

NORTHERN SECTION CALIFORNIA
INTERSCHOLASTIC FEDERATION

Red Bluff, California

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

July 31, 2007

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NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

FINANCIAL STATEMENTS

July 31, 2007

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JOHN A. POWELL & ASSOCIATES, LLP

CERTIFIED PUBLIC ACCOUNTANTS

JOHN A. POWELL

RICHARD W. POWELL

ACCOUNTANTS' REPORT

To the Board of Directors
Northern Section California Interscholastic Federation
Red Bluff, California

We have compiled the accompanying statement of financial position – modified cash basis of Northern Section California Interscholastic Federation (a nonprofit organization) as of July 31, 2007 and the related statements of activities – modified cash basis, and cash flows – modified cash basis and the supplementary information for the year then ended in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

John A. Powell & Associates, LLP

November 15, 2007

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

STATEMENT OF FINANCIAL POSITION – MODIFIED CASH BASIS

July 31, 2007

ASSETS

CURRENT ASSETS

Cash	\$ 113,062	
Inventory	828	
	<hr/>	
Total current assets		\$ 113,890

PROPERTY AND EQUIPMENT - Net of
accumulated depreciation

7,421

TOTAL ASSETS

\$ 121,311

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll taxes payable	\$ 1,060	
Sales taxes payable	520	
Scholarships payable	6,500	
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TOTAL LIABILITIES		\$ 8,080

NET ASSETS

Unrestricted		<hr/> 113,231
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TOTAL LIABILITIES AND NET ASSETS

\$ 121,311

See accountants' report and notes
to the financial statements.

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS

Year Ended July 31, 2007

	<u>Unrestricted</u>
REVENUES AND OTHER SUPPORT	
PROGRAM REVENUES	\$ 477,440
OTHER SUPPORT	
Interest income	<u>660</u>
TOTAL REVENUES AND OTHER SUPPORT	478,100
EXPENSES	
Program services	\$ 371,935
Management and general	<u>73,898</u>
TOTAL EXPENSES	<u>445,833</u>
CHANGE IN NET ASSETS	32,267
NET ASSETS - Beginning of Year	<u>80,964</u>
NET ASSETS - End of Year	<u><u>\$ 113,231</u></u>

See accountants' report and notes
to the financial statements.

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS

Year Ended July 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 32,267
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	2,848
Changes in:	
Inventory	804
Payroll taxes payable	(1,219)
Sales taxes payable	520
Scholarships payable	<u>(3,000)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 32,220
CASH FLOWS USED BY INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(965)</u>
NET INCREASE IN CASH	31,255
CASH - Beginning of Year	<u>81,807</u>
CASH - End of Year	<u><u>\$ 113,062</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for:

Interest expense	<u><u>\$ -</u></u>
Income taxes	<u><u>\$ -</u></u>

See accountants' report and notes
to the financial statements.

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

Year Ended July 31, 2007

1. NATURE OF ACTIVITIES

Northern Section California Interscholastic Federation was incorporated on December 12, 1939 in the State of California as a nonprofit Organization as defined under Section 501(c)(3) of the Internal Revenue Code. The purpose of the Organization is to serve as a body through which member schools may mutually adopt rules and regulations relating to interscholastic athletics as well as to establish agreed upon minimum standards for certain aspects of the interscholastic athletic program. Additionally, the Organization promotes high standards for sportsmanship and ethics as well as promoting standards to ensure the health, safety, general welfare and equal opportunities for education and athletic participation regardless of race, religion, sex, national origin, or sexual orientation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in the preparation of the financial statements.

Basis of Accounting - The financial statements of Northern Section California Interscholastic Federation have been prepared on the modified-cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenue is recognized when received, rather than when earned, and expenses are recognized when paid, rather than when incurred.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment – Acquisitions of property and equipment in excess of \$500 and with a useful life of one year or more are capitalized. Property and equipment are recorded at cost, if purchased, or estimated fair market value at date of donation. Depreciation is computed on the straight-line method and is based on the expected useful lives of the assets.

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

Year Ended July 31, 2007

Financial Statement Presentation - Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Income Taxes - The Organization, a public benefit organization, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, and therefore has no provision for income taxes.

3. CASH

The cash account at July 31, 2007, contains the following balances:

Umpqua Bank checking account	\$ 65,436
Wells Fargo Bank savings account	13,259
Wells Fargo Bank certificate of deposit	10,876
Wells Fargo Bank certificate of deposit	10,537
Wells Fargo Bank certificate of deposit	10,454
Umpqua Bank certificate of deposit	2,500
TOTAL CASH	\$ 113,062

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

Year Ended July 31, 2007

4. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at July 31, 2007:

Office equipment	\$ 27,036
Less accumulated depreciation	<u>(19,615)</u>
PROPERTY AND EQUIPMENT - Net	<u>\$ 7,421</u>

Depreciation expense for the year ended July 31, 2007 was \$2,848.

5. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

6. RELATED PARTY TRANSACTIONS

The Organization rented its office from the Red Bluff Union High School District at the rate of \$4,000.00 per year. The Superintendent of the Red Bluff Union High School District is also the current President of the California Interscholastic Federation, which is an organization that is associated with the North Section California Interscholastic Federation. No lease term has been determined that extends beyond the next fiscal year.

SUPPLEMENTARY INFORMATION

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

SCHEDULE OF PROGRAM REVENUES – MODIFIED CASH BASIS

Year Ended July 31, 2007

Awards	\$ 3,627
Broadcast	400
Corporate sponsorships	19,925
Dues	67,381
Baseball	12,424
Basketball	93,548
Cross country	2,376
Football	85,916
Golf	1,115
Soccer	9,947
Softball	3,889
Sponsorships (CIF)	18,750
Swimming	6,141
Tennis	450
Track	8,721
Volleyball	15,706
Wrestling	6,694
Wrestling assessment	11,678
Other income - clothing	3,705
Other income - officials' mileage	99,878
Other income - women's conference	2,400
Other income - miscellaneous	2,769
TOTAL PROGRAM REVENUES	<u>\$ 477,440</u>

See accountants' report.

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

SCHEDULE OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS

Year Ended July 31, 2007

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 69,857	\$ 33,806	\$ 103,663
Payroll taxes	1,551	388	1,939
Employee benefits	10,613	2,653	13,266
Workers compensation	<u>1,450</u>	<u>362</u>	<u>1,812</u>
TOTAL COMPENSATION	83,471	37,209	120,680
Awards	23,575		23,575
Clothing	3,210		3,210
Commissioner expenses	5,223		5,223
Depreciation		2,848	2,848
Dues and subscriptions		400	400
Insurance		2,650	2,650
Leases		4,641	4,641
Legal and professional fees		9,168	9,168
Meetings	5,900		5,900
Miscellaneous	75		75
Office supplies		1,468	1,468
Officials	101,035		101,035
Patches	3,989		3,989
Points preparation	1,200		1,200
Postage		2,429	2,429
Printing		2,896	2,896
Rent		4,000	4,000
Repairs and maintenance			-
Rule books	2,896		2,896
Scholarships	6,500		6,500
Sports assigner fees	565		565
Sports	127,841		127,841
Supplies			-
Taxes - sales tax		573	573
Telephone		5,616	5,616
Web site maintenance	878		878
Workshops and conferences	<u>5,577</u>		<u>5,577</u>
TOTAL EXPENSES	<u>\$ 371,935</u>	<u>\$ 73,898</u>	<u>\$ 445,833</u>

See accountants' report.