

WORLD FLYING DISC FEDERATION

Financial Statements As Of
December 31, 2015 And 2014

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 statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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 11 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, and 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

July 5, 2016

WORLD FLYING DISC FEDERATION

Statements Of Financial Position
As Of December 31, 2015 and 2014

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ASSETS	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash and cash equivalents	\$ 264,806	\$ 324,656
Accounts receivable	58,012	0
Prepaid expense	<u>7,397</u>	<u>6,474</u>
TOTAL ASSETS	<u>\$ 330,215</u>	<u>\$ 331,130</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	<u>\$ 29,119</u>	<u>\$ 4,689</u>
Net Assets:		
Unrestricted	296,653	323,564
Temporarily restricted	<u>4,443</u>	<u>2,877</u>
Total Net Assets	<u>301,096</u>	<u>326,441</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 330,215</u>	<u>\$ 331,130</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, 2015

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	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Revenue:			
Grants	\$ 22,911	\$ 8,333	\$ 31,244
Sponsorships	7,500		7,500
Membership dues	72,610		72,610
Event sanctioning	63,300		63,300
Interest income	60		60
Other income	25,878		25,878
Net assets released from restrictions - Satisfaction of purpose restriction	<u>6,767</u>	<u>(6,767)</u>	
Total Revenue	<u>199,026</u>	<u>1,566</u>	<u>200,592</u>
Expenses:			
Program Services - WFDF events	210,698		210,698
Supporting Services - General administration	<u>15,239</u>		<u>15,239</u>
Total Expenses	<u>225,937</u>		<u>225,937</u>
CHANGES IN NET ASSETS	(26,911)	1,566	(25,345)
Net Assets, Beginning Of Year	<u>323,564</u>	<u>2,877</u>	<u>326,441</u>
NET ASSETS, END OF YEAR	<u>\$ 296,653</u>	<u>\$ 4,443</u>	<u>\$ 301,096</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>	Temporarily <u>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>	
Total Revenue	<u>191,166</u>	<u>1,253</u>	<u>192,419</u>
Expenses:			
Program Services - WFDF Events	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>\$ 323,564</u>	<u>\$ 2,877</u>	<u>\$ 326,441</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, 2015 and 2014

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	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Changes in net assets	\$ (25,345)	\$ 30,789
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	(58,012)	18,870
(Increase) in prepaid expenses	(923)	(2,474)
Increase in accounts payable	24,430	1,165
Net cash provided by (used in) operating activities	<u>(59,850)</u>	<u>48,350</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (59,850)	 48,350
 Cash And Cash Equivalents, Beginning Of Year	 <u>324,656</u>	 <u>276,306</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u><u>\$ 264,806</u></u>	 <u><u>\$ 324,656</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, 2015 And 2014

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(1) Nature Of 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 the end of 2015, there were 68 Member associations (60 Regular and 8 Provisional Members), representing athletes in 65 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, 2015 and 2014, 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, 2015, 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, 2015 and 2014, 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, 2015 and 2014, 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, 2015, WFDF had uninsured cash balances of \$644.

(5) **Temporarily Restricted Net Assets**

WFDF's temporarily restricted net assets as of December 31, 2015 and 2014 were \$4,443 and 2,877, 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, 2015

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(With Summarized Financial Information For The Year Ended December 31, 2014)

	<u>Program Services</u>	<u>Support Services</u>		
	<u>WFDF Events</u>	<u>General Administration</u>	<u>2015 Total</u>	<u>2014 Total</u>
Bank and credit card fees	\$	\$ 2,350	\$ 2,350	\$ 2,339
Communications	2,244		2,244	3,250
Contract services	74,636	5,080	79,716	73,649
Sport development	24,633		24,633	8,031
Dues and memberships	7,465		7,465	12,451
Insurance	6,500	1,963	8,463	2,551
Medals	10,839		10,839	3,752
Equipment and merchandise	24,675		24,675	
Postage and shipping		67	67	442
Professional services		5,541	5,541	3,841
Supplies	22,573	238	22,811	2,049
Drug testing	6,767		6,767	7,080
Travel	30,366		30,366	42,195
Total Expenses	<u>\$ 210,698</u>	<u>\$ 15,239</u>	<u>\$ 225,937</u>	<u>\$ 161,630</u>