

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2025 and 2024

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

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INDEPENDENT AUDITOR'S REPORT

The Board of Governors
National Collegiate Athletic Association
Indianapolis, Indiana

Opinion

We have audited the consolidated financial statements of National Collegiate Athletic Association (the "NCAA"), which comprise the consolidated statements of financial position as of August 31, 2025 and 2024, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the NCAA as of August 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the NCAA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the NCAA's ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the NCAA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of activities is presented for purposes of additional analysis of the consolidated financial statements rather than to present the changes in net assets of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
January 12, 2026

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 435,815,696	\$ 265,845,551
Prepaid expenses	20,429,997	15,657,802
Accounts receivable, net	26,638,501	55,641,321
Investments	605,092,358	705,883,919
Goodwill	2,100,000	2,800,000
Intangible assets, net	-	130,000
Properties, net	30,781,420	32,914,879
Other assets	<u>7,469,662</u>	<u>8,814,513</u>
Total	<u>\$ 1,128,327,634</u>	<u>\$ 1,087,687,985</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 122,703,593	\$ 104,217,356
Deferred revenue and deposits	110,752,311	179,220,040
Bonds payable, net	-	1,653,209
Legal settlement (See Note 8)	<u>2,870,650,000</u>	<u>2,776,000,000</u>
Total liabilities	<u>3,104,105,904</u>	<u>3,061,090,605</u>
 NET ASSETS		
Without donor restrictions	(1,976,028,270)	(1,973,652,620)
With donor restrictions	<u>250,000</u>	<u>250,000</u>
Total net assets	<u>(1,975,778,270)</u>	<u>(1,973,402,620)</u>
Total	<u>\$ 1,128,327,634</u>	<u>\$ 1,087,687,985</u>

See notes to consolidated financial statements.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended August 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Television and marketing rights fees	\$ 1,121,881,244	\$ -	\$ 1,121,881,244
Championships and NIT tournaments	278,795,287	-	278,795,287
Investment gain, net	90,808,341	-	90,808,341
Sales, services, and other	71,435,503	-	71,435,503
Contributions, net	<u>3,613,264</u>	<u>-</u>	<u>3,613,264</u>
 Total revenue	 1,566,533,639	 -	 1,566,533,639
EXPENSES			
Distribution to Division I members	586,725,377	-	586,725,377
Division I championships, programs, and NIT tournaments	206,255,855	-	206,255,855
Division II championships, distribution, and programs	63,024,362	-	63,024,362
Division III championships and programs	49,128,064	-	49,128,064
Association-wide programs	235,808,579	-	235,808,579
 Management and general	 55,717,052	 -	 55,717,052
Legal settlement (See Note 8)	<u>372,250,000</u>	<u>-</u>	<u>372,250,000</u>
 Total expenses	 <u>1,568,909,289</u>	 <u>-</u>	 <u>1,568,909,289</u>
 Change in net assets	 (2,375,650)	 -	 (2,375,650)
Net assets at the beginning of year	<u>(1,973,652,620)</u>	<u>250,000</u>	<u>(1,973,402,620)</u>
Net assets at end of year	<u>\$ (1,976,028,270)</u>	<u>\$ 250,000</u>	<u>\$ (1,975,778,270)</u>

See notes to consolidated financial statements.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended August 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Television and marketing rights fees	\$ 948,383,496	\$ -	\$ 948,383,496
Championships and NIT tournaments	263,190,866	-	263,190,866
Investment gain, net	120,471,169	-	120,471,169
Sales, services, and other	41,014,432	-	41,014,432
Contributions, net	<u>3,531,180</u>	<u>-</u>	<u>3,531,180</u>
Total revenue	1,376,591,143	-	1,376,591,143
EXPENSES			
Distribution to Division I members	676,091,944	-	676,091,944
Division I championships, programs, and NIT tournaments	204,201,633	-	204,201,633
Division II championships, distribution, and programs	60,908,689	-	60,908,689
Division III championships and programs	46,309,192	-	46,309,192
Association-wide programs	173,540,294	-	173,540,294
Management and general	49,696,137	-	49,696,137
Legal settlement (See Note 8)	<u>2,704,492,297</u>	<u>-</u>	<u>2,704,492,297</u>
Total expenses	<u>3,915,240,186</u>	<u>-</u>	<u>3,915,240,186</u>
Change in net assets	(2,538,649,043)	-	(2,538,649,043)
Net assets at the beginning of year	<u>564,996,423</u>	<u>250,000</u>	<u>565,246,423</u>
Net assets at end of year	<u>\$ (1,973,652,620)</u>	<u>\$ 250,000</u>	<u>\$ (1,973,402,620)</u>

See notes to consolidated financial statements.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ (2,375,650)	\$ (2,538,649,043)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	5,668,991	6,295,546
Amortization of bond premium	(78,209)	(242,963)
Unrealized (gain) on investments	(1,808,004)	(80,107,092)
Realized (gain) loss on investments	(38,413,261)	6,951,542
Changes in assets and liabilities:		
Receivables	29,002,820	(26,029,415)
Prepaid expenses	(4,772,195)	(9,562,746)
Other assets	1,344,851	(704,049)
Accounts payable and accrued liabilities	18,151,377	(100,714,659)
Legal settlement (See Note 8)	94,650,000	2,776,000,000
Deferred revenue and deposits	<u>(68,467,729)</u>	<u>83,618,390</u>
Net cash from operating activities	32,902,991	116,855,511
Cash flows from investing activities:		
Purchases of capital assets	(2,705,532)	(2,292,657)
Purchases of investments	(268,889,821)	(237,695,751)
Proceeds from sales of investments	<u>410,237,507</u>	<u>344,687,274</u>
Net cash provided by investing activities	138,642,154	104,698,866
Cash flows from financing activities:		
Principal payments on bonds payable	<u>(1,575,000)</u>	<u>(1,500,000)</u>
Net cash (used by) financing activities	<u>(1,575,000)</u>	<u>(1,500,000)</u>
Net increase (decrease) in cash and cash equivalents:	169,970,145	220,054,377
Beginning of year	<u>265,845,551</u>	<u>45,791,174</u>
End of year	<u>\$ 435,815,696</u>	<u>\$ 265,845,551</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 78,750	\$ 153,750

See notes to consolidated financial statements.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2025 and 2024

NOTE 1 - THE ASSOCIATION

The National Collegiate Athletic Association (NCAA or the “Association”) is an unincorporated not-for-profit educational organization founded in 1906. The NCAA is a diverse association of more than 1,100 member colleges and universities that prioritize academics, well-being and fairness to create greater opportunities for more than 550,000 student-athletes each year. The NCAA provides a pathway to higher education and beyond for student-athletes pursuing academic goals and competing in NCAA sports. More than 54,000 student-athletes experience the pinnacle of intercollegiate athletics by competing in NCAA championships each year.

The NCAA operates through a governance structure which empowers each division to guide and enhance their ongoing division-specific activities. In Division I, the legislative system is based on conference representation and a Division I Cabinet that approves legislation with oversight from the Division I Board of Directors. The Divisions II and III boards are known as the Division II Executive Board and Division III Presidents Council, respectively. 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 a NCAA Board of Governors that oversee association-wide issues. The NCAA Board of Governors is composed of nine members, four from Division I (at least one school president and one conference commissioner), one from the Division II Executive Board, one from the Division III Presidents Council, two independent members and one graduated student-athlete (alternating every two years among the three divisions). The NCAA Board of Governors oversees the Association’s finances, legal affairs, and the hiring and evaluation of the Association’s President.

The NCAA is also comprised of the following entities:

- NIT LLC, the entity that administers the Postseason NIT collegiate basketball event.
- College Football Officiating LLC, which pursues the development and maintenance of a national Division I college football officiating program.
- Collegiate Core Insurance LLC, 1910 Collective Cell LLC, and Student-Athlete Insurance Cell LLC, are the NCAA’s captive insurance companies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The financial results of the NCAA and the entities described in Note 1 are included in the consolidated financial statements. All intercompany balances and transactions have been eliminated in consolidation.

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 two categories:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Governors.

Net Assets With Donor Restrictions - Net assets whose use by the NCAA is subject to donor-imposed stipulations. These restrictions can be temporary in nature and fulfilled by actions of the NCAA or that expire by the passage of time. Other restrictions may be perpetual in nature.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
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Accounts Receivable: Accounts receivable are amounts due to the NCAA from championships and various contractual rights fees, as well as provisional insurance recoveries related to legal settlements. Accounts receivable are shown net of any allowance for uncollectible amounts.

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. Traditional fixed income securities are valued based on pricing services which consider readily observable inputs such as the yield or price of bonds of comparable quality, coupon, maturity and type. Pooled equity and debt investments that are not publicly traded are stated at net asset value, as a practical expedient to fair value.

Goodwill and Intangible Assets: The NCAA amortizes its goodwill over a period of 10 years. No impairment was recorded during the fiscal years ended August 31, 2025 and 2024.

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 \$5,000 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 lesser of their estimated lives or the life of the related lease.

The NCAA identifies and records impairment losses on properties whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. In accordance with GAAP, recoverability of those assets is determined by comparing the forecasted undiscounted cash flows attributable to such assets over their remaining useful lives 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. No impairment was recorded during the fiscal years ended August 31, 2025 and 2024.

Cable Television Royalties Payable: The NCAA has represented the interests of the membership before the Copyright Royalty Tribunal Board (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 a NCAA member's submissions 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. Accounts payable and accrued liabilities include cable television royalties payable of \$463,611 and \$0 as of August 31, 2025 and 2024, respectively.

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, 2025, \$501,190 was distributed for royalties. For the fiscal year ended August 31, 2024, \$661,739 was distributed for royalties.

Unpaid Losses and Loss Adjustment Expenses: Through its subsidiaries, 1910 Collective Cell LLC and Student-Athlete Insurance Cell LLC, the NCAA records a liability for unpaid losses and loss adjustment expenses for amounts of incurred but not reported losses (IBNR). The IBNR is calculated based upon actuarial loss projections using a combination of historical loss experience and industry data. In establishing the liability for unpaid losses and loss adjustment expenses, the NCAA utilizes the findings of an independent consulting actuary. Management believes that its aggregate liability for unpaid losses and loss adjustment expenses at year end represents its best estimate, based upon the available data, of the amount necessary to cover the ultimate cost of losses; however, because of the nature of the risks insured, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such liability at the balance sheet dates.

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Revenue Recognition:

Television and radio rights – The NCAA enters into contracts with broadcasters for the right to broadcast NCAA championship games. The NCAA's performance obligation is to host these games and the performance obligation is met once the championship is complete. The NCAA receives payments throughout the fiscal year for that fiscal year's championships. A portion of the contract payments are received in advance for the related championship and is recognized as deferred revenue. Any payments received in advance which are not earned are accrued as a liability.

Royalties and promotion rights - The NCAA enters into contracts with third-parties to license NCAA branded content, goods, and merchandise. The NCAA's performance obligation is to provide the NCAA brands to these licensees. The performance obligation is met throughout the fiscal year when these licenses are provided. The NCAA receives payments throughout the fiscal year for that fiscal year's license rights. There are no contract assets or deferred revenue associated with this revenue stream.

Championship and NIT tournaments - The NCAA sells tickets to NCAA championship events. The performance obligation is to host these events for the ticketholders and the performance obligation is met once the championship is complete. Payment is due when the ticket order is received. A portion of the championship and NIT tournament revenue is received in advance of the related championship and is recognized as deferred revenue.

Amounts collected for third-parties in the ticket price, such as ticket taxes, venue fees, and ticket processing fees, are recorded as a reduction in ticket revenue.

Eligibility center certifications - The NCAA Eligibility Center certifies prospective student-athletes to participate in NCAA Division I and Division II college sports. There is a fee charged to register with the NCAA Eligibility Center and it is collected at registration. The performance obligation is to provide a certification to the prospective student-athletes. This performance obligation is met over time from when the prospective student-athlete registers until when the prospective student-athlete enrolls in college or university. Due to the timing of registration and enrollment, there may be deferred revenue for the remaining performance obligation.

Membership dues – The NCAA members pay annual membership dues to be a member of the NCAA. The performance obligation is to provide membership services to these members during the fiscal year and this performance obligation is met throughout the fiscal year. Membership dues are billed prior to the fiscal year in which they relate, which the NCAA recognizes as deferred revenue.

The NCAA generally does not offer returns, refunds, or warranties on contracts.

Insurance Recoveries: Amounts recovered from insurance carriers for contingencies are recorded in Sales, services, and other and are recognized when realization of the claim for recovery is deemed probable, which is generally when an agreement has been reached with the insurance carrier.

Fines: Amounts received from NCAA members who are assessed financial penalties for infractions are recorded in Sales, services, and other and are recognized upon receipt, as collectability is not reasonably assured at the time of assessment.

Distribution of Revenues: In August 1990, the NCAA Board of Governors (formerly the Executive Committee) approved a plan to distribute revenues to member institutions for the year ended August 31, 1991, and each year thereafter. Dollar amounts for each fund are approved annually by the NCAA Board of Governors as part of the Association-wide budget. The Board of Governors may establish or otherwise change distributions from time to time.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
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For active Division I members, the plan consists of:

- A Basketball Performance Fund distribution based on historical performance in the Division I Men's Basketball Championship,
- An Equal Conference Fund distribution for active Division I basketball playing conferences,
- Broad-Based distributions based on Division I sports sponsorship and grants-in-aid,
- A Conference Grant distribution, and
- Student Assistance Fund, Academic Enhancement Fund, and Academic Performance Fund distributions for current Division I student-athletes to be used for academic and other needs.

For Division II members, the plan consists of sports sponsorship and an equal distribution among all active Division II members.

Association-Wide Program Expenses: Association-wide program expenses include student-athlete programs, membership education programs, promotion, legal, and governance committee expenses.

Related-Party Transactions: The NCAA is comprised of over 1,200 members. The NCAA charges and collects dues from members. Additionally, Division I and II members receive annual distributions.

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. With a few exceptions, the NCAA is no longer subject to U.S. federal examinations by tax authorities for years before 2022.

GAAP 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. Management asserts that no such uncertain tax positions exist for the NCAA at August 31, 2025 or 2024.

NCAA's subsidiary, Student-Athlete Insurance Cell LLC ("S-A Insurance"), is subject to US federal income tax. As of August 31, 2025, S-A Insurance had \$141,138 and \$116,239 of deferred tax assets and income taxes payable, respectively. For the year ended August 31, 2025, S-A Insurance had \$97,697 and \$257,789 of deferred income tax expense and current income tax expense, respectively. As of August 31, 2024, S-A Insurance had \$398,928 and \$423,481 of deferred tax assets and income taxes payable, respectively. For the year ended August 31, 2024, S-A Insurance had \$398,928 and \$423,381 of deferred income tax benefit and current income tax expense, respectively.

Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: The NCAA has evaluated its subsequent events through January 12, 2026, the date the consolidated financial statements were issued.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 3 - CASH AND CASH EQUIVALENTS

Short-term investments with an original maturity of less than three months are reported as cash equivalents. Cash and cash equivalents include designated cash of \$1,035,749 and \$536,652 as of August 31, 2025 and 2024, respectively. Designated cash consists of compensating balances on deposit with banks for certain NCAA employee benefit plans, the Exceptional Student-Athlete Disability Insurance Program, and certain other balances. Money market funds managed by outside investment managers are included in investments.

NOTE 4 - FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

ASC 820, *Fair Value Measurements*, 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 maximize the use of observable inputs and minimize the use of unobservable inputs.

The NCAA measured the fair value of the investments as of August 31, 2025 and 2024, as follows:

	2025		Total
	Level 1	Level 2	
Money market funds	\$ 8,886,938	\$ -	\$ 8,886,938
U.S. equity mutual funds	272,942	-	272,942
Non-U.S. equity mutual funds	39,163	-	39,163
Global equity mutual funds	89,769,495	-	89,769,495
Lifecycle retirement mutual funds	2,092,879	-	2,092,879
Traditional fixed income			
Government agency securities in U.S.	-	63,357,641	63,357,641
U.S. corporate securities	7,190	33,181,480	33,188,670
U.S. diverse mutual funds	230,209	-	230,209
Global corporate mutual funds	40,927,446	-	40,927,446
Unconstrained fixed income:			
Global diverse mutual funds	30,305,335	-	30,305,335
U.S. government mutual funds	<u>30,050,588</u>	-	<u>30,050,588</u>
Subtotal	<u>\$ 202,582,185</u>	<u>\$ 96,539,121</u>	299,121,306

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	2025		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments measured at net asset value ⁽¹⁾			
U.S. equity index funds			91,226,251
Non-U.S. equity mutual funds			90,644,988
Traditional fixed income – U.S. diverse mutual funds			59,514,009
Opportunistic strategies – hedge funds			46,630,096
Bank loans			<u>17,955,708</u>
Total			<u>\$ 605,092,358</u>
	2024		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds	\$ 70,041,849	\$ -	\$ 70,041,849
U.S. equity mutual funds	304,983	-	304,983
Non-U.S. equity mutual funds	39,032	-	39,032
Global equity mutual funds	89,972,737	-	89,972,737
Lifecycle retirement mutual funds	1,849,116	-	1,849,116
Traditional fixed income			
Government agency securities in U.S.	-	56,860,250	56,860,250
U.S. corporate securities	9,148	36,951,836	36,960,984
U.S. diverse mutual funds	220,109	-	220,109
Global corporate mutual funds	38,090,089	-	38,090,089
Unconstrained fixed income:			
Global diverse mutual funds	28,360,843	-	28,360,843
U.S. government mutual funds	<u>28,463,884</u>	<u>-</u>	<u>28,463,884</u>
Subtotal	<u>\$ 257,351,790</u>	<u>\$ 93,812,086</u>	351,163,876
Investments measured at net asset value ⁽¹⁾			
U.S. equity index funds			116,607,285
Non-U.S. equity mutual funds			107,556,162
Traditional fixed income – U.S. diverse mutual funds			60,594,675
Opportunistic strategies – hedge funds			50,284,667
Bank loans			<u>19,677,254</u>
Total			<u>\$ 705,883,919</u>

(1) In accordance with ASU 2015-07 Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), investments for which fair value is measured using net asset value per share (or its equivalent) as a practical expedient are not classified within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

The methods used to estimate fair value 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.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
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Investment income (loss) as of August 31, 2025 and 2024, consists of the following:

	<u>2025</u>	<u>2024</u>
Dividends and interest income	\$ 50,587,076	\$ 47,315,619
Realized gain (loss), net	38,413,261	(6,951,542)
Unrealized gain, net	<u>1,808,004</u>	<u>80,107,092</u>
	<u>\$ 90,808,341</u>	<u>\$ 120,471,169</u>

The Association's alternative investments include investments in: (1) U.S. equity funds such as non-publicly traded stock index funds; (2) non-U.S. equity funds, including inflation hedge strategies and non-publicly traded stock index funds; (3) opportunistic strategies such as hedge funds; and (4) bank loans. These investments are valued at net asset value (NAV) per share or its equivalent. Following is a summary of the alternative investments categorized by major security type, with a description of the investment managers' strategies, and the nature of any restrictions to redeem the investment value as of August 31, 2025:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
U.S. equity index funds ^(a)	\$ 91,226,251	\$ -	Daily	1 day
Non-U.S. equity mutual funds ^(b)	90,644,988	-	Daily, monthly	1-10 days
Traditional fixed income ^(c)	59,514,009	-	Monthly	3 days
Opportunistic strategies – hedge funds ^(d)	46,630,096	-	Semi-annual	95 days
Bank loans ^(e)	<u>17,955,708</u>	-	Monthly, quarterly	5-60 days
	<u>\$ 305,971,052</u>	<u>\$ -</u>		

^(a) This category includes investments in pooled equity funds that invest in U.S. common stocks in an effort replicate performance of a particular stock index. This type of strategy seeks to invest in the same securities as the underlying index in approximately the same proportions as the underlying index.

^(b) This category includes investments in exchange-traded funds as well as pooled equity funds that invest in international equity securities in an effort to replicate performance of a particular index. The replication strategy seeks to invest in the same securities as the underlying index in approximately the same proportions as the underlying index.

^(c) This category includes investments in pooled traditional fixed income funds that invest in investment grade U.S. corporate sector. This strategy seeks a maximize total return, minimize risk, and preserve capital utilizing all sectors of the fixed income market.

^(d) This category includes investments in hedge funds. This type of strategy seeks to capitalize on favorable market conditions through a variety of diverse strategies.

^(e) This category includes investments in bank loans. This type of strategy seeks to hedge fixed income exposure during periods of rising interest rates due to low correlation to fixed income performance.

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NOTE 5 – IN-KIND CONTRIBUTION – FACILITIES LEASE

In July 1999, the NCAA leased 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 in exchange for the NCAA maintaining its headquarters in Indianapolis and holding certain events, such as the Men’s Final Four, in Indiana on a 5-year cycle.

In March 2010, the NCAA amended its lease agreement with the White River State Park Development Commission to provide for an amended lease term of 50 years with three 10-year renewal options. In addition, the amended lease provided for a 3-acre parcel of real property that sits adjacent to the original NCAA headquarters to accommodate the 2012 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.

The NCAA has determined that this facilities lease is a conditional contribution based on the NCAA’s commitments to the State of Indiana and the City of Indianapolis. As such, the NCAA has recorded an in-kind contribution revenue and expense based on the fair value of the lease for each annual period. Fair value was determined by looking at similar lease values in the Indianapolis area. Conditional amounts receivable under this contribution range from \$3,697,402 to \$8,286,240, annually, through 2060 and will be recognized upon the annual satisfaction of the related conditions. This is the NCAA’s only contributed nonfinancial asset and it is utilized in the NCAA’s operations and not monetized.

NOTE 6 - GOODWILL AND INTANGIBLES

NCAA’s intangible assets consist of the following:

<u>As of</u> <u>August 31, 2025</u>	<u>Cost</u>	<u>Accumulated</u> <u>Impairment</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net book</u> <u>Value</u>
NIT				
Goodwill	\$ 19,703,283	\$ (7,777,462)	\$ (9,825,821)	\$ 2,100,000
Trademark	<u>2,600,000</u>	<u>-</u>	<u>(2,600,000)</u>	<u>-</u>
Total NIT	<u>\$ 22,303,283</u>	<u>\$ (7,777,462)</u>	<u>\$ (12,425,821)</u>	<u>\$ 2,100,000</u>
<u>As of</u> <u>August 31, 2024</u>	<u>Cost</u>	<u>Accumulated</u> <u>Impairment</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net book</u> <u>Value</u>
NIT				
Goodwill	\$ 19,703,283	\$ (7,777,462)	\$ (9,125,821)	\$ 2,800,000
Trademark	<u>2,600,000</u>	<u>-</u>	<u>(2,470,000)</u>	<u>130,000</u>
Total NIT	<u>\$ 22,303,283</u>	<u>\$ (7,777,462)</u>	<u>\$ (11,595,821)</u>	<u>\$ 2,930,000</u>

For the years ended August 31, 2025 and 2024, amortization expense related to intangible assets was \$830,000 for both years. Trademarks have useful lives of fifteen to twenty years and contracts have useful lives of six to twelve years. Future expected amortization expense as of August 31, 2025 is as follows:

2026	\$ 700,000
2027	700,000
2028	<u>700,000</u>
Total	<u>\$ 2,100,000</u>

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
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NOTE 7 - PROPERTIES

Properties to support the NCAA national office consist of an 89,000 square foot warehouse and distribution facility, tenant finish improvements for the NCAA Dempsey headquarters building, the 130,000 square foot NCAA Brand headquarters building, conference facilities, furnishings, technology infrastructure, and equipment.

Properties according to their specific category as of August 31, 2025 and 2024, are as follows:

	<u>Estimated Useful Lives</u>	<u>2025</u>	<u>2024</u>
Land		\$ 350,000	\$ 350,000
Buildings and improvements	30 years	42,566,442	42,566,442
Leasehold improvements	10-30 years	11,792,905	11,572,923
Furniture, equipment, and fixtures	3-10 years	<u>45,651,147</u>	<u>43,165,598</u>
		100,360,494	97,654,963
Less accumulated depreciation and amortization		<u>(69,579,074)</u>	<u>(64,740,084)</u>
Properties, net		<u>\$ 30,781,420</u>	<u>\$ 32,914,879</u>

Depreciation and amortization expense related to properties was \$4,838,990 and \$5,465,546 for the years ended August 31, 2025 and 2024, respectively.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Association is named as a defendant or co-defendant in various legal proceedings. The Association complies with the requirements of ASC Topic 450, Contingencies, and records liabilities for legal proceedings in those instances where the liability is deemed probable and the Association can reasonably estimate the amount of the loss (or a range of loss can be estimated).

The NCAA has been named as a defendant in certain antitrust litigation and has proposed settlements for two class action lawsuits related to volunteer coaches' compensation. In November 2025, subsequent to the balance sheet date, the NCAA proposed a \$303 million settlement to the Ray v. NCAA litigation. The NCAA anticipates preliminary approval of this settlement will occur in fiscal year 2025-2026. The settlement provides for equal annual payments over three years. As of August 31, 2025, the NCAA has recorded an accrual for this legal settlement.

In January 2025, the NCAA proposed a \$49.25 million settlement to the Smart v. NCAA litigation. In March 2025, a U.S. District Court judge in the Eastern District of California preliminarily approved this settlement. Subsequent to year-end, in September 2025, the Court entered final approval of the settlement. As of August 31, 2025, the NCAA recorded an accrual for this legal settlement.

The NCAA has been named as a co-defendant in the House v. NCAA antitrust litigation. In July 2024, the NCAA, co-defendants, and plaintiffs proposed a \$2.776 billion settlement to this antitrust litigation. In October 2024, a U.S. District Court judge in the Northern District of California preliminarily approved this settlement. In fiscal year 2024-2025, the Court entered final approval of the settlement, and the NCAA executed the first of ten equal annual payments of \$277.6 million. As of August 31, 2025, the NCAA's remaining liability was \$2.518 billion, representing nine future annual installments of the legal settlement and an additional \$20 million one-time injunctive relief fee and expense award to the plaintiff's attorneys.

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In August 2020, the NCAA settled several consolidated class action lawsuits related to student-athlete concussion injury litigation in the US District Court for the Northern District of Illinois. The settlement stipulated that the settlement funds will be used for concussion testing, diagnoses of current and former NCAA student-athletes, educational initiatives, and research. As of August 31, 2025 and 2024, the NCAA's remaining settlement liability was \$40 million, which is included with accounts payable and accrued liabilities on the statement of financial position.

In addition, the Association makes financial commitments to research. In September 2014, the NCAA entered into an agreement with the U.S. Department of Defense on a joint initiative to enhance the safety of student-athletes and U.S. service members related to concussions. In October 2021, the NCAA renewed its commitment with an additional \$10.0 million over five years. Eligible expenses are paid as incurred. As of August 31, 2025 and 2024, the NCAA's remaining commitment was \$5 million and \$6 million, respectively.

See Note 15 for risk management liabilities.

NOTE 9 - BONDS PAYABLE

On June 1, 2012, the NCAA issued tax-exempt bonds of \$13,560,000 with fixed interest rates ranging from 3.00% to 5.00% with original maturities ranging from 2016 to 2025. The bonds were issued at a premium of \$2,653,019. Interest is payable on May 1st and November 1st of each year. Proceeds from the bond issue were used to advance refund a portion of the Series 2005 revenue bonds since the bonds could not be redeemed at that time.

In May 2025, the NCAA repaid in full the balance of the outstanding liability in accordance with the terms of the bond agreement, including \$1,575,000 of principal payments. As a result, the bond liability as of August 31, 2025 was \$0.

NOTE 10 - TELEVISION AND MARKETING RIGHTS FEES

On April 22, 2010, the NCAA entered into a Multimedia Agreement with CBS Broadcasting Inc. and Turner Broadcasting System, Inc. (collectively, the "Broadcaster"). This agreement conveyed exclusive television and other internet and multimedia broadcast rights to the Broadcaster for 14 years in connection with the Division I Men's Basketball Championship. In addition, the agreement grants the Broadcaster marketing rights with respect to all NCAA championships. The agreement, which began in fiscal year 2011 and expired in 2024, provided payments of \$10,800,000,000 to the NCAA over the agreement term.

On March 14, 2016, the NCAA extended its agreement with the Broadcaster for an additional 8 years from fiscal year 2025 through 2032. Total payments to the NCAA under this extended agreement will be \$8,800,000,000. These payments included \$425,000,000 that was prepaid by the Broadcaster from 2018 through 2024 (the "Pre-Term Payments"). The remaining \$8,375,000,000 will be paid from 2025 to 2032. A portion of the Pre-Term Payments was deposited in an escrow with the remainder paid directly to the NCAA. As the Pre-Term Payments represent an advance on future contract years and are refundable to the Broadcaster should certain events occur, the Pre-Term Payments will be recognized as revenue in years 2025 through 2032 when no longer considered refundable in accordance with the terms of the contract.

For the years ended August 31, 2025 and 2024, the NCAA recognized \$995,000,000 and \$873,000,000 of market rights related to these contracts, respectively.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
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August 31, 2025 and 2024

Once the NCAA's performance obligations are met, the NCAA will recognize future television broadcast revenue and licensing rights under these contracts as follows:

Fiscal Years Ending <u>August 31</u>	
2026	\$ 1,020,000,000
2027	1,050,000,000
2028	1,075,000,000
2029	1,130,000,000
2030	1,165,000,000
Thereafter	<u>2,365,000,000</u>
Total	<u>\$ 7,805,000,000</u>

On December 15, 2011, the NCAA entered into a multi-media agreement with ESPN, Inc. and ESPN Enterprises, Inc. (collectively, "ESPN"). The agreement gave ESPN the rights to televise certain NCAA Fall, Winter, and Spring Championships, the NIT Pre-Season and Post-Season tournaments, and international distribution of the Division I Men's Basketball Championship. The rights included live telecasting or other distributions of the Championships in compliance with the applicable NCAA rules and regulations and specific terms of the agreement. The term of the agreement was from fiscal year 2011 through 2024 and provided for payments totaling \$500,000,000 over the life of the 14-year contract.

On January 3, 2024, the NCAA extended its agreement with ESPN for an additional 8 years from fiscal year 2025 through 2032. The total payments under the extended agreement will be \$920,000,000. Pursuant to these agreements, for the years ended August 31, 2025 and 2024, the NCAA received and recorded \$99,850,000 and \$47,045,000 of revenue, respectively.

The NCAA will recognize future television broadcast revenue and licensing rights under the ESPN contract as follows:

Fiscal Years Ending <u>August 31</u>	
2026	\$ 103,840,000
2027	107,990,000
2028	112,310,000
2029	116,800,000
2030	121,480,000
Thereafter	<u>257,730,000</u>
Total	<u>\$ 820,150,000</u>

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 - NET ASSETS

As of August 31, the NCAA has 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:

	<u>2025</u>	<u>2024</u>
NCAA Leadership Conference	\$ 100,000	\$ 100,000
Usher Scholarships	<u>50,000</u>	<u>50,000</u>
Total	<u>\$ 150,000</u>	<u>\$ 150,000</u>

The NCAA has 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. These net assets relate to championship enhancements and were \$100,000 and \$100,000 as of August 31, 2025, and 2024, respectively.

The NCAA Board of Governors has designated certain net assets without donor restrictions to fund future strategic and operational initiatives. While designated for specific purposes, these designations may be modified at the discretion of the NCAA Board of Governors.

As of August 31, net assets without donor restrictions include the following designations:

	<u>2025</u>	<u>2024</u>
Association-wide operating reserve	\$ 265,229,215	\$ 241,984,226
Division II reserve	69,531,776	57,581,987
Division III reserve	43,508,241	40,321,095
Captive Insurance reserve	134,073,853	175,753,854
College Football Officiating, LLC reserve	109,420	183,397
Other commitments	8,938,928	72,874,843
Furniture, technology, and properties	10,540,000	13,232,656
Available for operations and distributions	<u>(2,507,959,703)</u>	<u>(2,575,584,678)</u>
Total NCAA net assets without donor restrictions	<u>\$(1,976,028,270)</u>	<u>\$(1,973,652,620)</u>

NOTE 12 – DEFINED CONTRIBUTION PLANS

The NCAA has defined contribution plans, which include the NCAA Retirement Plan (the retirement plan), the NCAA 403(b) Savings Plan (the 403(b) plan), and the NCAA Qualified Savings Plan (the qualified savings plan). Employees become eligible for participation in the retirement plan and the qualified savings plan beginning in the quarter after the employee completes six months of service. Employees become eligible to contribute to the 403(b) plan on the first day of employment. The NCAA provides, through the retirement plan, a biweekly contribution to each employee's plan account at a rate of 10% of their annual compensation. The 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 compensation contributed to the 403(b) savings plan. A participant becomes eligible for the matching contribution only if the participant makes a deferral contribution in the 403(b) savings plan of at least 1% of their annual compensation. For the year ended August 31, 2025, the NCAA contributed \$2,410,360 to the qualified savings plan and \$5,799,052 to the retirement plan, for total contributions of \$8,209,412 compared to total contributions of \$7,626,923 for the year ended August 31, 2024.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2025 and 2024

NOTE 13 - LEASES

As of August 31, 2025, the NCAA had right-of-use assets and related lease liabilities of \$484,676 compared to \$604,874 for the year ended August 31, 2024. Operating lease expense was \$136,729 and \$180,945 for the year ended August 31, 2025 and 2024, respectively. Future minimum lease payments are as follows:

Fiscal Years Ending <u>August 31</u>	
2026	\$ 139,541
2027	141,083
2028	142,662
2029	82,003
2030	<u>7,439</u>
Total	<u>\$ 512,728</u>

NOTE 14 - LIQUIDITY AND AVAILABILITY

As of August 31, 2025, the NCAA has \$1.07 billion of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$435.8 million, accounts receivable of \$26.6 million, and investments of \$605.1 million. The accounts receivable are subject to implied time restrictions but are expected to be collected within one year.

As of August 31, 2024, the NCAA has \$1.03 billion of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$265.8 million, accounts receivable of \$55.6 million, and investments of \$705.9 million. The accounts receivable are subject to implied time restrictions but are expected to be collected within one year.

Board designations of net assets without donor restrictions are considered to be liquid and available given the nature of the designations and the Board's ability to rescind the designation, if needed, as described in Note 11.

The NCAA structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the NCAA invests excess cash in various investments (see Note 4).

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August 31, 2025 and 2024

NOTE 15 – RISK MANAGEMENT

On March 1, 2022, the NCAA formed a captive insurance company, 1910 Collective LLC (“1910”). On May 24, 2024, the NCAA formed captive insurance company Collegiate Core LLC (“Core”). Additionally, on May 24, 2024, the NCAA created Student-Athlete Insurance Cell LLC (“S-A Insurance”) and reorganized 1910 both as cell captive insurance companies under Core.

1910 was formed as an alternative risk financing platform and issues Director and Officer and Event Cancellation/Loss of Revenue insurance policies. S-A Insurance was formed as an alternative risk financing platform for student-athletes and post-eligibility health insurance for all three NCAA divisions.

Changes in the balances of accrued insurance liabilities prior to eliminations were as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2025	\$ 110,033,681	\$ 31,974,020	\$ (53,861)	\$ 141,953,840
2024	\$ 79,782,377	\$ 38,525,978	\$ (8,274,674)	\$ 110,033,681

The 1910 and S-A Insurance estimated its accrued insurance liabilities based on loss experience history and industry loss experience. A portion of accrued insurance liabilities presented are payable to the NCAA.

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2025 and 2024

NOTE 16 – REVENUE

The following table disaggregates NCAA revenue by major source. Fiscal years 2024 and 2025 represent revenue recognized from contracts with customers. Fiscal years beyond 2025 represent remaining performance obligations from contracts with customers.

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>Thereafter</u>
Television and radio rights	\$ 930,749,721	\$ 1,105,404,112	\$ 1,134,340,000	\$ 1,157,990,000	\$ 1,187,310,000	\$ 1,246,800,000	\$ 1,286,480,000	\$ 2,622,730,000
Royalties and promotional rights	17,633,775	16,477,132	10,225,616	750,000	750,000	750,000	750,000	800,000
Championships and NIT tournaments	263,190,866	278,795,287	45,065,372	23,363,775	24,555,458	25,751,694	9,452,612	19,527,361
Eligibility center certifications	12,976,828	12,283,313	5,838,279	-	-	-	-	-
Membership dues	7,023,250	16,266,645	8,810,650	1,557,500	614,000	-	-	-
Other sales and services	11,726,473	36,065,163	7,543,034	-	-	-	-	-
Total	\$ 1,243,300,913	\$ 1,465,291,652	\$ 1,211,822,951	\$ 1,183,661,275	\$ 1,213,229,458	\$ 1,273,301,694	\$ 1,296,682,612	\$ 2,643,057,361

The closing balance of receivables from contracts with customers as of August 31, 2025 and 2024 was \$16,638,501 and \$43,141,321, respectively.

Deferred Revenue: Deferred revenue represents payments received for tickets purchased, membership dues, and multi-media pre-payments for which the performance obligations remain in effect for the years ended August 31, 2025 and 2024. The following tables represent activities for deferred revenue.

Balance at September 1, <u>2024</u>	Refunds Issued in <u>2024-2025</u>	Revenue Recognized in <u>2024-2025</u>	Cash Received in Advance of <u>Performance</u>	Balance at August 31, <u>2025</u>
\$179,220,040	\$ -	\$(201,723,649)	\$133,255,920	\$110,752,311
Balance at September 1, <u>2023</u>	Refunds Issued in <u>2023-2024</u>	Revenue Recognized in <u>2023-2024</u>	Cash Received in Advance of <u>Performance</u>	Balance at August 31, <u>2024</u>
\$95,601,650	\$ -	\$(108,296,082)	\$191,914,472	\$179,220,040

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
August 31, 2025 and 2024

NOTE 17 - EXPENSES BY NATURE

The NCAA's programs are based on its divisional structure as described in Note 1. Total program expense was \$1,513,192,238 and \$3,863,374,818 for the years ended August 31, 2025 and 2024, respectively. Natural expenses are allocated based on specific identification of the related expenses and methodologies of allocating employee time. Fundraising costs for the NCAA are insignificant due to the nature of its operations.

The table below presents functional expenses by their natural classification for the year ended August 31, 2025.

	Division I Distributions, Championships, and Programs	Division II Distribution, Championships, and Programs	Division III Championships, and Programs	Association-wide Programs	Management and General	Total 2024-25
Distributions, grants, and scholarships	\$ 586,853,609	\$ 16,490,332	\$ 7,314,362	\$ 7,719,853	\$ 70,335	\$ 618,448,491
Insurance, interest, and depreciation	47,500	136,095	52,963	78,563,086	10,128,204	88,927,848
Compensation	21,450,639	9,083,618	5,408,022	44,805,559	21,183,519	101,931,357
Event operations	73,875,684	9,955,918	9,274,194	5,943,508	349,739	99,399,043
Facilities, technology, and office	1,508,277	240,736	175,567	2,414,532	11,063,205	15,402,317
Professional services	22,949,905	3,471,265	1,250,725	89,782,901	11,560,752	129,015,548
Travel	86,295,596	23,646,420	25,652,232	6,579,140	1,361,297	143,534,685
Legal settlement	-	-	-	372,250,000	-	372,250,000
Total expenses	\$ 792,981,210	\$ 63,024,384	\$ 49,128,065	\$ 608,058,579	\$ 55,717,051	\$ 1,568,909,289

The table below presents functional expenses by their natural classification for the year ended August 31, 2024.

	Division I Distributions, Championships, and Programs	Division II Distribution, Championships, and Programs	Division III Championships, and Programs	Association-wide Programs	Management and General	Total 2023-24
Distributions, grants, and scholarships	\$ 676,663,030	\$ 17,388,111	\$ 6,663,468	\$ 4,054,027	\$ 74,297	\$ 704,842,933
Insurance, interest, and depreciation	49,289	158,308	48,145	14,089,001	10,235,197	24,579,940
Compensation	19,055,646	8,078,231	4,678,871	43,242,049	17,542,355	92,597,152
Event operations	66,721,956	8,855,956	8,268,511	4,473,379	503,197	88,822,999
Facilities, technology, and office	1,573,836	238,265	219,647	2,689,334	10,066,561	14,787,643
Professional services	23,882,504	4,062,522	1,839,271	94,057,139	9,172,779	133,014,215
Travel	92,347,316	22,127,296	24,591,279	10,935,365	2,101,751	152,103,007
Legal settlement	-	-	-	2,704,492,297	-	2,704,492,297
Total expenses	\$ 880,293,577	\$ 60,908,689	\$ 46,309,192	\$ 2,878,032,591	\$ 49,696,137	\$ 3,915,240,186

SUPPLEMENTARY INFORMATION

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
For the year ended August 31, 2025

	<u>NCAA</u>	<u>NIT LLC</u>	<u>College Football Officiating LLC</u>	<u>1905 Collegiate Core Insurance</u>	<u>1910 Collective Cell LLC</u>	<u>Student-Athlete Insurance Cell LLC</u>	<u>Allocation and Consolidating Entries</u>	<u>Total</u>
REVENUES:								
Television and marketing rights fees	\$1,118,336,493	\$3,544,751	-	-	-	-	-	\$1,121,881,244
Championships and NIT tournaments	277,093,565	1,701,722	-	-	-	-	-	278,795,287
Investment income, net	86,862,836	-	-	1,701	10,422,115	396,692	(6,875,003)	90,808,341
Sales, services, and other	77,782,242	-	852,000	-	32,158,000	25,992,424	(65,349,163)	71,435,503
Contributions, net	3,613,264	-	-	-	-	-	-	3,613,264
Total revenues	1,563,688,400	5,246,473	852,000	1,701	42,580,115	26,389,116	(72,224,166)	1,566,533,639
EXPENSES:								
Distribution to Division I members	586,725,377	-	-	-	-	-	-	586,725,377
Division I championships, programs, and NIT tournaments	178,673,183	3,368,978	667,125	-	-	-	23,546,569	206,255,855
Division II championships, distribution, and programs	52,556,494	-	-	-	-	-	10,467,868	63,024,362
Division III championships and programs	43,651,296	-	-	-	-	-	5,476,768	49,128,064
Association-wide programs	267,125,796	137,340	258,852	-	11,275,080	25,051,810	(68,040,299)	235,808,579
Management and general	66,831,462	-	-	-	-	-	(11,114,410)	55,717,052
Legal Settlement	372,250,000	-	-	-	-	-	-	372,250,000
Total expenses	1,567,813,608	3,506,318	925,977	-	11,275,080	25,051,810	(39,663,504)	1,568,909,289
Total change in net assets	\$(4,125,208)	\$1,740,155	\$(73,977)	\$1,701	\$31,305,035	\$1,337,306	\$(32,560,662)	\$(2,375,650)