

WORLD FLYING DISC FEDERATION

Financial Statements As Of
December 31, 2014 And 2013

Together With Independent Auditors' Report

JDS professional
group
certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
the World Flying Disc Federation:

We have audited the accompanying financial statements of World Flying Disc Federation (the "WFDF"), which comprise the statement of financial position as of December 31, 2014 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Independent Auditors' Report, (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the World Flying Disc Federation as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Prior Year Report

The financial statements of World Flying Disc Federation as of December 31, 2013, were audited by another auditor whose report dated May 27, 2014, expressed an unmodified opinion.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the World Flying Disc Federation's financial statements. The supplemental schedule of functional expenses on page 10 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The statement of functional expenses is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, an other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of functional expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

JDS Professional Group

November 30, 2015

WORLD FLYING DISC FEDERATION

Statements Of Financial Position
As Of December 31, 2014 and 2013

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ASSETS	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash and cash equivalents	\$ 324,656	\$ 276,306
Accounts receivable	0	18,870
Prepaid expense	6,474	4,000
Total Current Assets	<u>331,130</u>	<u>299,176</u>
TOTAL ASSETS	<u>\$ 331,130</u>	<u>\$ 299,176</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	<u>\$ 4,689</u>	<u>\$ 3,524</u>
Net Assets:		
Unrestricted	323,564	294,028
Temporarily restricted	2,877	1,624
Total Net Assets	<u>326,441</u>	<u>295,652</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 331,130</u>	<u>\$ 299,176</u>

The accompanying notes are an integral part of the financial statements.

WORLD FLYING DISC FEDERATION

Statement Of Activities
For The Year Ended December 31, 2014

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue:			
Grants	\$ 16,667	\$ 8,333	\$ 25,000
Sponsorships	468		468
Membership dues	69,816		69,816
Event sanctioning	97,075		97,075
Interest income	60		60
Net assets released from restrictions - Satisfaction of purpose restriction	<u>7,080</u>	<u>(7,080)</u>	<u>0</u>
Total Revenue	<u>191,166</u>	<u>1,253</u>	<u>192,419</u>
Expenses:			
Program Services - WFDF events	<u>146,593</u>		<u>146,593</u>
Total Program Services	146,593		146,593
Supporting Services - General administration	<u>15,037</u>		<u>15,037</u>
Total Expenses	<u>161,630</u>		<u>161,630</u>
CHANGES IN NET ASSETS	29,536	1,253	30,789
Net Assets, Beginning Of Year	<u>294,028</u>	<u>1,624</u>	<u>295,652</u>
NET ASSETS, END OF YEAR	<u><u>\$ 323,564</u></u>	<u><u>\$ 2,877</u></u>	<u><u>\$ 326,441</u></u>

The accompanying notes are an integral part of the financial statements.

WORLD FLYING DISC FEDERATION

Statement Of Activities
For The Year Ended December 31, 2013

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue:			
Grants	\$ 16,667	\$ 8,333	\$ 25,000
Membership dues	60,149		60,149
Event sanctioning	80,384		80,384
Interest income	108		108
Net assets released from restrictions - Satisfaction of purpose restriction	<u>6,709</u>	<u>(6,709)</u>	<u>0</u>
Total Revenue	<u>164,017</u>	<u>1,624</u>	<u>165,641</u>
Expenses:			
Program Services - WFDF Events	123,723		123,723
Supporting Services - General administration	<u>18,920</u>		<u>18,920</u>
Total Expenses	<u>142,643</u>		<u>142,643</u>
CHANGES IN NET ASSETS	21,374	1,624	22,998
Net Assets, Beginning Of Year	<u>272,654</u>	<u>0</u>	<u>272,654</u>
NET ASSETS, END OF YEAR	<u>\$ 294,028</u>	<u>\$ 1,624</u>	<u>\$ 295,652</u>

The accompanying notes are an integral part of the financial statements.

WORLD FLYING DISC FEDERATION

Statements Of Cash Flows
For The Years Ended December 31, 2014 and 2013

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	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Changes in net assets	\$ 30,789	\$ 22,998
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities -		
(Increase) decrease in accounts receivable	18,870	(18,870)
Decrease in prepaid expenses	(2,474)	0
(Decrease) in accounts payable	1,165	(1,051)
(Decrease) in deferred revenue	0	(214)
Net cash provided by operating activities	<u>48,350</u>	<u>2,863</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 48,350	 2,863
 Cash And Cash Equivalents, Beginning Of Year	 <u>276,306</u>	 <u>273,443</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u><u>\$ 324,656</u></u>	 <u><u>\$ 276,306</u></u>

The accompanying notes are an integral part of the financial statements.

WORLD FLYING DISC FEDERATION

Notes To Financial Statements
For The Years Ended December 31, 2014 And 2013

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(1) **Nature Of Organization**

Purpose

The World Flying Disc Federation ("WFDF") serves as the international governing body of all flying disc sports, with responsibility for sanctioning world championship and other international flying disc events, establishing uniform rules, and setting standards for and recording of world records; it acts to promote and protect the "spirit of the game" of flying disc sports play; to encourage flying disc sports play throughout the world and foster the establishment of new national flying disc sports associations, advising them on all flying disc sports activities and general management; to promote and raise public awareness of and lobby for official recognition of flying disc play as sport; and to provide an international forum for discussion of all aspects of flying disc sports play. WFDF is made up of the National Associations ("Members") that govern their respective disc sports. As of the end of 2014, there were 62 Member associations (53 Regular and 9 Provisional Members), representing athletes in 58 countries. These Members guide the administration of WFDF through a Board of Directors and an Executive Director. WFDF is a member of SportAccord and the International World Games Association, and is a signatory to the World Anti-Doping Associations (WADA) Code. It is incorporated in the state of Colorado, USA. As of December 31, 2014, WFDF has received provisional recognition by the International Olympic Committee.

(2) **Summary Of Significant Accounting Policies**

Method Of Accounting

The financial statements of WFDF have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis Of Presentation

WFDF is required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2014 and 2013, WFDF had unrestricted and temporarily restricted net assets.

Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that

affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash And Cash Equivalents

WFDF considers cash and cash equivalents to be cash on hand, and demand deposits with maturities of 90 days or less. The US dollar (US\$ or \$) is the functional currency of WFDF. Amounts are translated from other currencies as of the date they are paid or received in cash.

Promises to Give

Unconditional promises to give are recognized when promised.

Accounts Receivable

WFDF uses the allowance method to determine uncollectible receivables. Amounts are considered past due based on the terms of the agreement. WFDF's policy for charging off receivables is when future payments thereon are determined to be improbable. As of December 31, 2014, management expects to collect all receivables.

Revenue Recognition

Membership dues are recognized ratably over the term of the membership period. Other revenue is recognized as earned.

Subsequent Events

WFDF has performed an evaluation of subsequent events through the date of this report, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

(3) Tax Exempt Status

WFDF has previously received notice from the Internal Revenue Service of exemption from income tax under Section 501(c)(6) of the Internal Revenue Code except for amounts representing unrelated business income. During the years ended December 31, 2014 and 2013, WFDF did not incur any unrelated business income.

WFDF follows *Accounting for Uncertainty in Income Taxes* which requires them to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the years ended December 31, 2014 and 2013, WFDF's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an affect on its tax-exempt status.

WFDF is no longer subject to U.S. federal income tax audits on its Form 990 by taxing authorities for years prior to 2012. The years subsequent to these years contain matters that could be subject to differing interpretations of applicable tax laws and regulations as it relates to the amount and/or timing of income, deductions, and tax credits. Although the outcome of tax audits is uncertain, WFDF believes no issues would arise.

(4) **Concentrations Of Credit Risk**

WFDF's cash deposits are held at financial institutions at which deposits are insured up to \$250,000 per institution by the FDIC. As of December 31, 2014, WFDF had uninsured cash balances of \$70,174.

(5) **Temporarily Restricted Net Assets**

WFDF's temporarily restricted net assets as of December 31, 2014 and 2013 were \$2,877 and \$1,624, respectively, and were available for the purpose of growing the game in developing markets and regions.

WORLD FLYING DISC FEDERATION

Supplemental Schedule Of Functional Expenses

For The Year Ended December 31, 2014

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(With Summarized Financial Information For The Year Ended December 31, 2013)

	<u>Program Services</u>	<u>Support Services</u>		
	<u>WFDF Events</u>	<u>General Administration</u>	<u>2014 Total</u>	<u>2013 Total</u>
Bank and credit card fees	\$	\$ 2,339	\$ 2,339	\$ 1,580
Communications	3,168	82	3,250	19,270
Contract services	67,579	6,070	73,649	51,438
Sport development	8,031		8,031	5,195
Dues and memberships	12,451		12,451	7,251
Insurance		2,551	2,551	7,340
Medals	3,752		3,752	3,469
Postage and shipping	399	43	442	19
Professional services		3,841	3,841	2,873
Supplies	1,938	111	2,049	931
Drug testing	7,080		7,080	6,709
Travel	42,195		42,195	36,568
Total Expenses	<u>\$ 146,593</u>	<u>\$ 15,037</u>	<u>\$ 161,630</u>	<u>\$ 142,643</u>