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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of the National Collegiate Athletic Association ("NCAA") as of August 31, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the NCAA's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the financial statements of the NCAA for the year ended August 31, 2003 and, in our report dated November 14, 2003, we expressed an unqualified opinion on those statements.

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of the NCAA as of August 31, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Deloitte & Touche LLP*

November 19, 2004

# *National Collegiate Athletic Association*

*Financial Statements for the  
Year Ended August 31, 2004 and  
Independent Auditors' Report with  
Summarized Financial Information  
for the Year Ended August 31, 2003*

# NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

## STATEMENT OF FINANCIAL POSITION AS OF AUGUST 31, 2004 WITH SUMMARIZED FINANCIAL INFORMATION AS OF AUGUST 31, 2003

<b>ASSETS</b>	<b>2004</b>	<b>2003</b>
Cash and cash equivalents	\$ 6,305,039	\$ 2,946,475
Investments	207,754,000	199,970,089
Prepaid expenses	1,971,051	1,762,924
Receivables:		
Accounts receivable	7,240,501	5,483,616
Contributions receivable—other, net	157,626	1,837,990
Contributions receivable—facilities, net	<u>52,591,639</u>	<u>52,848,253</u>
Total receivables—net	59,989,766	60,169,859
Properties—net	14,142,943	15,447,826
Other assets	<u>1,332,324</u>	<u>999,660</u>
<b>TOTAL</b>	<u><b>\$291,495,123</b></u>	<u><b>\$281,296,833</b></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 12,434,660	\$ 10,306,441
Distribution payable	14,566,479	31,085,438
Cable television royalties payable	1,980,655	869,506
Deferred revenue and deposits	8,749,563	4,010,476
Bond payable—net	12,829,641	13,389,178
Accrued lease expense	<u>3,317,057</u>	<u>2,675,046</u>
Total liabilities	<u>53,878,055</u>	<u>62,336,085</u>
 <b>NET ASSETS:</b>		
Unrestricted	184,086,552	162,598,479
Temporarily restricted	53,382,913	56,215,668
Permanently restricted	<u>147,603</u>	<u>146,601</u>
Total net assets	<u>237,617,068</u>	<u>218,960,748</u>
<b>TOTAL</b>	<u><b>\$291,495,123</b></u>	<u><b>\$281,296,833</b></u>

See notes to financial statements.

# NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2004 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED AUGUST 31, 2003

	2004			2003 Summarized Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted		Total
<b>REVENUES:</b>					
Television and marketing rights fees	\$ 404,044,193	\$	\$	\$ 404,044,193	\$ 374,699,755
Championships and special events	47,943,827			47,943,827	44,207,971
Investments—net	10,217,080	672,356		10,889,436	9,525,302
Sales and services	5,486,231			5,486,231	6,248,906
Contributions—facilities, net		2,654,775		2,654,775	2,654,775
Contributions—other	158,221		1,002	159,223	501,136
<b>Total revenues</b>	<u>467,849,552</u>	<u>3,327,131</u>	<u>1,002</u>	<u>471,177,685</u>	<u>437,837,845</u>
<b>RECLASSIFICATIONS:</b>					
Temporarily restricted resources used for occupancy costs	3,553,400	(3,553,400)			
Temporarily restricted resources used for program services	2,606,486	(2,606,486)			
<b>Total reclassifications</b>	<u>6,159,886</u>	<u>(6,159,886)</u>			
<b>EXPENSES:</b>					
Distribution to Division I members	280,132,656			280,132,656	259,992,448
Division I championships and special events	42,774,042			42,774,042	44,756,669
Division II championships, distribution and programs	17,313,684			17,313,684	15,972,405
Division III championships and programs	11,427,882			11,427,882	11,896,322
Association-wide programs	76,239,042			76,239,042	71,619,361
Management and general	24,634,059			24,634,059	23,269,935
<b>Total expenses</b>	<u>452,521,365</u>			<u>452,521,365</u>	<u>427,507,140</u>
Change in net assets	21,488,073	(2,832,755)	1,002	18,656,320	10,330,705
<b>NET ASSETS—Beginning of year</b>	<u>162,598,479</u>	<u>56,215,668</u>	<u>146,601</u>	<u>218,960,748</u>	<u>208,630,043</u>
<b>NET ASSETS—End of year</b>	<u>\$ 184,086,552</u>	<u>\$ 53,382,913</u>	<u>\$ 147,603</u>	<u>\$ 237,617,068</u>	<u>\$ 218,960,748</u>

See notes to financial statements.

