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**WORLD FLYING DISC FEDERATION**  
(a Colorado Nonprofit Corporation)

**FINANCIAL STATEMENTS**

for the year ended

December 31, 2010

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Board of Directors  
World Flying Disc Federation  
Boulder, Colorado

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statements of financial position of World Flying Disc Federation (a Colorado nonprofit organization) as of December 31, 2010 and the related statements of financial activity, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Flying Disc Federation, as of December 31, 2010 and the results of its activities for the year then ended in conformity with generally accepted accounting principles in the United States of America.

  
Jon Blomberg  
Certified Public Accountant

April 15, 2011  
Boulder, Colorado

**WORLD FLYING DISC FEDERATION**  
(a Colorado Nonprofit Corporation)  
**STATEMENT OF FINANCIAL POSITION**

<i>as of December 31</i>	<u>2010</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 293,513
Total current assets	<u>293,513</u>
TOTAL ASSETS	<u>\$ 293,513</u>
<u>LIABILITIES AND NET ASSETS</u>	
LIABILITIES	
Total liabilities	-
NET ASSETS	
Unrestricted net assets	\$ 288,528
Temporarily restricted net assets	<u>4,985</u>
Total net assets	<u>293,513</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 293,513</u>

# WORLD FLYING DISC FEDERATION

(a Colorado Nonprofit Corporation)

## STATEMENT OF FINANCIAL ACTIVITY

for the year ended December 31

	2010		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 1,060	\$ 49,940	\$ 51,000
Memberships	46,613		46,613
Event Sanctioning	167,741		167,741
Investment and other income	346		346
Net assets released from restrictions	<u>44,955</u>	<u>(44,955)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	260,715	4,985	265,700
<b>EXPENSES</b>			
Program services			
WFDF events	30,097		30,097
Ultimate Peace events	<u>44,955</u>		<u>44,955</u>
Total program	75,052		75,052
Support services			
General and administrative	<u>22,771</u>		<u>22,771</u>
Total Expenses	<u>97,823</u>		<u>97,823</u>
CHANGE IN NET ASSETS	162,892	4,985	167,877
Net assets, beginning of year	<u>125,636</u>	<u>-</u>	<u>125,636</u>
Net assets, end of year	<u>\$ 288,528</u>	<u>\$ 4,985</u>	<u>\$ 293,513</u>

See Notes to Financial Statements

# WORLD FLYING DISC FEDERATION

(a Colorado Nonprofit Corporation)

## STATEMENT OF CASH FLOWS

*for the year ended December 31*

2010

Cash flows from operating activities:

Change in net assets

Unrestricted

\$ 162,892

Temporarily restricted

4,985

Increase (decrease) in operating liabilities:

Deferred revenue

(39,698)

Net cash flows from operating activities

128,179

NET INCREASE (DECREASE) IN CASH

128,179

Cash at beginning of year

165,334

Cash at December 31

\$ 293,513

**WORLD FLYING DISC FEDERATION**  
(a Colorado Nonprofit Corporation)  
**STATEMENT OF FUNCTIONAL EXPENSES**  
for the year ended December 31  
2010

	PROGRAM SERVICES			SUPPORT SERVICES	Total
	WFDF Events	Ultimate Peace Events	Total Program Services	General and Administrative Expenses	
Bank and credit card fees	\$ 719	\$ -	\$ 719	\$ 295	\$ 1,014
Communications	999	-	999	-	999
Contract services	11,078	22,490	33,568	14,615	48,183
Dues and subscriptions	5,700	-	5,700	-	5,700
Insurance	675	-	675	675	1,350
Medals	5,585	-	5,585	-	5,585
Professional services	-	-	-	1,086	1,086
Software	-	-	-	156	156
Supplies	1,138	6,380	7,518	-	7,518
Travel	4,203	16,085	20,288	5,944	26,232
<b>TOTAL</b>	<b>\$ 30,097</b>	<b>\$ 44,955</b>	<b>\$ 75,052</b>	<b>\$ 22,771</b>	<b>\$ 97,823</b>

# WORLD FLYING DISC FEDERATION

(a Colorado Nonprofit Corporation)

## NOTES TO FINANCIAL STATEMENTS

### Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of World Flying Disc Federation (WFDF) have been prepared on the accrual basis. The preparation of financial statements requires the organization's 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below.

WFDF adopted the accrual basis of accounting effective January 1, 2010.

#### Organization

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 year end 2010, there were 35 Regular and 19 Provisional Members, representing athletes in 53 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.

#### Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) Number 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, WFDF is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### Promises to Give

Contributions are recognized when the donor makes a promise to give to WFDF that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### Contributions

WFDF has adopted SFAS Number 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS Number 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. WFDF has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges for contributions are considered earned as received unless restricted for use in a future accounting period.

# WORLD FLYING DISC FEDERATION

(a Colorado Nonprofit Corporation)

## NOTES TO FINANCIAL STATEMENTS

### Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Contributions (continued)

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions

#### Cash and Cash Equivalents

WFDF considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. 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.

#### Functional Expenses

WFDF allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs or support services are allocated based on various statistical relationships.

#### Credit Risk

Assets that potentially subject WFDF to concentrations of credit risk consist principally of cash and investments. WFDF places most of its cash and investments in accounts with financial institutions that are guaranteed by the Federal Deposit Insurance Corporation of the USA, with a limited account exposure to its online payment provider.

#### Donated Goods and Services

Contributed services and supplies are reflected in the financial statements at the fair value of the services and supplies received. The contributions of services are recognized if the services received satisfy the criteria for recognition under SAFS Number 116. The contributions of services are recognized if the services received: (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

WFDF pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist WFDF with specific assistance programs and various committee assignments. The value of these services has not been recognized in these financial statements because the criteria for recognition under SFAS Number 116 have not been satisfied.

#### Advertising

WFDF follows a policy of charging the costs of advertising to expense as incurred.

### Note 2 - INCOME TAXES

The WFDF is exempt from Federal Income Taxes under Section 501(c) (3) of the United States Internal Revenue Code. The WFDF is also exempt from State of Colorado Income Taxes. WFDF has also been classified as an entity that is not a private foundation.

**WORLD FLYING DISC FEDERATION**  
(a Colorado Nonprofit Corporation)  
**NOTES TO FINANCIAL STATEMENTS**

**Note 3 – TEMPORARILY RESTRICTED NET ASSETS**

WFDF is supporting development efforts organized and run by Ultimate Peace. Charitable contributions received by WFDF in 2010 were dedicated to support of the work of that organization and are held as restricted balances in our accounts. During 2010 WFDF recorded \$1,060 as unrestricted donations to offset WFDF administrative expenses related to these contributions. At December 31, 2010 WFDF had \$4,985 of donations temporarily restricted for Ultimate Peace events.

**Note 4 – LIABILITIES AND CONTINGENCIES**

WFDF does not have any loans outstanding or other material contingent liabilities. There is no outstanding litigation to which it is a party.

**Note 5 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 15, 2011, the date which the financial statements were available to be issued.