

WORLD FLYING DISC FEDERATION

Financial Report for the Years Ended December 31, 2004, 2005 and 2006

together with the Auditors' Report dated as of December 30, 2007

Report Submitted by:

Robert L. "Nob" Rauch WFDF Treasurer



Auditors' Report

We have reviewed the financial statements, general ledger, budget, and bank statements for 2006. The financial documentation of WFDF is in good order and revenues and expenses are reasonably in line with the budget approved by Congress.

It is positive that most member associations are in good standing with respect to their membership dues. The income side follows the budget closely. However, we note that in 2006 expenses were in most cases significantly under budget. While this is positive on the surface, it is not favourable if it means that planned programs were not performed. WFDF is an organisation to promote disc sports world wide and the primary objective is not to make money. The financial resources are there to support the actions decided by Congress in pursuit of the goals of WFDF.

Looking forward, with a big part of revenues coming from Ultimate world championships sanctioned by WFDF, WFDF's revenues fluctuate significantly depending on whether the WUGC or WUCC are played in a given year. Nonetheless, the expenses for administering the organization should be about the same from year to year. Accordingly, the organization should monitor administrative contractors' expenses to ensure that fixed expenses of the corporation do not become excessive given the fluctuations in revenues.

It is positive that the WFDF financials are again being prepared on a standard accounting software package (Quickbooks) after many years of being kept on an Excel worksheet. Although we have not reviewed the general ledger entries for 2004 and 2005 that were entered for historical purposes, we confirm that the aggregate amounts reported as compiled through the Quickbooks package are the same as previously reported.

We recommend that the financial report of WFDF for 2006 be accepted by the members.

Submitted by:

Johan Lindgren / Jeroen Pouwels WFDF Auditors

Sundsvall, Sweden / Deventer, Netherlands December 30, 2007

World Flying Disc Federation Statement of Operating Cash Flow and Reconciliation to Bank Account Balances and Budget

	Actual				
(in US dollars; cash basis accounting)	2004	2005	2006	2006 Budget	Variance
Beginning Adjusted Balance - Checking	7.044.60	27,297.53	20,513.28		
Beginning Balance - Money Market	41.296.97	26,380.93	26,539.04		
Beginning Balance - PayPal	0.00	0.00	0.00		
Total Beginning Cash Balances	48,341.57	53,678.46	47,052.32		
Income					
Total 4000 · Dues	17,243.75	26,109.25	26,342.43	26,338.75	3.68
Total 4300 · Sponsorship	0.00	0.00	0.00	0.00	0.00
Total 4400 - Merchandise Sales	0.00	0.00	0.00	100.00	(100.00)
Total 4500 · Donations	0.00	0.00	700.00	0.00	700.00
Total 4700 · Event Sanctioning Income	23,820.96	1,058.97	33,990.00	31,500.00	2,490.00
Total 4800 · Interest/Investment income	83.96	158.11	414.22	200.00	214.22
Total Income	41,148.67	27,326.33	61,446.65	58,138.75	3,307.90
Expense					
Total 6100 · Event Management	2,608.42	2,115.38	7,819.60	17,000.00	(9,180.40)
Total 6200 · Congress expenses	1,600.00	2,886.54	0.00	3,300.00	(3,300.00)
Total 6300 · World Games expense	0.00	3,916.30	2,950.74	0.00	2,950.74
Total 6400 · WFDF Official Memberships	3,897.71	4,795.34	5,802.44	5,200.00	602.44
6500 · Special projects	0.00	0.00	0.00	0.00	0.00
6600 · Member svcs miscellaneous	0.00	0.00	0.00	100.00	(100.00)
6800 · Administration					
Total 6810 · Administrative Contractors fees	25,250.00	18,118.75	8,447.40	18,000.00	(9,552.60)
Total 6820 · Office Supplies	0.00	263.86	312.56	2,000.00	(1,687.44)
Total 6830 · Communications & Internet	440.00	49.90	386.11	1,650.00	(1,263.89)
Total 6840 · Other Services/fees	618.75	0.00	475.20	550.00	(74.80)
6850 · Insurance	1,100.00	1,101.00	1,132.00	1,100.00	32.00
Total 6860 · Bank fees/Othr fin transactions	296.90	705.40	690.95	330.00	360.95
Total 6870 · Travel - air/auto/food/htl/comm	0.00	0.00	76.86	0.00	76.86
Total 6800 · Administration	27,705.65	20,238.91	11,521.08	23,630.00	(12,108.92)
Total Expense	35,811.78	33,952.47	28,093.86	49,230.00	(21,136.14)
Net Operating Cash Flow	5,336.89	(6,626.14)	33,352.79	8,908.75	24,444.04
Net Transfer: MM to DDA	15,000.00	0.00	0.00		
Net Transfer: DDA to MM Account	83.96	158.11	40,000.00		
Ending Balance - Checking (Actual)	28,797.53	20,750.78	11,736.18		
Amounts Cleared After Statement Period	(1,500.00)	(237.50)	0.00		
Ending Balance - Checking (Adjusted)	27,297.53	20,513.28	11,736.18		
Ending Balance - Money Market	26,380.93	26,539.04	66,929.72		
Ending Balance - PayPal	0.00	0.00	1,739.21		
Total Ending Adjusted Cash Balances	53,678.46	47,052.32	80,405.11		



World Flying Disc Federation Balance Sheet

	Dec 31, 04	Dec 31, 05	Dec 31, 06
ASSETS			
Current Assets			
Checking/Savings			
1020 · Wells Fargo Money Market	26,380.93	26,539.04	66,929.72
1030 · Wells Fargo Checking	27,297.53	20,513.28	11,736.18
1040 · Paypal	0.00	0.00	1,739.21
Total Checking/Savings	53,678.46	47,052.32	80,405.11
Total Current Assets	53,678.46	47,052.32	80,405.11
TOTAL ASSETS	53,678.46	47,052.32	80,405.11
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LIABILITIES & EQUITY			
Equity			
1110 · Retained Earnings	0.00	13,463.03	5,336.89
3000 · Opening Bal Equity	48,341.57	41,715.43	41,715.43
Net Income	5,336.89	-8,126.14	33,352.79
Total Equity	53,678.46	47,052.32	80,405.11
TOTAL LIABILITIES & EQUITY	53,678.46	47,052.32	80,405.11



World Flying Disc Federation Notes to Financial Statements

Note 1: Basis of Presentation

This financial report has been prepared on the cash basis of accounting. The cash basis recognizes revenues when collected rather than when earned and expenses when paid rather than incurred. At year end, checks deposited but not cleared, or written but not cleared, are recognized in the year in which they were deposited or written, and are netted in the balance sheet from the actual year end cash balances. Under the cash basis, therefore, there are no accounts receivables, inventories, or accounts payable accounts on the balance sheet, long-term assets are not capitalized, and hence no depreciation or amortization is recorded, and liabilities are not recorded except as a memo item.

The US dollar (US\$ or \$) is the functional currency of WFDF. Amounts are translated from other currencies as of the date paid in cash.

Note 2: Corporate Organization

World Flying Disc Federation (WFDF) is legally incorporated in the state of Colorado, USA. As WFDF's purpose includes "fostering international amateur sports competition," it has officially been recognized as a tax-exempt organization under IRC Section 501(c)(3) of the US tax code since 1994. WFDF is a member of both the General Association of International Sports Federations (GAISF) and International World Games Association (IWGA) since 1995.

WFDF is a federation of international flying disc associations. There are no individual members. As of December 2006, there were 25 Regular Members, 6 Associate Members, 3 Organizational members, and 43 formal and informal Provisional Members and Country Contacts. Of these members, there are associations in 70 countries represented, from Africa, Asia, Australia, Europe, North America, and South America. Member associations representing disc disciplines include: Ultimate Players Association, Professional Disc Golf Association, Guts Players Association, Freestyle Players Association, and Beach Ultimate Lovers Association. Additional member information is included in Notes 4 and 9.

Note 3: Revisions to 2005 and 2004 Reports

In the preparation of the 2005 report and reconciliation with the previous years, entries relating to independent contractor consulting fees for the Event Administrator were reclassified from the Event category to the Administration-Administrative Contractor category. This was done to conform to the new status of having one independent contractor with an average 20 hour per week consulting arrangement handling most administrative duties for the organization including Events. Such reclassifications had no material impact on the financial standing of WFDF.



Note 4: Members not in good standing as of December 31, 2006

As of December 31, 2006, the following members were in arrears with respect to dues payments and were considered not in good standing: Federação Paulista de Disco, Flying Disc Federation of India, Freestyle Players Association, Hong Kong Ultimate Players Association, Russian Flying Disc Federation, Slovak Association of Frisbee, and Venezuelan Ultimate Association.

Note 5: Payments to Administrative Contractors

WFDF has engagements with several independent contractors to perform administrative work for the organization. Each is paid on the basis of an hourly stipend of US \$25.00 per hour, with reimbursement on an occasional basis in arrears. Aggregate payments in 2005 and 2006 were as follows:

	2005	2006	
Jonathan Potts	US\$ 13,475.00	US\$ 3,037.50	
Dan Roddick	US\$ 3,481.25	US\$ 2,868.75	
Deirdre Abrahamsson	US\$ 1,462.50	US\$ 150.00	
Anne-Marie Carey	US\$ 0.00	US\$ 1,750.50	
Total	US\$ 18,418.75	US\$ 7,806.25	

In December 2006 Anne-Marie Carey of Vancouver, Canada, became an independent contractor for WFDF with a contract that is to average approximately 20 hours per week. Her position combines the administrative and event work previously handled by Jonathan Potts and Deirdre Abrahamsson. Dan Roddick continues to provide consulting assistance with respect to individual event, record keeping, and other special tasks.

Consulting fees for Deirdre Abrahamsson previously categorized as event management expenses were reclassified as Administrative Contractor Fees as of this 2006 report.



World Flying Disc Federation Notes to Financial Statements

Note 6: Bank Fees

WFDF pays fees to make or receive wire transfers. Wells Fargo typically charges US\$ 32 per outgoing wire transfer and US\$ 10 per incoming wire transfer. In connection with the receipt of membership dues, WFDF absorbs the receipt charge (although Members are responsible for the wire initiation fees on their end). WFDF also established a PayPal account in 2006 through which it can accept dues payments for Members whose dues are less than approximately US\$1,000, for which it pays fees of 2.9% plus 0.30%, plus a 0.50% cross border surcharge. Previously, Bill Wright through his personal business *Wright Life* had assumed the fees for accepting payments via credit cards through 2005 which averages 2.5%-3.0% of the amount paid.

Note 7: Bank Accounts

WFDF maintains its bank accounts with Wells Fargo Bank, the only bank in the United States to hold the highest possible credit rating, "Aaa," from Moody's Investors Service. Wells Fargo & Company is the fifth largest bank in the US with \$453 billion in assets. WFDF has both a checking account and a money market account at Wells Fargo. WFDF also maintains a money market account with PayPal. Balances as of December 31 were as follows:

	2004	2005	2006
Ending Balance - Checking (Actual)	28,797.53	20,750.78	11,736.18
Amounts Cleared After Statement Period	(1,500.00)	(237.50)	0.00
Ending Balance - Checking (Adjusted)	27,297.53	20,513.28	11,736.18
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Total Ending Adjusted Cash Balances	53,678.46	47,052.32	80,405.11

The balances of the checking accounts for 2004 and 2005 have been adjusted for an uncleared check written before each year end in the amounts of US\$1,500 and US\$237.50, respectively.

Note 8: Liabilities or Contingencies

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



World Flying Disc Federation Notes to Financial Statements

Note 9: Members and Affiliates as Reported on WFDF Web Site as of 31 Dec 06

Regular Members

Australian Flying Disc Association Inc. Österreichischer Frisbeesportverband Belgian Flying disc federation Canadian Ultimate Players Association Czech Flying Disc Association Dansk Frisbee Sport Union Finnish Flying Disc Association Fédération Flying Disc France Deutscher Frisbeesport-Verband e.V. Hong Kong Ultimate Players Association Flying Disc Federation of India Federazione Italiana Flying Disc Japan Flying Disc Association Asociacion Mexicana de Disco Volador Nederlandse Frisbee Bond New Zealand Flying Disc Association Norges Frisbee Forbund Korea Ultimate Swedish Frisbeesport Federation Schweizerischen Frisbeesport Verband Swiss Discgolf Association Chinese Taipei Flying Disc Association British Disc Golf Association UK Ultimate Association Venezuelan Ultimate Assosiation

Associate Members

Federação Paulista de Disco Irish Flying Disc Association Russian Flying Disc Federation Slovak Association of Frisbee South African Flying Disc Association Federación Española Disco Volador

Organizational Members

Freestyle Players Association Professional Disc Golf Association Ultimate Players Association

Provisional Members

China Ultimate Colombia Costa Rican Ultimate Frisbee Team Hungarian Frisbee Association Iceland Indonesian Flying Disc Association Beach Ultimate Lovers Association The Israeli Flying Discs Association Latvia Flying Disc Federation Lithuania Flying Disc Federation KLdisc Philippine Ultimate Association Beach Ultimate Group - Portugal Ultimate Players Association (Singapore) Tanzanian Flying Disc Association United States Guts Players Association

Country Contacts

Association Del Disco Volador Argentina Azerbaijan Ultimate Barbados Hat Belarusian Flying Disc Federation Bermuda Ultimate Frisbee Federation Ultimate Frisbee Chile Croatia Ultimate Frisbee Ultimate Frisbee RD Ecuador Ultimate Egypt Flying Disc Federation Estonian Flying Disc Federation Georgian Flying Disc Association Jamaica Ultimate Luxembourg Ultimate Ultimate Frisbee Marrakech Team Peru Ultimate Poland Ultimate Puerto Rico Slovenija Ultimate Bangkok Ultimate Turkish Flying Disc Association Turkmenistan Flying Disc Federation Kampala Ultimate frizbee club Ukraine Hanoi Ultimate Club US Virgin Islands Ultimate HIS group