

**WASHINGTON FIRST ROBOTICS
dba FIRST WASHINGTON**

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2019 AND 2018**

**WASHINGTON FIRST ROBOTICS
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INDEPENDENT ACCOUNTANTS' AUDIT REPORT

To the Board of Directors
Washington FIRST Robotics
dba FIRST Washington
Kent, Washington

We have audited the accompanying financial statements of Washington FIRST Robotics (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, 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 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, 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington FIRST Robotics as of June 30, 2019 and 2018, 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.

Shannon & Associates, LLP

Kent, Washington
January 13, 2020

WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,819,738	\$ 1,914,745
Promises to give, current	<u>613,785</u>	<u>53,405</u>
TOTAL CURRENT ASSETS	2,433,523	1,968,150
PROPERTY AND EQUIPMENT		
Audiovisual equipment	45,189	45,189
Competition fields	38,433	38,433
Computers	62,542	62,542
Event equipment	10,796	10,796
Fieldhouse equipment	21,857	21,857
Trailer	39,949	39,949
Website development in progress	<u>45,362</u>	<u>-</u>
	264,128	218,766
Less: accumulated depreciation	<u>215,651</u>	<u>208,713</u>
NET PROPERTY AND EQUIPMENT	48,477	10,053
OTHER ASSETS		
Deposits	10,248	17,493
Promises to give, non-current	<u>131,548</u>	<u>-</u>
TOTAL OTHER ASSETS	<u>141,796</u>	<u>17,493</u>
TOTAL ASSETS	<u>\$ 2,623,796</u>	<u>\$ 1,995,696</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 83,195	\$ 141,594
Payroll liabilities	<u>25,973</u>	<u>41,702</u>
TOTAL CURRENT LIABILITIES	109,168	183,296
NET ASSETS		
With donor restriction	2,297,090	1,559,850
Without donor restriction	<u>217,538</u>	<u>252,550</u>
TOTAL NET ASSETS	<u>2,514,628</u>	<u>1,812,400</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,623,796</u>	<u>\$ 1,995,696</u>

See accompanying notes and independent accountants' audit report.

**WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

<u>2019</u>			
	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
SUPPORT AND REVENUE			
Revenue:			
Contribution revenue	\$ 39,550	\$ 1,832,591	\$ 1,872,141
Program service revenue	471,966	-	471,966
In-kind donations	60,140	-	60,140
Special events and other revenue	165,677	-	165,677
Total revenue	737,333	1,832,591	2,569,924
Net assets released from donor restrictions	1,095,351	(1,095,351)	-
TOTAL SUPPORT AND REVENUE	1,832,684	737,240	2,569,924
EXPENSES			
Program expenses	1,511,279	-	1,511,279
Fundraising expenses	239,704	-	239,704
Administrative expenses	116,713	-	116,713
TOTAL EXPENSES	1,867,696	-	1,867,696
INCREASE (DECREASE) IN NET ASSETS	(35,012)	737,240	702,228
Net assets at beginning of year	252,550	1,559,850	1,812,400
Net assets at end of year	\$ 217,538	\$ 2,297,090	\$ 2,514,628

See accompanying notes and independent accountants' audit report.

**WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

<u>2018</u>			
	<u>Net Assets Without Donor Restriction</u>	<u>Net Assets With Donor Restriction</u>	<u>Total</u>
SUPPORT AND REVENUE			
Revenue:			
Contribution revenue	\$ 31,933	\$ 1,485,999	\$ 1,517,932
Program service revenue	488,580	-	488,580
In-kind donations	72,688	-	72,688
Special events and other revenue	107,030	-	107,030
Total revenue	700,231	1,485,999	2,186,230
Net assets released from donor restrictions	897,700	(897,700)	-
TOTAL SUPPORT AND REVENUE	1,597,931	588,299	2,186,230
EXPENSES			
Program expenses	1,504,355	-	1,504,355
Fundraising expenses	211,848	-	211,848
Administrative expenses	173,238	-	173,238
TOTAL EXPENSES	1,889,441	-	1,889,441
INCREASE (DECREASE) IN NET ASSETS	(291,510)	588,299	296,789
Net assets at beginning of year	<u>544,060</u>	<u>971,551</u>	<u>1,515,611</u>
Net assets at end of year	<u>\$ 252,550</u>	<u>\$ 1,559,850</u>	<u>\$ 1,812,400</u>

See accompanying notes and independent accountants' audit report.

**WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>			
	<u>Program</u>			
	<u>Services</u>	<u>Fundraising</u>	<u>Administrative</u>	<u>Total</u>
Salaries and wages	\$ 596,101	\$ 118,939	\$ 40,272	\$ 755,312
Employee benefits	42,613	6,498	-	49,111
Payroll taxes	46,819	5,744	-	52,563
Total salaries and related expenses	685,533	131,181	40,272	856,986
Professional fees	31,256	66,126	44,014	141,396
In-kind	60,140	-	-	60,140
Events	394,320	30,223	-	424,543
Travel and meetings	107,105	-	7,721	114,826
Insurance	10,423	111	554	11,088
Office expense	16,224	443	7,631	24,298
Development	-	-	1,341	1,341
Information technology	58,733	2,283	4,566	65,582
Rent	125,164	-	7,635	132,799
Depreciation	6,938	-	-	6,938
Utilities	15,443	-	813	16,256
Bad debt	-	-	1,404	1,404
Miscellaneous	-	9,337	762	10,099
TOTAL EXPENSES	<u>\$ 1,511,279</u>	<u>\$ 239,704</u>	<u>\$ 116,713</u>	<u>\$ 1,867,696</u>

See accompanying notes and independent accountants' audit report.

**WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

2018

	Program <u>Services</u>	<u>Fundraising</u>	<u>Administrative</u>	<u>Total</u>
Salaries and wages	\$ 548,426	\$ 110,491	\$ 64,628	\$ 723,545
Employee benefits	39,273	4,414	1,766	45,453
Payroll taxes	<u>40,791</u>	<u>5,550</u>	<u>2,221</u>	<u>48,562</u>
Total salaries and related expenses	628,490	120,455	68,615	817,560
Professional fees	6,552	43,869	63,644	114,065
In-kind	72,688	-	-	72,688
Events	454,212	38,251	-	492,463
Travel and meetings	123,174	-	5,788	128,962
Insurance	9,493	101	505	10,099
Office expense	26,011	955	3,377	30,343
Development	-	-	3,902	3,902
Information technology	36,938	2,173	4,346	43,457
Rent	118,494	-	11,906	130,400
Depreciation	15,925	-	10,432	26,357
Utilities	12,093	-	636	12,729
Bad debt	-	-	-	-
Miscellaneous	<u>285</u>	<u>6,044</u>	<u>87</u>	<u>6,416</u>
TOTAL EXPENSES	<u><u>\$ 1,504,355</u></u>	<u><u>\$ 211,848</u></u>	<u><u>\$ 173,238</u></u>	<u><u>\$ 1,889,441</u></u>

See accompanying notes and independent accountants' audit report.

WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Increase in net assets	\$ 702,228	\$ 296,789
Adjustments to reconcile the increase in net assets to net cash provided (used) by operating activities:		
Depreciation	6,938	26,357
Cash provided (used by) changes in operating assets and liabilities:		
Promises to give	(691,928)	95,493
Deposits	7,245	(7,296)
Accounts payable	(58,399)	59,142
Payroll liabilities	<u>(15,729)</u>	<u>24,278</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(49,645)</u>	<u>494,763</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(45,362)</u>	<u>-</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(45,362)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(95,007)	494,763
Cash and cash equivalents, beginning of year	<u>1,914,745</u>	<u>1,419,982</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,819,738</u></u>	<u><u>\$ 1,914,745</u></u>
Supplemental disclosure of cash flow information:		
In-kind donation of services	\$ 375	\$ 3,970
In-kind donations of event facilities	\$ 59,765	\$ 68,718

See accompanying notes and independent accountants' audit report.

**WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

NOTE 1.--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Washington FIRST Robotics dba FIRST Washington (the “Organization”) is a nonprofit corporation founded in 2011 to inspire young people in Washington State to be science and technology leaders by engaging them in exciting, mentor-based programs that build science, engineering, and technology skills that inspire innovation and foster well-rounded life capabilities including self-confidence, communication, and leadership.

In supporting its operating agreement with the U.S. Foundation for Inspiration and Recognition of Science & Technology (“FIRST”), Washington FIRST Robotics formed the Pacific Northwest FIRST District in which all FIRST Robotics Competitions (“FRC”) and programs operate under for youth, 14-18 years of age. The PNW District is composed of FRC teams across Oregon and Washington. Washington FIRST Robotics is the legal entity that is financially responsible and facilitates the programs and competitions of the PNW District.

The Organization accomplishes its mission by implementing science and technology related after-school programs, robotics contests, professional development and community volunteer opportunities across the state of Washington and Oregon, collecting team fees and grants to fund the programs. In addition, the Organization is instrumental in assisting school districts and robotics teams who participate in the FIRST LEGO League, FIRST Tech Challenge and FIRST Robotics competition programs in applying for and securing grants with both governmental and private entities.

During the years ended June 30, 2019 and 2018, the Organization assisted in securing grants totaling approximately \$825,000 and \$805,000. These grants were awarded directly to specific public schools for support of their respective teams and as such, are not recorded in the financial statements.

Primary funding for its activities is derived from registration fees, grants, and contributions.

Basis of Presentation

The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization is required to report information regarding its financial position and activities within two classes of net assets: net assets with donor restriction and net assets without donor restriction. In addition, the Organization is required to present a statement of cash flows.

WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1.--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of financial statement presentation, the Organization classifies all cash accounts and highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Revenue Recognition and Contributions

Revenue received for program service fees and special events is recognized in the period to which it relates. Contributions are recorded as without donor restriction or with donor restriction depending on the existence and nature of any donor-imposed stipulations.

Functional Expense Classification and Allocation

Expenses are classified in the accompanying Statements of Functional Expenses according to whether they are program, fundraising, or administrative expenses. Classifications are made based on time records and estimates made by the Organizations' management. Administrative expenses include those expenses that are not directly identifiable with any specific program but provide for the overall support and direction of Washington FIRST. Fundraising expenses include salaries and related expenses and other expenses directly related to this support activity.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction. Unconditional promises to give are written off as bad debt when they are determined to be uncollectible.

Property and Equipment

Property and equipment are recorded at cost as of the date of purchase or fair value as of the date of contribution and depreciated on a straight-line basis over estimated useful lives ranging from 3 to 5 years.

Website development in progress consists of costs incurred for adding and upgrading capabilities and functions of the Organization's website. The updated website was not live as of June 30, 2019. Once placed in service, the website development costs will be amortized over the estimated useful life of 3 years.

WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1.--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

Expenditures of \$2,500 or more representing major improvements, replacements, or extensions of useful lives are capitalized. Maintenance, repairs and minor improvements are charged to expense as incurred. The cost and accumulated depreciation of property sold or retired is removed from the related asset and accumulated depreciation accounts and any resulting gain or loss is recorded in the period of disposal.

Depreciation expense recognized in the years ended June 30, 2019 and 2018, was \$6,938 and \$26,357.

Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restriction: Net assets available for use in general operations and not subject to donor restriction.

Net assets with donor restriction: Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When a restriction is satisfied, net assets with donor restriction are transferred to net assets without donor restriction and reported in the statement of activities and changes in net assets as net assets released from restrictions.

In-kind Donations

Property and equipment donated with explicit instructions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restriction. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Donated facilities for exhibitions and offices are valued at fair market value. Donated services are recognized when received if, the services require specialized skills, are provided by individuals or entities possessing those skills, and would typically need to be purchased if not donated. Around 5,500 and 5,400 coaches, mentors, and event volunteers provided a variety of services to the Organization in the years ended June 30, 2019 and 2018. The value of these services has not been recorded in the financial statements; further description of the services provided is included in Note 4.

WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1.--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is a not-for-profit organization under the provisions of Section 501(c)(3) of the Internal Revenue Code and, as such, is subject to income taxes only to the extent of taxable unrelated business income. During the years ended June 30, 2019 and 2018, the Organization did not generate any taxable income and, therefore, no provision for federal income tax is necessary. In addition, the Organization qualifies for the charitable contribution deduction and has been classified as an organization that is not a private foundation.

Accounting for Income Taxes guidance requires nonpublic entities to determine and evaluate uncertain tax positions. The standard requires entities to measure, recognize, and disclose certain tax positions. The term tax position includes, but is not limited to, a decision not to file a return, the characterization of income or a decision to exclude reporting taxable income on a tax return, and the entity's tax-exempt status. Management believes the Organization does not have any uncertain tax positions. The Organization may be subject to examination by the Internal Revenue Service for fiscal tax years 2017 through 2019.

Use of Estimates

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. These assumptions may affect the reported amounts of assets and liabilities, disclosure of contingent 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 these estimates.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified to conform with the presentation in the current-year financial statements. The change in net assets was unchanged due to these reclassifications.

Recently Issued Accounting Standards

In 2019, the Organization adopted new guidance regarding the presentation of the financial statements required by the Financial Accounting Standards Board (FASB), Accounting Standards Update 2016-14 "Not-for-Profit Entities (Topic 958), Presentation of Financial Statements for Not-For-Profit Entities." The Organization retrospectively adopted the guidance for purposes of retaining comparability between both periods presented in these financial statements.

As a result of implementing the guidance, the net assets are now classified as net assets with and without donor restriction. Previously these were identified as unrestricted, temporarily restricted, and permanently restricted net assets. All assets with restriction were previously presented as temporarily restricted and these are all reported as net assets with donor restriction in the statements of financial position.

WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 1.--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Standards (Continued)

An additional requirement under the guidance requires the presentation of expenses by functional and natural classifications either in the statement of activities, as a separate statement of functional expenses, or disclosed in the footnotes to the financial statements. For presentation of the expenses by functional and natural classification, a Statement of Functional Expenses is included for each year under audit.

A separate change under the new guidance is the presentation and disclosure of qualitative and quantitative information regarding the availability of cash for general expenditures within one year of the statement of financial position date. Notes regarding financial assets are expanded to discuss any restrictions placed on the use of those assets. See Note 9.

Other provisions of the guidance did not result in further changes to the presentation of the financial statements for 2019 or 2018.

NOTE 2.--PROMISES TO GIVE

Promises to give of \$745,333 as of June 30, 2019, consist of \$613,785 and \$131,548 expected to be collected during the years ended June 30, 2020 and 2021 respectively. The entire balance of \$53,405 in promises to give as of June 30, 2018 was received during the year ended June 30, 2019.

All unconditional promises to give are considered collectible; thus, no allowance for uncollectible pledges has been recorded. Conditional promises to give are not recognized until such time as the conditions are substantially met. Conditional promises to give total \$0 and \$35,000 for the years ended June 30, 2019 and 2018, respectively, which are subject to various match requirements.

NOTE 3.--NET ASSETS WITH DONOR RESTRICTION

As of June 30, 2019, and 2018, net assets with donor restriction represents funds for team grants, program support, and team booster accounts in the amounts of \$2,297,090 and \$1,559,850.

NOTE 4.--IN-KIND DONATIONS

The Organization's success is built upon the volunteer engagement of technology and other professionals, many of which have high level technical skills that are used to guide and train students. During the years ended June 30, 2019 and 2018, the Organization used the services of approximately 5,500 and 5,400 volunteers to implement their program activities. These volunteers served as coaches, mentors, and event coordinators. Management estimates that volunteers provided over 560,000 and 558,000 hours of service, respectively.

WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 4.--IN-KIND DONATIONS (Continued)

The Organization received donated professional and other services primarily related to technology. The fair value of the services has been determined to be \$375 and \$3,970 for the years ended June 30, 2019 and 2018, respectively, and is recorded in administrative expenses in the statements of activities and changes in net assets.

The Organization was also granted the use of exhibition space for competitions. The fair value of the use of these facilities has been determined to be approximately \$60,000 and \$69,000 for the years ended June 30, 2019 and 2018, respectively, and is recorded in the program expenses in the statements of activities and changes in net assets.

NOTE 5.--RELATED PARTY TRANSACTIONS

The Organization is affiliated with the United States Foundation for Inspiration and Recognition of Science and Technology (FIRST), a national nonprofit organization. The Organization bills and collects event registration fees and program participation fees from Washington and Oregon teams who participate in FIRST programs. Fees collected and remitted to FIRST are reported net within program service revenue. Total fees collected and remitted to FIRST during the years ended June 30, 2019 and 2018, were \$694,434 and \$689,625. Additionally, for 2018, FIRST contributed \$60,000 to support the FTC Super Regional event.

As of June 30, 2016, the Organization entered into an agreement with the Oregon Robotics Tournament and Outreach Program (ORTOP) to work together in advertising and recruiting teams from Oregon for the FRC program. The Organization has an exclusive right via an agreement with FIRST to organize and operate the Oregon FRC events, while ORTOP had the exclusive rights to organize and operate the Oregon FLL Jr, FLL, and FTC programs in Oregon.

Under the agreement, ORTOP will perform services such as advertising and will collect and remit donations and program fees to Washington First Robotics relating to the Oregon FRC program. The Organization will then reimburse ORTOP for expenses incurred in providing those services. ORTOP began providing services under the agreement during the fiscal year ended June 30, 2017. For the years ended June 30, 2019 and 2018, ORTOP expended approximately \$152,000 and \$153,000 in providing these services for which the organization will be reimbursed. The Organization owes ORTOP approximately \$46,800 and \$37,300 as of June 30, 2019 and 2018, respectively, which is included in accounts payable on the statements of financial position.

Additionally, members of the Board and management made donations totaling approximately \$40,000 and \$32,000 during the years ended June 30, 2019 and 2018.

WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 6.--CONCENTRATIONS

The Organization maintains cash balances in certain financial institutions that may, at times, exceed limits insured by the FDIC. The Organization does not believe it is exposed to significant credit risk on cash and cash equivalents as deposits are maintained in high quality financial institutions and the Organization has not experienced any losses in such accounts.

One donor contributed approximately 19% of revenue for the year ended June 30, 2019. There were no donors that contributed more than 10% of revenue for the year ended June 30, 2018.

NOTE 7.--OPERATING LEASE

The Organization leases office space under a non-cancelable operating lease agreement, which will expire in November 2021.

Future minimum lease payments under the non-cancelable operating lease are as follows:

<u>Year ending June 30,</u>	
2020	\$ 93,216
2021	96,016
2022	40,642
Thereafter	-
	<u>\$ 229,874</u>

Total lease expense for the years ended June 30, 2019 and 2018, was \$131,752 and \$124,731, respectively.

NOTE 8.--RETIREMENT PLAN

Effective January 1, 2017, the Organization established a SIMPLE IRA retirement plan. All employees are eligible to participate in the plan. Under the plan, the Organization elects to make a 1% or 3% match of an employee's salary reduction contributions or makes a non-elective contribution equal to 2% of up to \$250,000 of an employee's wages. Employees are eligible for the non-elective contribution if they earn more than \$4,900 during the calendar year.

For the 2019 and 2018 calendar years, the Organization elected to provide a 3% match under the plan. During the fiscal years ended June 30, 2019 and 2018 employer contributions paid by the Organization totaled \$8,985 and \$8,525, respectively.

WASHINGTON FIRST ROBOTICS dba FIRST WASHINGTON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

NOTE 9.--LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the use of its available funds for program activities.

The Organization's main sources of funding are Washington FIRST's registration fees earned from participating teams and grants restricted to support programs and teams. These funds are considered available for use to meet cash needs for general expenditures, however, intent is to operate without the need to reduce cash balances below the level of restricted net assets. The Organization operates with a balanced budget and anticipates generating sufficient funds from program operations to cover general expenditures.

The table below presents financial assets available for general expenditures within one year at June 30, 2019:

Financial assets at year end:	
Cash and cash equivalents	\$ 1,819,738
Promises to give, current	<u>613,785</u>
Total financial assets	2,433,523
Less designated funds:	<u>-</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 2,433,523</u></u>

NOTE 10.--SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 13, 2019, the date which the financial statements were available to be issued.