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# WORLD FLYING DISC FEDERATION

(a Colorado Nonprofit Corporation)

### FINANCIAL STATEMENTS

for the year ended

December 31, 2011 and 2010

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## Jon Blomberg

Certified Public Accountant

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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, 2011 and 2010 and the related statements of financial activity, cash flows and functional expenses for the years 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, 2011 and 2010 and the results of its activities for the years then ended in conformity with generally accepted accounting principles in the United States of America.

Jon Blomberg
Certified Public Accountant

April 27, 2012 Boulder, Colorado

(a Colorado Nonprofit Corporation)

## STATEMENT OF FINANCIAL POSITION

as of December 31	2011	2010
ASSETS CURRENT ASSETS		
Cash	\$ 255,843	\$ 293,513
Accounts receivable	5,520	
Total current assets	261,363	293,513
TOTAL ASSETS	\$ 261,363	\$ 293,513
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 923	\$ -
Total current liabilities	923	
Total liabilities	923	-
NET ASSETS		
Unrestricted net assets	260,440	\$ 288,528
Temporarily restricted net assets		4,985
Total net assets	260,440	293,513
TOTAL LIABILITIES AND NET ASSETS	\$ 261,363	\$ 293,513

(a Colorado Nonprofit Corporation)

## STATEMENT OF FINANCIAL ACTIVITY

for the year ended December 31	2011			
		Temporarily		
	<u>Unrestricte</u>	<u>Restricted</u>	Total	<u>Total</u>
SUPPORT AND REVENUE				
Contributions		\$ 94,557	\$ 94,557	\$ 51,000
Grant		25,000	25,000	-
Memberships	\$ 51,11	6	51,116	46,613
Event Sanctioning	17,52	0	17,520	167,741
Investment and other income	33	1	331	346
Net assets released from restrictions	124,54	2 (124,542)		
TOTAL SUPPORT AND REVENUE	193,50	9 (4,985)	188,524	265,700
EXPENSES				
Program services				
WFDF events	75,42	7	75,427	30,097
Ultimate Peace events	119,99	9	119,999	44,955
Total program	195,42	6	195,426	75,052
Support services				
General and administrative	26,17	1	26,171	22,771
Total Expenses	221,59	7	221,597	97,823
CHANGE IN NET ASSETS	(28,08	8) (4,985)	(33,073)	167,877
Net assets, beginning of year	288,52	8 4,985	293,513	125,636
Net assets, end of year	\$ 260,44	<u> </u>	\$ 260,440	\$ 293,513

(a Colorado Nonprofit Corporation)

## STATEMENT OF CASH FLOWS

for the year ended December 31		2011		2010	
Cash flows from operating activities:					
Change in net assets					
Unrestricted	\$	(28,088)	\$	162,892	
Temporarily restricted		(4,985)		4,985	
Increase (decrease) in operating assets:					
Accounts receivable		(5,520)		-	
Increase (decrease) in operating liabilities:					
Accounts payable		923			
Deferred revenue		_		(39,698)	
Net cash flows from operating activities		(37,670)		128,179	
NET INCREASE (DECREASE) IN CASH		(37,670)		128,179	
Cash at beginning of year		293,513		165,334	
Cash at December 31	<u>\$</u>	255,843	\$	293,513	

(a Colorado Nonprofit Corporation)

## STATEMENT OF FUNCTIONAL EXPENSES

for the year ended December 31

	2011				 2010	
	PROGRAM SERVICES			SUPPORT SERVICES	Total	 Total
		Ultimate	Total	General and		
	WFDF	Peace	Program	Administrative		
	<b>Events</b>	<b>Events</b>	<u>Services</u>	<u>Expenses</u>		
Bank and credit card fees	\$ -	\$ 1,406	\$ 1,406	\$ 1,360	\$ 2,766	\$ 1,014
Communications	6,138	327	6,465	512	6,977	999
Contract services	37,852	16,769	54,621	16,512	71,133	48,183
Donation and grant	5,000	36,656	41,656	-	41,656	-
Dues and memberships	6,271	-	6,271	-	6,271	5,700
Equipment	-	4,985	4,985	-	4,985	-
Insurance	2,500	1,529	4,029	1,421	5,450	1,350
Marketing	71	-	71	-	71	-
Medals	4,923	-	4,923	-	4,923	5,585
Postage and shipping	-	520	520	-	520	-
Professional services	-	788	788	4,393	5,181	1,086
Rent	-	776	776	-	776	-
Supplies	-	3,810	3,810	1,039	4,849	7,674
Drug Testing	5,429	-	5,429	-	5,429	-
Travel	7,243	52,433	59,676	934	60,610	 26,232
TOTAL	\$ 75,427	\$119,999	\$ 195,426	\$ 26,171	\$221,597	\$ 97,823

(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 the end of 2011, there were 39 Regular and 16 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.

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### 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

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.

#### Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

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### NOTES TO FINANCIAL STATEMENTS

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

### Comparative Financial Information

The financial information shown for 2010 in the accompanying financial statement is included to provide a basis for comparison with 2011 and presents summarized totals only. Such information should be read in conjunction with WFDF's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

#### 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.

### 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 temporarily restricted balances in WFDF accounts. During 2011Ultimate Peace was incorporated as an exempt organization and all remaining temporarily restricted assets were donated to it. Prior to that incorporation the revenues and expenses of Ultimate Peace were reported as revenues and expenses of WFDF and accounted for as temporarily restricted assets.

#### 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 27, 2012, the date which the financial statements were available to be issued.