

**NORTHERN SECTION CALIFORNIA
INTERSCHOLASTIC FEDERATION**

Red Bluff, California

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

July 31, 2008

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

FINANCIAL STATEMENTS

July 31, 2008

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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, 2008 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

October 1, 2008

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

STATEMENT OF FINANCIAL POSITION – MODIFIED CASH BASIS

July 31, 2008

ASSETS

CURRENT ASSETS

Cash	\$ 165,982	
Inventory	483	
	<hr/>	
Total current assets		\$ 166,465

PROPERTY AND EQUIPMENT - Net of
accumulated depreciation

5,857

TOTAL ASSETS

\$ 172,322

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll taxes payable	\$ 970	
Sales taxes payable	836	
Scholarships payable	7,500	
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TOTAL LIABILITIES		\$ 9,306

NET ASSETS

Unrestricted		<hr/> 163,016
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TOTAL LIABILITIES AND NET ASSETS

\$ 172,322

See accountants' report and notes
to the financial statements.

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS

Year Ended July 31, 2008

	<u>Unrestricted</u>
REVENUES AND OTHER SUPPORT	
PROGRAM REVENUES	\$ 481,761
OTHER SUPPORT	
Interest income	<u>16,488</u>
TOTAL REVENUES AND OTHER SUPPORT	498,249
EXPENSES	
Program services	\$ 396,899
Management and general	<u>51,565</u>
TOTAL EXPENSES	<u>448,464</u>
CHANGE IN NET ASSETS	49,785
NET ASSETS - Beginning of Year	<u>113,231</u>
NET ASSETS - End of Year	<u><u>\$ 163,016</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, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 49,785
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	2,353
Changes in:	
Inventory	345
Payroll taxes payable	(90)
Sales taxes payable	316
Scholarships payable	1,000

NET CASH PROVIDED BY
OPERATING ACTIVITIES

\$ 53,709

CASH FLOWS USED BY INVESTING ACTIVITIES

Purchase of property and equipment	(789)
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NET INCREASE IN CASH

52,920

CASH - Beginning of Year

113,062

CASH - End of Year

\$ 165,982

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for:

Interest expense	\$ -
Income taxes	\$ -

See accountants' report and notes
to the financial statements.

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

Year Ended July 31, 2008

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, 2008

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, 2008, contains the following balances:

Umpqua Bank checking account	\$ 76,869
Wells Fargo Bank savings account	43,287
Wells Fargo Bank certificate of deposit	10,917
Wells Fargo Bank certificate of deposit	10,806
Wells Fargo Bank certificate of deposit	21,451
Umpqua Bank certificate of deposit	2,652
TOTAL CASH	\$ 165,982

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

Year Ended July 31, 2008

4. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at July 31, 2008:

Office equipment	\$ 27,825
Less accumulated depreciation	<u>(21,968)</u>
PROPERTY AND EQUIPMENT - Net	<u>\$ 5,857</u>

Depreciation expense for the year ended July 31, 2008 was \$2,353.

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, 2008

Awards	\$ 3,743
Broadcast	3,550
Corporate sponsorships	29,569
Baseball	11,772
Basketball	72,459
Cross country	2,500
Football	152,643
Golf	1,470
NWCA membership	1,320
Rule books	42
Soccer	9,694
Softball	4,207
Sponsorships (CIF)	18,750
Swimming	5,986
Tennis	470
Track	8,898
Volleyball	14,786
Wrestling	7,436
Wrestling assessment	10,037
Other income - clothing	4,088
Other income - officials' mileage	113,153
Other income - women's conference	2,700
Other income - miscellaneous	2,488
TOTAL PROGRAM REVENUES	<u>\$ 481,761</u>

See accountants' report.

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

SCHEDULE OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS

Year Ended July 31, 2008

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 83,447	\$ 20,862	\$ 104,309
Payroll taxes	1,501	375	1,876
Employee benefits	9,598	2,400	11,998
Workers compensation	1,386	346	1,732
TOTAL COMPENSATION	95,932	23,983	119,915
Awards	20,940		20,940
Clothing	2,586		2,586
Commissioner expenses	5,532		5,532
Depreciation		2,353	2,353
Dues and subscriptions		400	400
Insurance		4,227	4,227
Leases		4,030	4,030
Legal and professional fees		985	985
Meetings	5,563		5,563
Miscellaneous	100		100
Office supplies		1,411	1,411
Officials	114,135		114,135
Patches	4,937		4,937
Points preparation	1,200		1,200
Postage		1,868	1,868
Printing		2,590	2,590
Rent		4,000	4,000
Rule books	2,923		2,923
Scholarships	6,500		6,500
Sports assigner fees	565		565
Sports	127,452		127,452
Taxes - sales tax		458	458
Telephone		5,260	5,260
Web site maintenance	661		661
Workshops and conferences	7,873		7,873
TOTAL EXPENSES	\$ 396,899	\$ 51,565	\$ 448,464

See accountants' report.