in April or August 2011.

5. Report from NCAA Committee on Sportsmanship and Ethical Conduct. Vowels reported on the progress of the acts of violence internal working group created to discuss issues around the impact of violence involving student-athletes. The objectives of the group are to:

   a. Determine the extent and scope of the problem through research.

   b. Determine the NCAA's role in addressing the issue.

   c. Make recommendations regarding how to effect behavioral change.

   Vowels noted that the internal working group is on schedule for its final report to the Executive Committee in April 2011.

6. 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) Membership categories. Agreed to sponsor legislation in the 2010-11 legislative cycle to eliminate the corresponding membership category and further define the requirements for the affiliated membership category to limit membership to:

(a) Coaches and sports associations for sports sponsored by the NCAA; and

(b) Associations comprised of college/university administrators.

The Board also agreed to recommend that the annual fee for the affiliated membership category be increased from $225 to an amount that is more appropriate based on the benefits gained by being allowed to use the Association's registered marks.

(2) Sickle Cell written release. Agreed to sponsor Proposal No. 2010-100, which would eliminate the opportunity for an individual to decline and sign a written release for the sickle cell solubility test as part of the required medical examination or evaluation for student-athletes who are beginning their initial season of eligibility and students who are trying out for a team.

(3) Men's basketball summer recruiting. Discussed a recommendation from the Collegiate Commissioner's Association to eliminate the summer evaluation period in men's basketball beginning in the summer of 2011. The Board did not support the immediate elimination of summer recruiting; rather, it indicated its support for delaying sponsorship of such legislation until the 2011-12 legislative cycle and, in the meantime, assigning the Division I Leadership Council, along with appropriate stakeholders, the responsibility to evaluate and create a new recruiting model for men's basketball.

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

(1) GoDaddy.com. Received a report from the liaison to the NCAA Committee on Women's Athletics (CWA). At its recent meetings, CWA noted its

objection to the decision to permit the previously licensed GMAC Bowl to change its title sponsor to GoDaddy.com. The CWA noted that the NCAA Application for License to Conduct Postseason Football Contest includes the requirement that the licensee promote and administer a postseason football game consistent with the image, integrity and values of the NCAA. The CWA also noted that the majority of GoDaddy.com advertisements contain sexually suggestive material, many of which are more suggestive than allowed on television. It requested that focused efforts be made to ensure that GoDaddy.com advertisements and activities surrounding the postseason bowl game maintain the integrity and image of the NCAA and its student-athletes. The Division II Presidents Council unanimously voted to support the CWA's position regarding GoDaddy.com as a bowl title sponsor and went on record expressing disappointment that a license was approved for the bowl game. Additionally, the Council requested that the Association respond in a manner that it feels most appropriate to ensure that the advertisements and activities surrounding the postseason football bowl game will maintain the integrity and image of the NCAA and its student-athletes. Further, the Association should ensure that future bowl sponsors are aligned with the image, values and integrity of the Association.

(2) Division II membership strategic growth. Spent time at its meeting discussing the division's membership growth. The purpose of these discussions is to (a) seek to achieve greater understanding of current conference discussions regarding membership and possible expansion; (b) consider the ramifications of what happens when expansion does occur; and (c) identify strategic solutions to address these issues. Ultimately, Division II needs to study and understand the potential for membership growth and proactively develop strategies to manage membership growth in the future, with any potential legislation being voted on during the 2012 Division II Business Session.

(3) 2011 Division II priorities. Endorsed the 2011 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 emphasize the Division II "Life in the Balance" strategic positioning platform in all student-athlete well-being, regulatory, financial and membership decisions; (b) promoting the institutional benefit and value of Division II membership; and (c) planning for the future as a division, as it grows strategically and allocates its limited resources.

(4) Division II Championships Festival. Division II will host the 2010 Division II National Championships Festival November 30-December 4 in Louisville, Kentucky. The festival will be co-hosted by Bellarmine University and the Louisville Sports Commission. 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.

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

(1) Revenues and expense report. Acknowledged the value of institutions having fact-based financial data with which to compare institutions and understand relative expenses. It directed the staff to continue to develop this information, with the ultimate establishment of dashboard indicators or a similar mechanism. The Council will encourage Division III members to fully participate in the data collection efforts to best support any tools developed.

(2) Transgendered student-athletes. In an effort to educate itself, heard from an academic expert, Betsy Crane, professor of human sexuality from Widener University, and from NCAA staff from the inclusion and health and safety offices to learn about the sociological and practical implications of serving transgendered college students, particularly student-athletes. The Council recommended that colleagues in Divisions I and II consider a similar educational session. The Council remains committed that student-athlete well-being should be the primary consideration in addressing this complex issue. It also awaits updated educational materials and recommendations from the relevant committees, which are expected this April. The Executive Committee should expect to receive a recommendation regarding possible Association-wide action on this topic in the coming spring or summer.

(3) 2011 Convention. In preparation for the 2011 Convention, reviewed the 14 proposals up for membership vote, approved voting order and proposal groupings, and took positions on membership sponsored proposals. Significant items include a proposal to eliminate corresponding membership (consistent with actions taken by the other two divisions); to expand the Division III Management Council from 19 to 21 seats by adding two individuals to whom athletics reports (bringing to the Council the voice that oversees athletics on 80 percent of Division III campuses); and to delegate

to the Management Council the authority to sponsor Convention legislation when issues are deemed operational in nature. It also voted to sponsor a resolution, as well as an amendment-to-amendment, to two proposals. It was noted that Division III will be voting to add a Division III Men's Volleyball championship, effective for the 2011-12 year.

(4) Drug education and testing pilot. Continued to discuss the results of its drug education and testing pilot, conducted during 2007-09, to assess whether the division should establish academic year-round drug testing. The Council is focused on four options to present for full membership discussion at the January 2011 Convention. The preferred Presidents Council options are to retain the existing championships drug-testing program and provide the division with additional resources to conduct enhanced drug education and optional, campus-based drug testing. Such programs would target alcohol, emphasize collaboration with the student affairs community and identify for the membership those deterrence programs with proven records of success. Funding for optional participation in drug-testing programs remains as an option under consideration.

(5) Academic reporting pilot. Received a preliminary update on the division's academic reporting pilot. This is a first attempt at gathering national data to compare the academic performance of Division III students and student-athletes. Early results show comparable to slightly superior performance by student-athletes using the federal graduation rate (67 versus 65 percent). The study also calculated a graduation success rate (using methodology similar to Division II, accounting for transfers and students who leave the institution in good academic standing) and found an academic success rate of 87 percent. Future analysis will look at trends across sport, gender and other demographic categories. If the two-year pilot yields useful data and manages burden to institutions, the division may seek to implement required reporting in the future, but there are no plans to establish national initial- or continuing-eligibility standards in Division III. The purpose of the reporting is to help institutions assess adherence with the expectation that student-athletes perform at least as well as their student body peers and to provide additional data to back up the Division III identity platform.

(6) GoDaddy.com. Formally endorsed the position of the CWA opposing the selection of GoDaddy.com as a bowl title sponsor, and requested that the Executive Committee review the concerns expressed by the CWA to determine how best to ensure that future bowl sponsors are aligned with the image, values and integrity of the Association. Further, the Council

requested the Executive Committee review the Association's advertising policies to potentially expand the list the list of expressly prohibited advertisements to exclude those not in line with the values of higher education, including, but not limited to, sexually explicit or suggestive materials, discriminatory content or content that condones violence. Such policies should cover all NCAA media outlets, including the new NCAA digital platform.

7. NCAA Executive Committee Subcommittee on Gender and Diversity Issues. The Committee received a report from the Executive Committee Subcommittee on Gender and Diversity Issues. The subcommittee noted concerns regarding the approval of GoDaddy.com as a football bowl sponsor as it does not correlate with espoused NCAA values and the respectful representation of women, particularly women in sport. It recommended that the Executive Committee support the following changes to the Association's advertising policies:

   a. The policies should be included not only as part of advertisers and advertising copy of game programs, broadcasts and telecasts, and other controlled aspects of NCAA championships but, in Division I, as part of the postseason bowl licensing criteria and process.

   b. The policies should expressly prohibit advertisers and/or advertisements not in line with the values of higher education, including, but not limited to, sexually explicit or suggestive materials, discriminatory content or content that condones violence.

   The subcommittee noted that explicitly stating such advertisements are not appropriately associated with NCAA championships or a postseason opportunity is in the best interest of the student-athletes and the Association, and in keeping with the Association's status as an institution of higher education. The Executive Committee supported the subcommittee's position but, prior to taking action, the Committee requested additional feedback from the Division I Board of Directors during its January 2011 meeting.

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

9. Adjournment. Ray adjourned the meeting at 3:45 p.m.

# # # # #

The National Collegiate Athletic Association
November 10, 2010 BWF/DOM:jw

KPMG

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION AND SUBSIDIARIES

Consolidated Financial Statements

August 31, 2010
(with summarized comparative financial information for August 31, 2009)

(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, 2010, 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, 2009, and in our report dated December 8, 2009, 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, 2010, 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 organizations. The consolidating information referred to in this report has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

December 10, 2010

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
AND SUBSIDIARIES

Consolidated Statement of Financial Position

August 31, 2010
(with summarized comparative financial information as of August 31, 2009)

Assets		**2010**	**2009**
Cash and cash equivalents	$	12,250,965	7,794,179
Investments		431,264,352	372,591,315
Restricted investments - funds held by trustee		19,937,836	—
Prepaid expenses		9,217,528	10,477,746
Receivables:			
Accounts receivable, net		11,726,854	10,632,785
Contributions receivable – facilities, net		31,506,703	50,697,032
Total receivables, net		43,233,557	61,329,817
NIT intangible assets, net		17,321,963	18,996,627
Arbiter/eOfficials intangible assets, net		10,541,461	11,665,611
Investment in Youth Basketball, LLC		871,945	214,009
Properties, net		24,937,310	19,188,385
Other assets		1,376,583	1,218,737
Total	$	570,953,500	503,476,426
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued liabilities	$	24,626,771	29,643,362
Distribution payable		11,357,632	8,297,623
Deferred revenue and deposits		22,444,460	8,710,329
Bonds payable, net		47,939,712	29,504,453
NIT payable, net		19,262,432	20,088,268
Accrued lease expense		1,412,752	5,920,575
Total liabilities		127,043,759	102,164,610
Minority interest		3,298,881	3,887,478
Net assets:			
Unrestricted		407,795,576	350,007,670
Temporarily restricted		32,667,250	47,268,634
Permanently restricted		148,034	148,034
Total net assets		440,610,860	397,424,338
Total	$	570,953,500	503,476,426

See accompanying notes to consolidated financial statements.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION AND SUBSIDIARIES

Consolidated Statement of Activities

Year ended August 31, 2010
(with summarized comparative financial information for the year ended August 31, 2009)

	2010				
	Unrestricted	Temporarily restricted	Permanently restricted	Total	2009 Summarized total
Revenues:					
Television and marketing rights fees	$ 645,691,980	—	—	645,691,980	597,377,482
Championships and NIT tournaments	71,922,650	—	—	71,922,650	76,364,409
Investment income, net	23,843,572	561,390	—	24,404,962	9,098,901
Sales and services	18,031,455	—	—	18,031,455	16,211,295
Contributions – other	—	239,276	—	239,276	200,906
Contributions – facilities, net	—	(10,468,065)	—	(10,468,065)	2,654,775
Total revenues	759,489,657	(9,667,399)	—	749,822,258	701,907,768
Reclassifications:					
Temporarily restricted resources used for occupancy costs	4,219,441	(4,219,441)	—	—	—
Temporarily restricted resources used for program services	714,544	(714,544)	—	—	—
Total reclassifications	4,933,985	(4,933,985)	—	—	—
Expenses:					
Distribution to Division I members	434,648,083	—	—	434,648,083	391,759,050
Division I championships, programs, and NIT tournaments	67,662,850	—	—	67,662,850	63,630,373
Division II championships, distribution, and programs	28,510,292	—	—	28,510,292	28,246,989
Division III championships and programs	19,897,645	—	—	19,897,645	19,047,135
Association-wide programs	124,135,246	—	—	124,135,246	121,025,224
Management and general	32,370,217	—	—	32,370,217	32,016,487
Total expenses	707,224,333	—	—	707,224,333	655,725,258
Net increase (decrease) in net assets before other changes in net assets	57,199,309	(14,601,384)	—	42,597,925	46,182,510
Other changes in net assets:					
Minority interest	588,597	—	—	588,597	878,579
Change in net assets	57,787,906	(14,601,384)	—	43,186,522	47,061,089
Net assets – beginning of year	350,007,670	47,268,634	148,034	397,424,338	350,363,249
Net assets – end of year	$ 407,795,576	32,667,250	148,034	440,610,860	397,424,338

See accompanying notes to consolidated financial statements.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Year ended August 31, 2010
(with summarized comparative financial information for the year ended August 31, 2009)

	2010	2009
Cash flows from operating activities:		
Change in net assets	$ 43,186,522	47,061,089
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	10,757,129	5,698,261
Change in unrealized loss (gain) on investments	(17,276,248)	6,874,619
Loss in equity of joint venture	1,181,648	515,991
Realized loss (gain) on investments	739,480	(4,177,739)
Loss on disposal of properties	—	88,236
Changes in minority interest	(588,597)	(878,579)
Changes in certain assets and liabilities:		
Receivables	18,096,260	(4,450,562)
Prepaid expenses	1,260,218	(3,516,741)
Other assets	(157,846)	600,492
Accounts payable and accrued liabilities	(6,284,821)	(4,668,464)
Deferred revenue and deposits	13,734,131	(6,190,285)
NIT payable	(1,472,222)	(1,472,222)
Increase (decrease) in accrued lease expense	(4,507,823)	496,442
Net cash provided by operating activities	58,667,831	35,980,538
Cash flows from investing activities:		
Capital expenditures	(9,359,590)	(4,629,444)
Increase in accounts payable and accrued liabilities related to capital expenditures	1,268,230	—
Investments in consolidated entities, net of cash acquired	—	(8,598,486)
Purchases of investments	(133,329,367)	(67,594,982)
Proceeds from sales of investments	71,255,262	48,967,319
NIT payable	(3,777,778)	(2,495,432)
Investment in Youth Basketball, LLC	(1,839,584)	(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	(75,782,827)	(34,375,620)
Cash flows from financing activities:		
Increase (decrease) in distribution payable due to cash overdraft	3,060,009	(556,591)
Proceeds from issuance of bonds payable	20,141,773	—
Principal payments on bonds payable	(1,630,000)	(1,570,000)
Net cash provided by (used in) financing activities	21,571,782	(2,126,591)
Net increase (decrease) in cash and cash equivalents	4,456,786	(521,673)
Cash and cash equivalents:		
Beginning of year	7,794,179	8,315,852
End of year	$ 12,250,965	7,794,179
Supplemental disclosure:		
Cash paid for interest	$ 1,347,055	1,415,290

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 its ongoing division-specific activities. In Division I, the legislative system is based on conference representation and an 18 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 16 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 February 2000, the NCAA formed the March Madness Athletic Association, LLC to settle a dispute between the NCAA and the Illinois High School Association (IHSA) over ownership of the March Madness trademark and to enhance the enforcement efforts against illegal use of the trademark. See further discussion in Note 18.

In May 2007, the NCAA organized Collegiate Sports, LLC, a limited liability company. The NCAA is the sole member of the company. Collegiate Sports, LLC was organized for the primary purpose of being the sole member of certain limited liability companies organized by the NCAA including NIT, LLC; Eligibility Center, LLC; and Collegiate Football Officiating, LLC. Ownership of these limited liability companies was transferred from the NCAA to Collegiate Sports, LLC in 2007. NIT, LLC is the entity that administers the NIT Season Tip-Off and the Postseason NIT collegiate basketball events. 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. Eligibility Center, LLC also has administrative responsibility for the National Letter of Intent program. College Football Officiating, LLC was organized to pursue the development and maintenance of a national Division I college football officiating program. In January 2010, the NCAA formed Indiana Host Committee, LLC to serve as the local organizing committee primarily for Men's and Women's Division I Basketball Championships hosted in the State of Indiana. The NCAA also plans for Indiana Host Committee, LLC to support other championships conducted in Indiana. In July 2010, the NCAA formed Men's College Basketball Officiating, LLC and Women's College Basketball Officiating, LLC to help improve the quality and consistency of officiating during NCAA basketball games, primarily

at the Division I level. Collegiate Sports, LLC is also the sole member of Indiana Host Committee, LLC; Men's College Basketball Officiating, LLC; and Women's College Basketball Officiating, LLC. 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 was subsequently sold in two transactions and that portion is controlled by other outside entities. The Arbiter, LLC 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. In fiscal year 2009, the NCAA sold 7.5% of eOfficials, LLC as part of a transaction to purchase Excel Sports Officiating, LLC. eOfficials, LLC 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, 2010, Collegiate Properties, LLC had contributed $2,053,593 to Youth Basketball, LLC. The NCAA recognized $665,657 of additional expenses related to its share of Youth Basketball, LLC's loss for the period ended August 31, 2010. As part of its agreement with Youth Basketball, LLC, the NCAA has agreed to provide in-kind promotional support of at least $25,000,000 over a five-year period ending April 2014 to promote the Web site and its activities. Promotional support includes, but is not limited to, public service announcements, courtside signage, and radio spots. As of August 31, 2010, the NCAA had provided $5,200,500 in promotional support to Youth Basketball, LLC. 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, 2009, 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.

Investments consist of $19,937,836 as of August 31, 2010, which is restricted under the 2010 bond indenture to the payment of costs associated with the NCAA's headquarters.

(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 $347,245 and $285,074 as of August 31, 2010 and 2009, respectively.

(d) Contributions Receivable

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.

(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 the provisions of Financial Accounting Standards Board (FASB) ASC Topic 350, *Intangibles – Goodwill and Other*, (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 the provisions of FASB ASC Subtopic 360-10, *Property, Plant, and Equipment-Overall* (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 and exceed $1,000 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 shorter 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.

(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.

ASC Topic 740, *Income Taxes*, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, disclosure, and transition. The NCAA has adopted the deferral and disclosure provisions of ASC Topic 740 for its August 31, 2009 consolidated financial statements and has adopted the provisions of ASC Topic 740 for the year ended August 31, 2010. Management asserts that no such uncertain tax positions exist for the NCAA at August 31, 2010.

(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 $2,497,891 and $1,198,942 as of August 31, 2010 and 2009, 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

ASC Topic 820, *Fair Value Measurements* (FASB Statement No. 157, *Fair Value Measurements and Disclosures*), 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 are described below:

- Level 1: Assets or liabilities that are valued based on unadjusted quoted prices in active markets that are accessible at measurement date.

- Level 2: Assets or liabilities that are valued based on inputs other than quoted prices that are observable, including quoted prices for similar assets or liabilities and other pricing models (which use observable inputs).

- Level 3: Assets or liabilities that are valued based on unobservable inputs, including the reporting entity's own analysis of the underlying economic data that market participants would factor into the pricing of the asset or liability.

The asset's 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, 2010.

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

	Level 1	Level 2	2010	2009
Money market funds	$ 99,191,566	—	99,191,566	50,549,039
Domestic pooled equity funds	—	62,885,449	62,885,449	56,394,318
International pooled equity funds	—	40,666,213	40,666,213	32,069,110
Domestic mutual funds	27,283,901	—	27,283,901	22,948,149
International mutual funds	41,585,964	—	41,585,964	41,881,691
Global investment funds	17,485,404	—	17,485,404	20,438,909
U.S. government securities	31,279,739	—	31,279,739	4,827,987
Government fixed income funds	—	1,856,912	1,856,912	—
Corporate fixed income funds	88,449,949	—	88,449,949	105,517,124
Fixed income securities	40,517,091	—	40,517,091	37,964,988
	$ 345,793,614	105,408,574	451,202,188	372,591,315

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the NCAA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The fair value measurements were based upon Level 2 inputs for the mutual funds and the common/collective trust.

Investment income for the year ended August 31 consists of the following:

	2010	2009
Interest income	$ 7,868,194	11,795,781
Realized gain (loss), net	(739,480)	4,177,739
Unrealized gain (loss), net	17,276,248	(6,874,619)
	$ 24,404,962	9,098,901

(5) Accounts Receivable

As of August 31, 2010 and 2009, the NCAA has accounts receivable, net of an allowance for uncollectibles, from championships and various contractual rights fees of $11,726,854 and $10,632,785, 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 original lease agreement had a term of 30 years with three 10-year renewal options and required 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.

In March 2010, the NCAA amended its lease agreement with the White River State Park Development Commission to provide for a lease term of 50 years with three 10-year renewal options. In addition, the lease provided for an approximate 3-acre parcel of real property that sets adjacent to the current NCAA headquarters to accommodate an expansion of the headquarters. The amendment does not alter the financial terms of the lease and the NCAA is still required to make annual lease payments of one dollar. As a result of the new amendment, the NCAA reassessed the fair value of the existing structure and established the fair value of the new land. The revaluation and the addition of the land resulted in an adjusted contribution receivable of $28,077,231. That amount plus the current year net discount of $3,429,472 results in a net contribution receivable of $31,506,703 as of August 31, 2010. The contribution receivable recorded under the original lease was adjusted to the revised fair value as a result of the lease amendment, which resulted in negative contribution revenue for facilities in the amount of $16,704,226.

Annual occupancy expense consists of the fair value of the current year contributed lease payment adjusted for the straight-line effect of lease expense and revenue recognized over the lease term. As of August 31, 2010 and 2009, the related accrued lease expense was $2,051,857 and $5,920,575, 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 using the effective interest method.

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

		2010	2009
Fair value of remaining lease payments	$	243,910,155	182,993,348
Unamortized discount		(212,403,452)	(132,296,316)
Contributions receivable - facilities, net	$	31,506,703	50,697,032

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

		2010	2009
Fair value of lease payment	$	2,167,584	3,056,958
Accrued lease expense adjustment		2,051,857	496,442
Occupancy expense	$	4,219,441	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, 2010, 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			(8,373,320)
NIT intangible assets, net		$	17,321,963

Amortization expense was $1,674,664 for the years ended August 31, 2010 and 2009.

Future cash payments related to the Agreements as of August 31, 2010 are as follows:

Year ending August 31:		
2011	$	5,250,000
2012		5,250,000
2013		5,250,000
2014		5,250,000
2015		250,000
Total		21,250,000
Imputed interest and present value discount		(1,987,568)
NIT payable, net	$	19,262,432

In October 2010, the NCAA paid the entire remaining liability. See note 18 for further discussion on this subsequent event.

(8) 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, LLC 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, LLC. 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		The 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 as of August 31, 2010:

		The Arbiter, LLC	eOfficials, LLC	Total
Total intangible assets	$	11,675,885	752,460	12,428,345
Accumulated amortization		(1,755,784)	(131,100)	(1,886,884)
Arbiter/eOfficials intangible assets, net	$	9,920,101	621,360	10,541,461

Amortization expenses related to these intangible assets were $893,357 and $993,527 for the years ended August 31, 2010 and 2009, respectively.

Below is the detail of minority interest as of August 31, 2010:

		The 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		(1,304,428)	(105,405)	(1,409,833)
Other		3,309	—	3,309
Minority interest	$	3,298,881	—	3,298,881

(9) Properties

Properties, with the exception of construction in progress, 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.

In April 2010, the NCAA broke ground on a 130,000-square-foot addition to the NCAA headquarters. The expansion will include additional office space as well as conference meeting space. Construction is expected to be completed in early 2012. As of August 31, 2010, project costs incurred were $6,094,845 related primarily to the renovation of the technology center. At August 31, 2010, the NCAA had construction commitments outstanding of $30,596,640.

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

	Estimated useful lives	2010	2009
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	27,876,350	24,611,606
Construction in progress		6,094,845	—
		48,357,138	38,997,549
Less accumulated depreciation and amortization		(23,419,828)	(19,809,164)
Properties, net		$ 24,937,310	19,188,385

Depreciation and amortization expense was $3,610,665 and $3,070,600 for the years ended August 31, 2010 and 2009, 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 May 1, 2010, the NCAA issued tax-exempt bonds of $18,750,000 with fixed interest rates ranging from 2.00% to 5.00% and with original maturities ranging from 2011 to 2020. The bonds were issued at a premium of $1,391,773. Interest is payable on May 1 and November 1 of each year. Proceeds from the bond issuance are being used to partially finance the construction of the expansion of the NCAA's headquarters. Bond issuance costs of $150,000, less $3,750 accumulated amortization, are included in other assets in the accompanying consolidated statement of financial position as of August 31, 2010.

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 as of August 31, 2010.

Principal payments as of August 31, 2010 due over the next five years are as follows:

Year ending August 31:	
2011	$ 2,560,000
2012	3,525,000
2013	3,630,000
2014	3,745,000
2015	3,900,000
Thereafter	28,650,000
	46,010,000
Unamortized premium, net	1,929,712
Total bonds payable, net	$ 47,939,712

(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 $11,357,632 and $8,297,623 as of August 31, 2010 and 2009, respectively, primarily consists of payments that were made in late August that remained outstanding at the end of each fiscal year as a cash overdraft.

(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, 2010 or 2009.

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, 2010, $4,372,996 was distributed for royalties for the years 1999-2003 and 2006. For the fiscal year ended August 31, 2009, $3,500,142 was distributed for royalties for the years 1999-2003 and 2006.

(15) Television and Marketing Rights Fees

On November 18, 1999, the NCAA entered into an agreement (the CBS Agreement) with CBS Broadcasting, Inc. (CBS) 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 was 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 included year-round promotion of the NCAA and its championships. The original rights fee agreement was renegotiated and expired in 2010. Pursuant to the agreement, for the year ended August 31, 2010, the NCAA received approximately $617,000,000 ($571,000,000 for the year ended August 31, 2009).

On April 22, 2010, the NCAA entered into a Multimedia Agreement (replacing the CBS Agreement) with CBS and Turner Broadcasting System, Inc. (Turner). The new Men's Championship Agreement conveys exclusive television and other internet and multimedia broadcast rights to Turner and CBS for 14 years in connection with the Division I Men's Basketball Championship. In addition, the Men's Championship Agreement grants Turner and CBS marketing rights with respect to all NCAA championships. The new contract, which begins in fiscal year 2011 and expires in 2024, provides for multimedia and marketing

rights payments of $10.8 billion over the next 14 years to the NCAA. The financial obligations of the media rights contract are guaranteed by Time Warner, Inc.

The NCAA will receive estimated future television broadcast payments and licensing rights as follows:

Fiscal year ending August 31:		
2011	$	653,000,000
2012		666,000,000
2013		681,000,000
2014		700,000,000
2015		720,000,000
thereafter		7,380,000,000
	$	10,800,000,000

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, 2010 and 2009, the NCAA received $16,800,000 and $15,800,000, respectively.

The NCAA will receive future television broadcast payments as follows:

Fiscal year ending August 31:		
2011	$	17,900,000
2012		18,800,000
2013		19,100,000
	$	55,800,000

(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:

		2010	2009
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:

		2010	2009
Facility lease	$	30,093,951	44,781,457
Student-athlete programs and services		2,573,299	2,487,177
Total temporarily restricted net assets	$	32,667,250	47,268,634

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:

		2010	2009
Association-wide operating reserve	$	82,000,000	79,000,000
Quasi-endowment reserve		208,602,711	179,298,342
Division II reserve		17,552,868	15,220,110
Division III reserve		16,260,812	14,618,078
Contracted commitments		1,450,000	8,950,000
Furniture, technology, and properties		18,040,230	11,992,917
Office building improvement reserve		22,731,928	14,031,928
Good of the Game reserve		3,569,732	2,676,365
Championships anniversaries reserve		144,913	144,913
College Football Officiating, LLC reserve		300,287	208,650
The Arbiter, LLC and ESO reserve		7,512,603	8,063,933
Indiana Host Committee		1,115,000	—
Available for operations		28,514,492	15,802,434
Total unrestricted net assets	$	407,795,576	350,007,670

(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 his/her 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 his/her annual compensation. For the year ended August 31, 2010, the NCAA contributed $1,154,747 to the 401(a) qualified savings plan and $3,346,190 to the pension trust plan, for total contributions of $4,500,937 compared to total contributions of $4,314,681 for the year ended August 31, 2009.

(18) Subsequent Events

In October 2010, the NCAA paid a third party $17,200,000 in exchange for their agreement to cease use of the March Madness trademark and terminate its perpetual license. The NCAA had formed the March Madness Athletic Association, LLC in February 2000 to settle a dispute between the NCAA and the Illinois High School Association (IHSA) over ownership of the March Madness trademark and to enhance the enforcement efforts against illegal use of the trademark. Prior to that time, the IHSA and the NCAA had joint ownership of the trademark and each separately licensed the trademark and enforced against unauthorized uses. IHSA had granted a third party a license that provided limited use of the March Madness trademark. The third party used the license during the Division I Men's Basketball Championship, which the NCAA believed was detrimental to the trademark. In order to strengthen the value of the March Madness trademark and the NCAA's rights to the trademark, the NCAA agreed to a settlement with the third party. IHSA had also previously agreed to relinquish its ownership in the mark in exchange for a license to use the mark in connection with high school basketball tournaments. The NCAA has full ownership of the March Madness Athletic Association, and the March Madness Athletic Association has control over the licensed uses of the March Madness trademark.

On October 6, 2010, the NCAA exercised an option per the asset purchase agreement with MIBA to prepay the remaining liability related to the National Invitation Tournament. Pursuant to an agreement between the NCAA and MIBA, the NCAA made the prepayment of $19,262,432, representing the net present value of the future cash payments of $21,250,000 discounted at 4%. The prepayment settles the NCAA liability to MIBA and effectively terminates their relationship.

The NCAA has evaluated subsequent events from the consolidated statement of financial position date through December 10, 2010, the date at which the consolidated financial statements were issued, and determined there are no other items to disclose.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION AND SUBSIDIARIES

Schedule of Consolidating Statement of Activities

Year ended August 31, 2010

	NCAA	NIT, LLC	Eligibility Center, LLC	College Football Officiating, LLC	Indiana Host Committee, LLC	The Arbiter, LLC	eOfficials, LLC	Consolidating entries	Total
Revenues:									
Television and marketing rights fees	$ 642,691,980	3,000,000	—	—	—	—	—	—	645,691,980
Championships and NIT tournaments	68,652,460	2,985,190	—	—	285,000	—	—	—	71,922,650
Investment income, net	24,466,069	—	3,526	—	—	11	381	(65,025)	24,404,962
Sales and services	4,593,279	177,949	10,847,877	244,600	—	1,795,796	496,954	(125,000)	18,031,455
Contributions – facilities, net	(10,468,065)	—	—	—	—	—	—	—	(10,468,065)
Contributions – other	239,276	—	—	—	—	—	—	—	239,276
Total revenues	730,174,999	6,163,139	10,851,403	244,600	285,000	1,795,807	497,335	(190,025)	749,822,258
Expenses:									
Distribution to Division I members	433,313,055	1,335,028	—	—	—	—	—	—	434,648,083
Division I championships, programs, and NIT tournaments	62,289,941	4,974,576	—	352,962	170,371	—	—	(125,000)	67,662,850
Division II championships, distribution, and programs	28,510,292	—	—	—	—	—	—	—	28,510,292
Division III championships and programs	19,897,645	—	—	—	—	—	—	—	19,897,645
Association-wide programs	113,031,684	—	7,214,959	—	—	990,566	2,038,013	860,024	124,135,246
Management and general	29,583,507	238,452	1,244,546	—	—	1,141,107	227,630	(65,025)	32,370,217
Total expenses	686,626,124	6,548,056	8,459,505	352,962	170,371	2,131,673	2,265,643	669,999	707,224,333
Net increase (decrease) in net assets before other changes in net assets	43,548,875	(384,917)	2,391,898	(108,362)	114,629	(335,866)	(1,768,308)	(860,024)	42,597,925
Other changes in net assets:									
Minority interest	—	—	—	—	—	46,659	—	541,938	588,597
Change in net assets	43,548,875	(384,917)	2,391,898	(108,362)	114,629	(289,207)	(1,768,308)	(318,086)	43,186,522
Net assets – beginning of year	400,665,775	(492,755)	(38,799)	(136,884)	—	(974,272)	(1,439,762)	(158,965)	397,424,338
Net assets – end of year	$ 444,214,650	(877,672)	2,353,099	(245,246)	114,629	(1,263,479)	(3,208,070)	(477,051)	440,610,860

See accompanying independent auditors' report.

Fiscal Year Ending 2009-10
Recommended Uses of Unallocated Net Assets

1	Division I Revenue Distribution	$	27,000,000
2	Transition Expenses	$	1,500,000
	Total	**$**	**28,500,000**

QUASI ENDOWMENT

Purpose: The purpose of the quasi endowment is to stabilize Division I distributions and operations in the instance where the NCAA experiences a catastrophic financial event. Since almost 95 percent of the NCAA revenues are derived from one primary revenue stream, the quasi endowment would allow the Association to sustain a level of funding for Division I championships, essential Association-wide programming, minimum of fifty percent of Division I revenue distribution to the membership in the year of the occurrence, and national office operations for a period of time not to exceed one year. The funding would be used to stabilize the operations until operating expense reductions are realized. Once the funding target is obtained, the Finance and Executive Committee may institute a spending policy from the quasi endowment to fund specific initiatives.

Current Funding Policy: Allocations will include all interest earnings from Association investments and 10 percent of the annual increase in the Association's revenues, and fifty percent of the unallocated net assets at the end of the fiscal year. Distributions from the quasi-endowment fund shall be limited, except by action of the Executive Committee for extraordinary purposes.

Recommended Funding Policy: Allocations will include all interest earnings from Association investments and 10 percent of the annual increase in the Association's revenues ~~and fifty percent of the unallocated net assets at the end of the fiscal year~~. Distributions from the quasi-endowment fund shall be limited, except by action of the Executive Committee for extraordinary purposes.

Current Target Balance: $500 million.

Revised Target Balance: $380 million. The Executive Committee Finance Committee will re-evaluate its target, contributions and spending policies after the quasi endowment reaches its funding goal.

Current Market Value Balance: $202.6 million (as of 11/30/10).

Projected Market Value Balance in Five Years: $339 million.

Responsibilities: The Executive Committee Investment Subcommittee shall assume the responsibility for establishing the investment policy that is to guide the investment of the quasi endowment. The investment policy describes the degree of investment risk that the subcommittee deems appropriate.

The Executive Committee Finance Committee will monitor the quasi endowment including the growth of the fund and the distributions from the fund in accordance with the policy. It shall recommend to the Executive Committee any modifications in contributions or distributions of assets of the fund.

The investment managers appointed to execute the policy will invest the quasi-endowment assets in accordance with the policy and their judgments concerning relative values. In particular, the investment managers are accorded full discretion, within policy limits, to (1) select individual securities, (2) adjust the maturity mix, where applicable and (3) diversify their portfolios.

The Executive Committee Investment Subcommittee has the responsibility to add, replace or eliminate investment managers when it is deemed appropriate to do so. The Executive Committee delegates the day-to-day implementation activities to the NCAA staff.

Allocation of Assets: It is the policy of the Executive Committee Investment Subcommittee to invest the quasi endowment as follows:

Asset Class	Target Allocation	Allowable Range
U.S. Stocks	22%	17%-27%
Global Stocks	10%	7%-13%
Non-U.S. Stocks	22%	17%-27%
Total Stocks	54%	49%-59%
Fixed Income	36%	31%-41%
Opportunistic Strategies	10%	7%-13%
Total Fund	100%	

Normal cash flows will be used to maintain the allocation as close as practical to the target allocations. If normal cash flows are insufficient to maintain the allocation within the permissible ranges as of any calendar quarter-end, balances should be transferred as necessary between the asset types to bring the allocation back within the permissible ranges.

Diversification: The quasi endowment is to be broadly diversified so as to limit the impact of the large losses in individual investments on the total portfolio.

Liquidity needs: Cash withdrawals should be arranged to meet the fund's distribution needs. The source of moneys for these withdrawals will be based on rebalancing and cost considerations. Distributions from the quasi-endowment funds shall be limited except for extraordinary instances, until the initial funding target is obtained.

Proxy Voting: The Executive Committee delegates the responsibilities for voting proxies to the individual investment managers. The Executive Committee expects proxies to be voted vigorously, in the best interests of the quasi endowment and in accordance with the investment restrictions described above.

Performance Evaluation:

Asset Class	Index	Weight
U.S. Stocks	DJ U.S. Total Stock Market Index	22%
Global Stocks	Morgan Stanley Capital International (MSCI) All Country World	10%

Non-U.S. Stocks	Morgan Stanley Capital International (MSCI) All Country World Index ex-U.S. Index	22%
Fixed Income	Barclays Capital Aggregate Bond Index	36%
Opportunistic Strategies	A combination of the managers' underlying performance benchmarks	10%
Total		**100%**

The median return of a universe of comparable endowed funds.

The individual investment managers' rates of return will be compared with the returns of an appropriate market index.

Each investment manager employed to executive the policy is expected to maintain an organization of satisfactory nature with regard to personnel, philosophy, character and responsibility.

Dissolution: If for any reason the NCAA ceased to exist, the remaining assets of the quasi endowment shall be distributed to the Division I member institutions, that are members at the time of the dissolution, based on its respective share of contributions to the quasi endowment.

2023-24 QUASI-ENDOWMENT ANALYSIS

	50% Loss of Distribution
Budget	$1,000,792,000
Loss of Division I Distribution	$ (308,904,000)
Subtotal	**$ 691,888,000**
Division II Allocation	$ (43,735,000)
Division III Allocation	$ (31,825,000)
Subtotal	**$ 616,328,000**
Cancellation Coverage for Final Four	$ (215,000,000)
Cancellation Coverage for Loss of Ticket Revenue	$ (20,000,000)
Total amount to sustain one year of plus percentage of Division I distribution on a one-time basis	**$ 381,328,000**

BUDGET PROCESS AND TIMELINE
FISCAL YEAR 2011-12

December 13, 2010	Executive Committee Finance Committee approves 2011-12 budget allocation for inflationary requests.
January 15, 2011	Executive Committee approves 2011-12 budget allocations for inflationary requests.
February, 2011	Reallocation and inflationary adjustments reviewed with NCAA President. NCAA President recommends base budget reallocations and inflationary adjustments to Executive Committee Finance Committee.
March, 2011	Inflationary adjustments submitted to Executive Committee Finance Committee for review and approval.
April 29, 2011	Final recommendations submitted to Executive Committee for approval of FY 2011-12 budget.

Proposed Allocations
Sources and Uses
FY 2011-12
(PROPOSED)

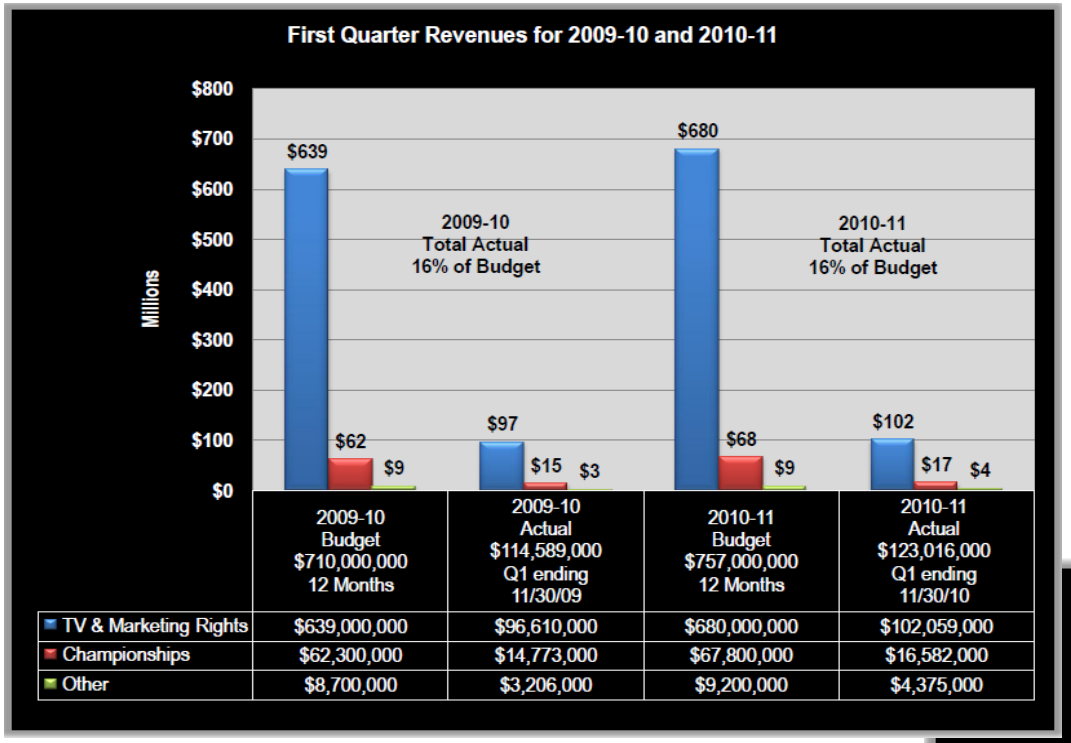
	Final 2009-10 Budget	Final 2010-11 Budget		2011-12 Revenue Increases	Proposed 2011-12 Budget	Percent Increase
SOURCES						
Television and Marketing Rights Fees	$ 639,000,000	$ 680,000,000		$ 12,000,000	$ 692,000,000	1.76%
Championships	$ 62,300,000	$ 67,800,000		$ 1,600,000	$ 69,400,000	2.36%
Other	$ 8,700,000	$ 9,200,000		$ 400,000	$ 9,600,000	4.35%
				$ -		
Total Sources	**$ 710,000,000**	**$ 757,000,000**		**$ 14,000,000**	**$ 771,000,000**	1.85%
USES			**New Initiatives**	**Maintenance Adjustments**		**Percent Increase**
Division I Revenue Distribution	$ 418,386,000	$ 452,200,000	[1]	$ 14,868,000	$ 467,068,000	3.29%
Division I Championships, Tournaments and Programs	$ 64,910,000	$ 70,552,000	$ 95,000		$ 70,647,000	0.13%
Division II Allocation	$ 31,027,000	$ 33,081,000		$ 611,000	$ 33,692,000	1.85%
Division III Allocation	$ 22,578,000	$ 24,072,000		$ 446,000	$ 24,518,000	1.85%
Association-Wide Expenses	$ 140,477,000	$ 144,964,000	$ 105,000	$ 1,500,000	$ 146,569,000	1.11%
Total Uses	**$ 677,378,000**	**$ 724,869,000**	**$ 200,000**	**$ 17,425,000**	**$ 742,494,000**	**2.43%**
				$ -		
Reserves and Contingencies2	$ 32,622,000	$ 32,131,000		$ (3,625,000)	$ 28,506,000	-11.28%
				$ -		
Grand Total	**$ 710,000,000**	**$ 757,000,000**	**$ 200,000**	**$ 13,800,000**	**$ 771,000,000**	**1.85%**

[1] Represents 2% increase in basketball, broadbased and conference grant funds. Maintains commitment to Student Assistance Funds (Academic Enhancement, Special Assistance Funds and Student-Athlete Opportunity Funds increase at 9%).

[2] Reserves and Contingencies have been established to meet the reserve guidelines established by the Executive Committee. Any excess revenues over expenses, or unallocated revenues are included in this line item and returned to Division I membership each year in a supplemental distribution.

The National Collegiate Athletic Association
October 7, 2010 KEM:bar

National Collegiate Athletic Association
Comparison of Budget to Actual Revenues and Expenses
First Quarter of 2009-10 and 2010-11



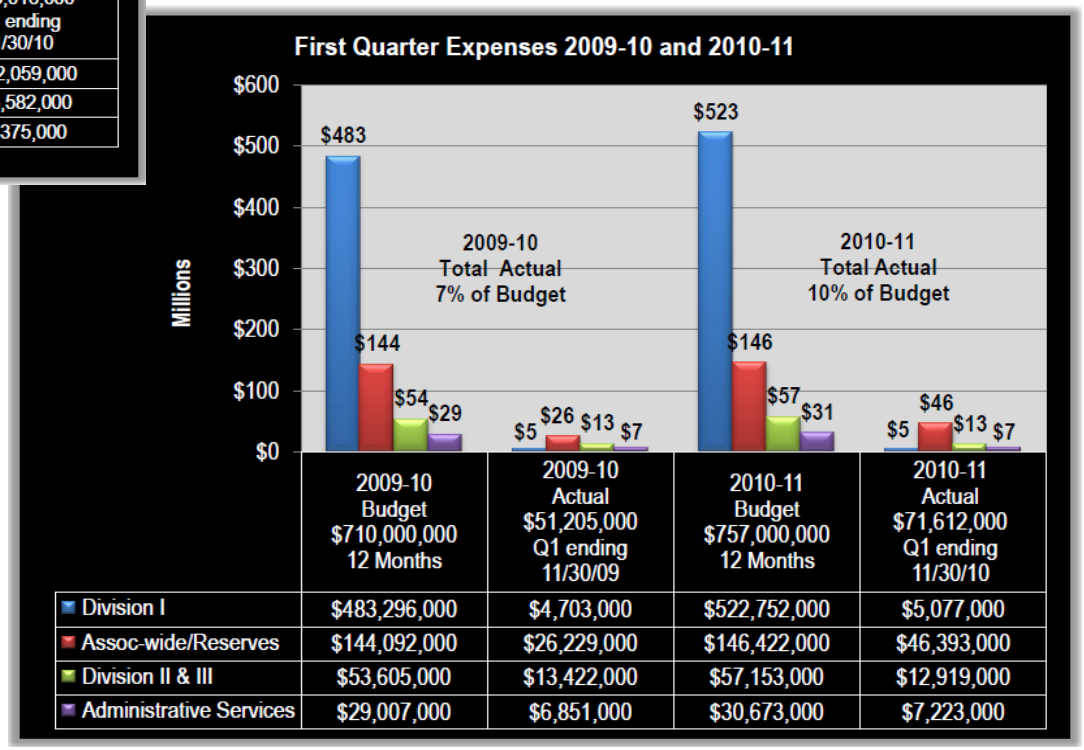
	2009-10 Budget $710,000,000 12 Months	2009-10 Actual $114,589,000 Q1 ending 11/30/09	2010-11 Budget $757,000,000 12 Months	2010-11 Actual $123,016,000 Q1 ending 11/30/10
TV & Marketing Rights	$639,000,000	$96,610,000	$680,000,000	$102,059,000
Championships	$62,300,000	$14,773,000	$67,800,000	$16,582,000
Other	$8,700,000	$3,206,000	$9,200,000	$4,375,000

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 media rights and championships.
- The Association did receive 15% installment of its TV and marketing rights fees in the first quarter.
- Championships revenue is slighly higher than planned in comparison to the prior year.
- 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 prior year trend of actual expenditures as percent of budget.
- The Associations' total expenses are 9.5 percent of the total budget for the first quarter. This is 2.25 percentage points higher than previous year as a result of a settlement with a third party over the use of March Madness trademark. The payment occurred in October 2010.



	2009-10 Budget $710,000,000 12 Months	2009-10 Actual $51,205,000 Q1 ending 11/30/09	2010-11 Budget $757,000,000 12 Months	2010-11 Actual $71,612,000 Q1 ending 11/30/10
Division I	$483,296,000	$4,703,000	$522,752,000	$5,077,000
Assoc-wide/Reserves	$144,092,000	$26,229,000	$146,422,000	$46,393,000
Division II & III	$53,605,000	$13,422,000	$57,153,000	$12,919,000
Administrative Services	$29,007,000	$6,851,000	$30,673,000	$7,223,000

THE NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
Four- Year Revenue and Expense Summary, Beginning FY 2007-08 through FY 2010-11
BUDGET FOR FISCAL YEAR ENDED AUGUST 31, 2011

	2007-08 ACTUAL	2008-09 ACTUAL	2009-10 ACTUAL	2010-11 BUDGET	2010-11 Actual through 11/30/10	2010-11 Percent of Actual to Budget
REVENUE						
Television and Marketing Rights Fees	549,517,787	594,527,482	642,691,980	680,000,000	102,059,041	15.01%
Championships Revenue	67,700,370	73,388,235	68,652,460	67,800,000	16,581,562	24.46%
Investments, Fees, Services and Dues	4,402,307	16,950,633	18,830,559	9,200,000	4,375,017	47.55%
TOTAL NCAA OPERATING REVENUE	621,620,464	684,866,350	730,175,000	757,000,000	123,015,621	16.25%
DIVISION SPECIFIC EXPENSES						
Distribution to Division I members[1]	359,349,169	390,095,150	433,313,055	452,200,000	32,776	0.01%
Division I championships and programs	64,231,221	58,874,388	62,289,941	70,552,000	5,044,323	7.15%
DIVISION I EXPENSE & ALLOCATION	423,580,390	448,969,538	495,602,996	522,752,000	5,077,099	0.97%
DIVISION II EXPENSE & ALLOCATION	29,846,478	28,246,989	28,510,293	33,081,000	6,471,378	19.56%
DIVISION III EXPENSE & ALLOCATION	18,907,533	19,047,135	19,897,645	24,072,000	6,447,946	26.79%
TOTAL DIVISION SPECIFIC EXPENSES	472,334,401	496,263,662	544,010,934	579,905,000	17,996,423	3.10%
ASSOCIATION-WIDE EXPENSE - PROGRAMS AND SERVICES						
Student-Athlete Welfare and Youth Programs and Services	23,097,070	23,983,816	22,907,202	23,766,000	7,708,332	32.43%
Membership Programs and Services[2]	77,001,379	88,884,905	90,486,836	90,525,000	20,403,206	22.54%
SUBTOTAL PROGRAM AND SERVICES	100,098,449	112,868,721	113,394,038	114,291,000	28,111,538	24.60%
Administrative Services	25,838,748	28,672,878	29,583,506	30,673,000	7,223,257	23.55%
TOTAL ASSOCIATION-WIDE EXPENSES	125,937,197	141,541,599	142,977,544	144,964,000	35,334,795	24.37%
TOTAL NCAA OPERATING EXPENSES	598,271,598	637,805,261	686,988,478	724,869,000	53,331,218	7.36%
Reserves and Supplemental Distributions[3]	23,348,866	47,061,089	43,186,522	32,131,000	18,280,878	56.89%
SUBTOTAL CONTINGENCIES, LLCS AND RESERVES	23,348,866	47,061,089	43,186,522	32,131,000	18,280,878	56.89%
TOTAL	621,620,464	684,866,350	730,175,000	757,000,000	71,612,096	9.46%

Note: Actual information is from audited financial statements.

[1]In 2009-10 fiscal year the Executive Committee approved a $15 million supplemental distributions from the 2008-09 year end surplus. Payments were made in January 2010.

[2]Collegiate Sports LLC net (revenue)/expenses are included in Membership Programs and Services. Please refer to note 1, "The Association" in the 2009-10 Audited Financial Statement for a description of the Association's LLCs. In addition, refer to "Schedule of Consolidating Statement of Activities" for specific financial information on the Association's LLCs. See note 3 below for online web address.

[3]Amounts allocated to reserves based on policy decisions made by the respective Divisions and NCAA Executive Committee. Supplemental distributions are made from these reserves after appropriate allocations have been made. For more information on association reserves, see our Membership Report at http://catalog.proemags.com/publication/cc5da338#/cc5da338/1. In the table of contents, click on "Fiscal Report" to see the 2009-10 Audited Financial Statement.