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WORLD FLYING DISC FEDERATION

(a Colorado Nonprofit Corporation)

FINANCIAL STATEMENTS

for the year ended

December 31, 2013 and 2012

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TABLE OF CONTENTS

Accountants Letter	2
Statements of Financial Position	3
Statements of Financial Activity	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	7

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Jon Blomberg

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

Board of Directors World Flying Disc Federation

I have audited the accompanying financial statements of World Flying Disc Federation, which comprise the statement of financial position as of December 31, 2013 and the related statements of activities, functional expenses, 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.

Auditor's Responsibility

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 from 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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, 2013, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The financial information shown for 2012 in the accompanying financial statement is included to provide a basis for comparison with 2013 and presents summarized totals only. Such information should be read in conjunction with World Flying Disc Federation's financial statements for the year ended December 31, 2012, from which the summarized information was derived.

Certified Public Accountant

May 27, 2014 Boulder, Colorado

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STATEMENT OF FINANCIAL POSITION

as of December 31	2013	2012
ASSETS CURRENT ASSETS		
Cash	\$ 276,306	\$ 273,443
Prepaid expense	4,000	4,000
Accounts receivable	18,870	
Total current assets	299,176	277,443
TOTAL ASSETS	\$ 299,176	\$ 277,443
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 3,524	\$ 4,575
Deferred Revenue		214
Total current liabilities	3,524	4,789
Total liabilities	3,524	4,789
NET ASSETS		
Temporarily restricted	1,624	-
Unrestricted net assets	294,028	272,654
Total net assets	295,652	272,654
TOTAL LIABILITIES AND NET ASSETS	\$ 299,176	\$ 277,443

(a Colorado Nonprofit Corporation)

STATEMENT OF FINANCIAL ACTIVITY

for the year ended December 31	2013				2012 Summarized		
	Temporarily						
	<u>Uni</u>	restricted	Res	stricted	 Total		Total
SUPPORT AND REVENUE							
Contributions						\$	750
Grant	\$	16,667	\$	8,333	\$ 25,000		-
Memberships		60,149			60,149		55,254
Event Sanctioning		80,384			80,384		59,253
Investment and other income		108			108		199
Net assets released from restrictions		6,709		(6,709)	 		
TOTAL SUPPORT AND REVENUE		164,017		1,624	165,641		115,456
EXPENSES							
Program services							
WFDF events		123,723			 123,723		80,463
Total program		123,723			123,723		80,463
Support services							
General and administrative		18,920			 18,920		22,779
Total Expenses		142,643			 142,643		103,242
CHANGE IN NET ASSETS		21,374		1,624	22,998		12,214
Net assets, beginning of year		272,654			 272,654		260,440
Net assets, end of year	\$	294,028	\$	1,624	\$ 295,652	\$	272,654

(a Colorado Nonprofit Corporation)

STATEMENT OF CASH FLOWS

for the year ended December 31	 2013	 2012
Cash flows from operating activities:		
Change in net assets		
Unrestricted	\$ 21,374	\$ 12,214
Temporarily restricted	1,624	-
Increase (decrease) in operating assets:		
Accounts receivable	(18,870)	5,520
Prepaid expense	-	(4,000)
Increase (decrease) in operating liabilities:		
Accounts payable	(1,051)	3,652
Deferred revenue	(214)	 214
Net cash flows from operating activities	2,863	17,600
NET INCREASE (DECREASE) IN CASH	2,863	17,600
Cash at beginning of year	 273,443	 255,843
Cash at December 31	\$ 276,306	\$ 273,443

(a Colorado Nonprofit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

for the year ended December 31

_	2013					
				<u>Summarized</u>		
	PROGRAM SERVICES	SUPPORT SERVICES Total		Total		
		General and				
	WFDF	Administrative				
	<u>Events</u>	<u>Expenses</u>				
Bank and credit card fees	\$ -	\$ 1,580	\$ 1,580	\$ 1,474		
Communications	18,941	329	19,270	6,804		
Contract services	39,438	12,000	51,438	48,769		
Development	5,195	-	5,195	305		
Dues and memberships	7,251	-	7,251	6,605		
Insurance	5,564	1,776	7,340	7,109		
Marketing	-	-	-	750		
Medals	3,469	-	3,469	2,627		
Postage and shipping	-	19	19	186		
Professional services	-	2,873	2,873	3,416		
Supplies	588	343	931	511		
Drug Testing	6,709	-	6,709	2,033		
Travel	36,568		36,568	22,653		
TOTAL	\$123,723	\$ 18,920	\$142,643	\$ 103,242		

(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, 2011.

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 2013, there were 59 Member associations (48 Regular and 11 Provisional Members), representing athletes in 56 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 Association (WADA) Code. It is incorporated in the state of Colorado, USA.

Basis of Presentation

The financial statement presentation follows the professional standards that require WFDF 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 follows professional standards that require contributions received to be 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.

(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

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. 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 professional standards. 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 professional standards 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.

(a Colorado Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative Financial Information

The financial information shown for 2012 in the accompanying financial statement is included to provide a basis for comparison with 2012 and presents summarized totals only. Such information should be read in conjunction with WFDF's financial statements for the year ended December 31, 2013, 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

During 2013 WFDF received a grant that requires a portion to be used towards anti-doping activities.

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 May 27, 2014, the date which the financial statements were available to be issued.