

**NORTHERN SECTION CALIFORNIA
INTERSCHOLASTIC FEDERATION**

Red Bluff, California

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

July 31, 2009

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

FINANCIAL STATEMENTS

July 31, 2009

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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, 2009 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 20, 2009

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS

July 31, 2009

ASSETS

CURRENT ASSETS

Cash	\$ 152,538	
Inventory	<u>3,462</u>	
Total current assets		\$ 156,000

**PROPERTY AND EQUIPMENT - Net of
accumulated depreciation**

3,523

TOTAL ASSETS

\$ 159,523

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll taxes payable	\$ 1,900	
Sales taxes payable	1,273	
Scholarships payable	<u>8,500</u>	
TOTAL LIABILITIES		\$ 11,673

NET ASSETS

Unrestricted		<u>147,850</u>
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TOTAL LIABILITIES AND NET ASSETS

\$ 159,523

See accountants' report and notes
to the financial statements.

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year Ended July 31, 2009

	<u>Unrestricted</u>
REVENUES AND OTHER SUPPORT	
PROGRAM REVENUES	\$ 495,838
OTHER SUPPORT	
Interest income	<u>713</u>
TOTAL REVENUES AND OTHER SUPPORT	496,551
EXPENSES	
Program services	\$ 430,343
Management and general	<u>66,372</u>
TOTAL EXPENSES	<u>496,715</u>
CHANGE IN NET ASSETS	<u>(164)</u>
NET ASSETS - Beginning of Year	163,016
Prior period adjustment	<u>(15,002)</u>
NET ASSETS - Beginning of Year - restated	<u>148,014</u>
NET ASSETS - End of Year	<u>\$ 147,850</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, 2009

CASH FLOWS USED BY OPERATING ACTIVITIES

Decrease in net assets	\$ (164)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	2,334
Changes in:	
Inventory	(2,978)
Payroll taxes payable	930
Sales taxes payable	436
Scholarships payable	1,000
Prior period adjustment	<u>(15,002)</u>

NET CASH USED BY
OPERATING ACTIVITIES \$ (13,444)

CASH - Beginning of Year	<u>165,982</u>
CASH - End of Year	<u><u>\$ 152,538</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for:

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

See accountants' report and notes to the financial statements.

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NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION**NOTES TO THE FINANCIAL STATEMENTS****Year Ended July 31, 2009****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, 2009

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, 2009, contains the following balances:

Umpqua Bank checking account	\$ 77,617
Wells Fargo Bank savings account	28,305
Wells Fargo Bank certificate of deposit	11,293
Wells Fargo Bank certificate of deposit	10,900
Wells Fargo Bank certificate of deposit	21,631
Umpqua Bank certificate of deposit	2,792
TOTAL CASH	\$ 152,538

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

NOTES TO THE FINANCIAL STATEMENTS

Year Ended July 31, 2009

4. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at July 31, 2009:

Office equipment	\$ 27,825
Less accumulated depreciation	<u>(24,302)</u>
PROPERTY AND EQUIPMENT - Net	<u>\$ 3,523</u>

Depreciation expense for the year ended July 31, 2009 was \$2,334.

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.

7. PRIOR PERIOD ADJUSTMENT

During the year ended July 31, 2008 an error was made related to the recording of interest income in the savings account at Wells Fargo Bank. The result of this error was an overstatement of cash and interest income in the amount of \$15,002.

SUPPLEMENTARY INFORMATION

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

SCHEDULE OF PROGRAM REVENUES – MODIFIED CASH BASIS

Year Ended July 31, 2009

Awards	\$ 3,547
Broadcast	2,750
Corporate sponsorships	29,850
Dues	32,014
Baseball	13,052
Basketball	89,796
Cross country	2,700
Football	105,700
Golf	905
Rule books	4
Soccer	11,063
Softball	7,171
Sponsorships (CIF)	14,000
Swimming	5,622
Tennis	740
Track	7,816
Volleyball	15,493
Wrestling	9,066
Wrestling assessment	9,330
Other income - clothing	2,396
Other income - officials' mileage	130,068
Other income - miscellaneous	2,755
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TOTAL PROGRAM REVENUES	<u>\$ 495,838</u>

See accountants' report.

NORTHERN SECTION CALIFORNIA INTERSCHOLASTIC FEDERATION

SCHEDULE OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

Year Ended July 31, 2009

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 92,110	\$ 23,027	\$ 115,137
Payroll taxes	1,627	407	2,034
Employee benefits	12,082	3,021	15,103
Workers compensation	1,673	418	2,091
TOTAL COMPENSATION	107,492	26,873	134,365
Awards	22,879	-	22,879
Clothing	2,426	-	2,426
Commissioner expenses	6,378	-	6,378
Depreciation	-	2,334	2,334
Dues and subscriptions	-	400	400
Insurance	-	4,288	4,288
Leases	-	4,790	4,790
Legal and professional fees	-	4,374	4,374
Meetings	5,745	-	5,745
Miscellaneous	382	-	382
Office supplies	-	1,743	1,743
Officials	129,606	-	129,606
Patches	7,832	-	7,832
Points preparation	1,200	-	1,200
Postage	-	2,027	2,027
Printing	-	4,595	4,595
Rent	-	4,000	4,000
Rule books	4,042	-	4,042
Scholarships	6,500	-	6,500
Sports assigner fees	565	-	565
Sports	133,665	-	133,665
Taxes - sales tax	-	47	47
Taxes - use tax	-	242	242
Telephone	-	5,117	5,117
Utilities	-	5,542	5,542
Web site maintenance	809	-	809
Workshops and conferences	822	-	822
TOTAL EXPENSES	\$ 430,343	\$ 66,372	\$ 496,715

See accountants' report.