



WORLD FLYING DISC FEDERATION

**Financial Statements &
Supplementary Schedule**

For the Year Ended December 31, 2016

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
World Flying Disc Federation
Colorado Springs, Colorado

We have audited the accompanying financial statements of World Flying Disc Federation (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and changes in net assets, 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 audits. 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 auditor's 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.

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

Opinion

In our 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, 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements of World Flying Disc Federation as of December 31, 2015, were audited by other auditors whose report dated July 5, 2016, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program and supporting services is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Waugh & Goodwin, LLP
Colorado Springs, Colorado
June 9, 2017

WORLD FLYING DISC FEDERATION
Statement of Financial Position
December 31, 2016
(With Comparative Amounts for 2015)

	<u>ASSETS</u>	
	<u>2016</u>	<u>2015</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 268,011	\$ 256,083
Accounts receivable	74,970	66,735
Prepaid expenses	<u>500</u>	<u>7,397</u>
TOTAL ASSETS	<u>\$ 343,481</u>	<u>\$ 330,215</u>

<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	<u>\$ 48,176</u>	<u>\$ 29,119</u>
Total current liabilities	48,176	29,119
NET ASSETS:		
Unrestricted	291,735	296,653
Temporarily restricted	<u>3,570</u>	<u>4,443</u>
Total net assets	<u>295,305</u>	<u>301,096</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 343,481</u>	<u>\$ 330,215</u>

See Notes to Financial Statements

WORLD FLYING DISC FEDERATION
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2016
(With Comparative Totals for 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Totals</u>	<u>2015 Totals</u>
REVENUE AND SUPPORT:				
Events	\$ 151,316	\$	\$ 151,316	\$ 63,300
Donations	87,715		87,715	
Membership dues	76,011		76,011	72,610
Grants	37,917	8,333	46,250	31,244
Merchandise sales, net costs of sales of \$48,673 and \$35,112	31,928		31,928	(9,233)
Sponsorships	10,000		10,000	7,500
Value in-kind	944		944	
Interest & dividends	48		48	60
Satisfied program restrictions	<u>9,206</u>	<u>(9,206)</u>		
Total revenue and support	405,085	(873)	404,212	165,481
EXPENSES:				
Program expenses:				
WFDF events	354,097		354,097	175,587
Supporting services:				
General & administrative	<u>55,906</u>		<u>55,906</u>	<u>15,239</u>
Total expenses	<u>410,003</u>		<u>410,003</u>	<u>190,826</u>
CHANGE IN NET ASSETS	(4,918)	(873)	(5,791)	(25,345)
NET ASSETS, beginning of year	<u>296,653</u>	<u>4,443</u>	<u>301,096</u>	<u>326,441</u>
NET ASSETS, end of year	<u>\$ 291,735</u>	<u>\$ 3,570</u>	<u>\$ 295,305</u>	<u>\$ 301,096</u>

See Notes to Financial Statements

WORLD FLYING DISC FEDERATION
Statement of Cash Flows
For the Year Ended December 31, 2016
(With Comparative Amounts for 2015)

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (5,791)	\$ (25,345)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in operating assets:		
Accounts receivable	(8,235)	(66,735)
Prepaid expenses	6,897	(923)
Increase (decrease) in operating liabilities:		
Accounts payable	<u>19,057</u>	<u>24,430</u>
Total adjustments	<u>17,719</u>	<u>(43,228)</u>
Net cash provided (used) by operating activities	<u>11,928</u>	<u>(68,573)</u>
NET INCREASE (DECREASE) IN CASH	11,928	(68,573)
CASH AND CASH EQUIVALENTS, beginning of year	<u>256,083</u>	<u>324,656</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 268,011</u>	<u>\$ 256,083</u>

See Notes to Financial Statements

WORLD FLYING DISC FEDERATION
Notes to Financial Statements
For the Year Ended December 31, 2016

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The World Flying Disc Federation (the Federation) 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. The Federation is made up of the National Associations (Members) that govern their respective disc sports. These members guide the administration of the Federation through Board of Directors and an Executive Director. The Federation 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. The Federation received permanent recognition by the International Olympic Committee.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Federation's checking and money market accounts.

Notes to Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Supplemental Cash Flow Information

Cash flows from operating activities do not contain any amounts paid for interest or income taxes.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. Therefore, no allowance for doubtful accounts is considered necessary.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. 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. Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

Revenue Recognition

Membership dues are recognized ratably over the term of the membership period.

Income Tax

The Federation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the Organization's financial statements.

Notes to Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Federation's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date it was filed. Management of the Federation believes that it does not have any uncertain tax positions that are material to the financial statements.

Prior-Year Comparisons

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Federation's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Date of Management's Review

In preparing the financial statements, the Federation has evaluated events and transactions for potential recognition or disclosure through June 9, 2017, the date that the financial statements were available to be issued.

B. CONCENTRATION OF CREDIT RISK

The Federation maintains its cash balances in one financial institution. The balances at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. In the unlikely event of a bank failure, the Federation could suffer loss to the extent that cash balances exceed the insured amounts.

Notes to Financial Statements

C. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2016, consist of assets restricted for the following program:

	<u>2016</u>
Anti-doping program	\$ <u>3,570</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the year ended December 31, 2016, restricted net assets were released from restrictions for the following program:

	<u>2016</u>
Anti-doping program	\$ <u>9,206</u>

WORLD FLYING DISC FEDERATION
Schedule of Program and Supporting Services
For the Year Ended December 31, 2016

	<u>WFDF events</u>	<u>General & Administrative</u>	<u>Total Expenses</u>
Bank charges	\$	\$ 4,397	\$ 4,397
Contract labor	79,467	10,307	89,774
Drug testing	9,206		9,206
Dues & subscriptions	8,017		8,017
Equipment & clothing	4,548	475	5,023
Insurance		2,329	2,329
Management	27,993		27,993
Marketing	23,750		23,750
Medals	4,181		4,181
Office expense		1,698	1,698
Professional fees		9,884	9,884
Sport development	164,211		164,211
Telephone		3,767	3,767
Travel	<u>32,724</u>	<u>23,049</u>	<u>55,773</u>
Total expenses	<u>\$ 354,097</u>	<u>\$ 55,906</u>	<u>\$ 410,003</u>