WASHINGTON FIRST ROBOTICS
dba PNW FIRST

FINANCIAL STATEMENTS
MODIFIED CASH BASIS

FOR THE YEAR ENDED
JUNE 30, 2015
TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT 3

FINANCIAL STATEMENTS:

Statement of Assets, Liabilities and Net Assets - Modified Cash Basis 4

Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis 5

Statement of Cash Flows - Modified Cash Basis 6

Notes to Financial Statements 7 - 11
INDEPENDENT ACCOUNTANTS’ REVIEW REPORT

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

We have reviewed the accompanying statement of assets, liabilities and net assets - modified cash basis of Washington FIRST Robotics dba PNW FIRST (a nonprofit organization) as of June 30, 2015, and the related statements of revenues, expenses and changes in net assets and cash flows - modified cash basis for the year then ended. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting as described in Note 1.

Shannon & Associates LLP
Kent, Washington
March 7, 2016
WASHINGTON FIRST ROBOTICS dba PNW FIRST
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
MODIFIED CASH BASIS
JUNE 30, 2015

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>512,888</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROPERTY AND EQUIPMENT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Audiovisual equipment</td>
<td>45,189</td>
</tr>
<tr>
<td>Competition fields</td>
<td>38,433</td>
</tr>
<tr>
<td>Computers</td>
<td>62,542</td>
</tr>
<tr>
<td>Event equipment</td>
<td>10,796</td>
</tr>
<tr>
<td>Fieldhouse equipment</td>
<td>15,857</td>
</tr>
<tr>
<td>Trailer</td>
<td>39,949</td>
</tr>
<tr>
<td><strong>Total Property and Equipment</strong></td>
<td>212,766</td>
</tr>
<tr>
<td><strong>Less: accumulated depreciation</strong></td>
<td>66,853</td>
</tr>
<tr>
<td><strong>Net Property and Equipment</strong></td>
<td>145,913</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SECURITY DEPOSIT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td>674,670</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll liabilities</td>
<td>914</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporarily restricted</td>
<td>241,242</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>432,514</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>673,756</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITIES AND NET ASSETS</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>674,670</td>
</tr>
</tbody>
</table>

See accompanying notes and independent accountants' review report.
WASHINGTON FIRST ROBOTICS dba PNW FIRST
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2015

UNRESTRICTED SUPPORT AND REVENUE
Revenue:
  Contribution revenue $ 473,496
  Program service revenue 336,252
  In-kind donations 92,526
  Special events revenue 50,530
  Total revenue 952,804
  Net assets released from temporarily restricted 461,147
  TOTAL UNRESTRICTED SUPPORT AND REVENUE 1,413,951

EXPENSES
  Program expenses 969,546
  Fundraising expenses 109,292
  Administrative expenses 97,404
  TOTAL EXPENSES 1,176,242

INCREASE IN UNRESTRICTED NET ASSETS 237,709

TEMPORARILY RESTRICTED NET ASSETS
  Contributions 599,367
  Net assets released from restrictions (461,147)
  INCREASE IN TEMPORARILY RESTRICTED NET ASSETS 138,220

TOTAL INCREASE IN NET ASSETS 375,929

Net assets at beginning of year 297,827

Net assets at end of year $ 673,756

See accompanying notes and independent accountants’ review report.
WASHINGTON FIRST ROBOTICS dba PNW FIRST
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2015

OPERATING ACTIVITIES

Increase in net assets $ 375,929

Adjustments to reconcile the increase in net assets to net cash provided by operating activities:

Depreciation 36,299
In-kind donation of equipment (62,542)

Cash provided (used by) changes in operating assets and liabilities:
Payroll liabilities 457

NET CASH PROVIDED BY OPERATING ACTIVITIES 350,143

NET INCREASE IN CASH AND CASH EQUIVALENTS 350,143

Cash and cash equivalents at beginning of year 162,745
Cash and cash equivalents at end of year $ 512,888

Supplemental cash flow information:

In-kind donations of equipment $ 62,542
In-kind donation of services $ 7,984
In-kind donations of event facilities $ 22,000

See accompanying notes and independent accountants’ review report.
NOTE 1.—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities
Washington FIRST Robotics dba PNW FIRST (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 (“PNW FIRST”). PNW FIRST is the operational name 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 PNW FIRST.

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. 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 apply for and secure grants with both governmental and private entities.

During the year ended June 30, 2015, the Organization assisted in securing grants totaling $600,000. 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, contributions and grants.

Basis of Accounting and Revenue Recognition
The accompanying financial statements have been prepared using the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis differs from generally accepted accounting principles primarily because the Organization has not recognized receivables, prepaid expenses, accounts payable or accruals. Except for the modification discussed below, financial transactions are recorded when the actual transactions occur irrespective of when revenue is earned or expense obligations are incurred.

The Organization has modified the cash basis of accounting to capitalize and depreciate purchases of equipment.
NOTE 1.—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting and Revenue Recognition (Continued)
Revenue received from contributions, programs, grants and fundraising activities are recognized in the period received.

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.

Property and Equipment
Property and equipment is recorded at cost as of the date of purchase or fair value as of the date of contribution and is depreciated on a straight-line basis over the estimated useful lives of the assets. Expenditures of $2,500 or more representing major improvements, replacements, or extensions of useful lives are capitalized.

Depreciation recognized in the year ended June 30, 2015 was $36,299.

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.

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:

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that will be maintained permanently by the Organization. The Organization has no permanently restricted net assets.

Temporarily restricted net assets: 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, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of revenues and expenses as net assets released from restrictions.

Unrestricted net assets: Net assets not subject to donor-imposed stipulations.
NOTE 1.--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 temporarily restricted contributions. 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. Over 6,400 volunteers provided a variety of services to the Organization in the year ended June 30, 2015. The value of these services has not been recorded in the financial statements; further description of the services provided is included in Note 3.

Income Taxes

The Organization is a not-for-profit corporation 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 year ended June 30, 2015, 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 2012 through 2015.

Use of Estimates

The preparation of financial statements in conformity with the basis of accounting described above 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.
NOTE 2.--TEMPORARILY RESTRICTED NET ASSETS

As of June 30, 2015, temporarily restricted net assets are available for the following purposes:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event support</td>
<td>$8,143</td>
</tr>
<tr>
<td>Team grants and booster accounts</td>
<td>$233,099</td>
</tr>
<tr>
<td><strong>Total temporarily restricted net assets</strong></td>
<td><strong>$241,242</strong></td>
</tr>
</tbody>
</table>

Temporarily restricted net assets are primarily comprised of contributions for donor-specified teams or events.

NOTE 3.--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 year ended June 30, 2015, the Organization used the services of approximately 6,400 volunteers to implement their program activities. These volunteers served as mentors, teachers, engineers and event staff. Management estimates that volunteers provided over 498,500 hours of service.

The Organization received donated professional and other services primarily related to technology. The fair value of the services has been determined to be $7,984 and is recorded in the financial statements.

The Organization was also granted the use of exhibition space for competitions. The fair value of the facilities has been determined to be $22,000 and is recorded in the financial statements.

Equipment was also donated during the years ended June 30, 2015, and has been recorded in property and equipment at its estimated fair value of $62,542.

NOTE 4.--RELATED PARTY TRANSACTIONS

The Organization is affiliated with the United States Foundation for Inspiration and Recognition of Science and Technology, a national nonprofit organization. Additionally, members of the Board and management made donations totaling approximately $71,300 during the year ended June 30, 2015.

NOTE 5.--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.

Two donors donated 22% of the total contributions for the year ending June 30, 2015.
NOTE 6.--OPERATING LEASE

The Organization entered into an office lease effective for the period of September 2013 through October 2016. In addition to lease payments, the lease requires monthly payments for common area charges, taxes and insurance, which are estimated to be $1,720 per month.

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

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$70,202</td>
</tr>
<tr>
<td>2017</td>
<td>23,790</td>
</tr>
<tr>
<td>Thereafter</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>$93,992</strong></td>
</tr>
</tbody>
</table>

Total lease expense for the year ended June 30, 2015 was $76,471.

NOTE 7.--SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 7, 2016, the date which the financial statements were available to be issued.

*       *       *       *       *