Financial Statements and
Independent Auditors’ Report

Push America, Inc.

As of September 30, 2013 and 2012

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VANCE FLOUHOUSE & GARGES, PLLC
Certified Public Accountants and Consultants

Independent Auditors' Report

To the Board of Directors of
Push America, Inc.:

We have audited the accompanying financial statements of Push America, Inc., which comprise the statements of financial position as of September 30, 2013 and 2012, and the related statements of activities, 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 Push America, Inc. as of September 30, 2013 and 2012, 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.

Vance Flouhouse & Gorges PLLC

Charlotte, North Carolina
February 6, 2014

Statements of Financial Position

September 30, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	**$ 59,067**	$ 123,493
Prepaid expenses	**19,566**	2,953
Promises to give, net of discount	**168,385**	151,132
Investments:		
Unrestricted	**374,032**	436,240
Temporarily restricted	**1,368,691**	1,258,052
Property and equipment - net	**105,118**	122,567
Other assets	**11,000**	-
Total assets	**$ 2,105,859**	$ 2,094,437
Liabilities and Net Assets		
Liabilities:		
Accounts payable	**$ 5,932**	$ 39,210
Accrued expenses	**169,311**	-
Deferred revenue	**76,256**	78,250
Total liabilities	**251,499**	117,460
Net Assets:		
Unrestricted	**317,284**	567,793
Temporarily restricted	**1,537,076**	1,409,184
Total net assets	**1,854,360**	1,976,977
Total liabilities and net assets	**$ 2,105,859**	$ 2,094,437

The accompanying notes are an integral part of these financial statements.

Push America, Inc.

Statements of Activities

Years ended September 30, 2013 and 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	**Total**	Unrestricted	Temporarily Restricted	Total
Revenues, Gains, and Other Support:						
Chapter fundraising	$ 462,770	$ -	**$ 462,770**	$ 385,023	$ -	$ 385,023
Event fundraising	874,943	-	**874,943**	1,118,893	-	1,118,893
Private contributions	679,517	59,253	**738,770**	547,333	156,132	703,465
Registration fees	22,245	-	**22,245**	39,771	-	39,771
Sales	13,994	-	**13,994**	16,623	-	16,623
Dividend and interest income, net of fees	8,476	24,687	**33,163**	7,992	22,538	30,530
Realized gains (losses) on investments, net of fees	4,723	2,888	**7,611**	(3,161)	51	(3,110)
Unrealized gains on investments	27,745	91,113	**118,858**	56,567	141,491	198,058
	2,094,413	177,941	**2,272,354**	2,169,041	320,212	2,489,253
Net assets released from restrictions	50,049	(50,049)	**-**	1,000	(1,000)	-
Total revenues, gains, and other support	2,144,462	127,892	**2,272,354**	2,170,041	319,212	2,489,253
Expenses						
Program services:						
Chapter services	165,675	-	**165,675**	142,713	-	142,713
Grants and placements	442,787	-	**442,787**	337,446	-	337,446
Journey of Hope	916,639	-	**916,639**	845,176	-	845,176
Build America	192,145	-	**192,145**	157,361	-	157,361
Gear Up Florida	178,682	-	**178,682**	155,592	-	155,592
Supporting services:						
Administrative	170,443	-	**170,443**	150,671	-	150,671
Financial development and public relations	328,600	-	**328,600**	443,771	-	443,771
Total expenses	2,394,971	-	**2,394,971**	2,232,730	-	2,232,730
Change in net assets	(250,509)	127,892	**(122,617)**	(62,689)	319,212	256,523
Net assets at beginning of year	567,793	1,409,184	**1,976,977**	630,482	1,089,972	1,720,454
Net assets at end of year	$ 317,284	$ 1,537,076	**$ 1,854,360**	$ 567,793	$ 1,409,184	$ 1,976,977

The accompanying notes are an integral part of these financial statements.

Push America, Inc.

Statement of Functional Expenses

Year ended September 30, 2013

	Program Services						Support Services			
	Chapter Services	Grants and Placements	Journey of Hope	Build America	Gear Up Florida	Total	Administrative	Financial Development	Total	**Total All Expenses**
Salaries and wages	$ 85,407	$ 44,958	$ 209,219	$ 65,450	$ 70,241	$ 475,275	$ 86,280	$ 108,009	$ 194,289	**$ 669,564**
Employee benefits	13,460	5,979	23,921	8,168	9,037	60,565	16,177	12,181	28,358	**88,923**
Payroll taxes	6,695	3,664	14,476	5,317	5,695	35,847	2,993	8,845	11,838	**47,685**
Professional fees	21,043	2,958	24,958	7,552	7,457	63,968	37,656	101,356	139,012	**202,980**
Supplies	2,665	3,736	39,725	3,987	9,784	59,897	732	6,566	7,298	**67,195**
Telephone	690	327	6,055	1,092	1,323	9,487	1,396	1,039	2,435	**11,922**
Postage and shipping	413	330	5,161	289	325	6,518	114	5,105	5,219	**11,737**
Occupancy	11,807	4,081	27,580	8,810	10,237	62,515	2,223	9,266	11,489	**74,004**
Non-capitalized equipment	7,528	3,572	21,171	5,873	5,913	44,057	1,398	7,067	8,465	**52,522**
Printing and publications	1,738	507	5,713	1,109	1,736	10,803	461	16,285	16,746	**27,549**
Travel	4,970	4,506	122,419	24,572	12,581	169,048	2,737	6,558	9,295	**178,343**
Lodging and meals	765	58,194	367,626	50,303	32,283	509,171	5,334	28,860	34,194	**543,365**
Conferences and conventions	785	737	19,515	2,608	3,563	27,208	5,162	9,062	14,224	**41,432**
Assistance to facilities and organizations	-	306,827	-	-	-	306,827	-	-	-	**306,827**
Membership dues	306	94	5,789	294	846	7,329	1,167	2,106	3,273	**10,602**
Awards	2,770	-	8,151	614	1,265	12,800	1,463	214	1,677	**14,477**
Depreciation	4,633	2,317	8,687	2,896	3,185	21,718	1,158	6,081	7,239	**28,957**
Insurance	-	-	6,473	3,211	3,211	12,895	3,992	-	3,992	**16,887**
	$ 165,675	$ 442,787	$ 916,639	$ 192,145	$ 178,682	$ 1,895,928	$ 170,443	$ 328,600	$ 499,043	**$ 2,394,971**

The accompanying notes are an integral part of these financial statements.

Push America, Inc.

Statement of Functional Expenses

Year ended September 30, 2012

	Program Services						Support Services			
	Chapter Services	Grants and Placements	Journey of Hope	Build America	Gear Up Florida	Total	Administrative	Financial Development	Total	Total All Expenses
Salaries and wages	$ 72,785	$ 39,453	$ 197,228	$ 55,894	$ 58,240	$ 423,600	$ 84,657	$ 101,054	$ 185,711	$ 609,311
Employee benefits	12,492	5,686	22,698	7,737	8,483	57,096	3,440	10,751	14,191	71,287
Payroll taxes	5,694	3,199	13,414	4,342	4,717	31,366	2,851	8,137	10,988	42,354
Professional fees	9,807	1,684	24,437	4,080	5,290	45,298	35,386	248,048	283,434	328,732
Supplies	4,744	3,019	52,642	3,809	12,587	76,801	846	6,884	7,730	84,531
Telephone	532	242	3,623	333	350	5,080	2,353	582	2,935	8,015
Postage and shipping	1,239	400	5,054	1,770	299	8,762	416	7,905	8,321	17,083
Occupancy	11,597	4,576	22,754	11,450	7,877	58,254	1,899	8,192	10,091	68,345
Non-capitalized equipment	5,783	2,692	17,671	4,396	4,231	34,773	1,254	5,774	7,028	41,801
Printing and publications	1,535	924	3,639	1,787	1,268	9,153	399	16,065	16,464	25,617
Travel	4,218	1,606	174,054	17,387	22,428	219,693	1,976	5,408	7,384	227,077
Lodging and meals	272	-	253,135	36,575	17,064	307,046	18	1,498	1,516	308,562
Conferences and conventions	3,454	596	21,391	1,312	4,548	31,301	7,165	14,048	21,213	52,514
Assistance to facilities and organizations	-	271,005	-	-	-	271,005	-	-	-	271,005
Membership dues	425	189	7,129	260	783	8,786	1,417	2,339	3,756	12,542
Awards	2,645	9	12,601	916	1,599	17,770	1,425	2,669	4,094	21,864
Depreciation	5,491	2,166	9,423	3,239	3,534	23,853	1,177	4,417	5,594	29,447
Insurance	-	-	4,283	2,074	2,294	8,651	3,992	-	3,992	12,643
	$ 142,713	$ 337,446	$ 845,176	$ 157,361	$ 155,592	$ 1,638,288	$ 150,671	$ 443,771	$ 594,442	$ 2,232,730

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

Years ended September 30, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Increase (decrease) in net assets	**$ (122,617)**	$ 256,523
Adjustments to reconcile change in net assets to cash used in operating activities:		
Depreciation	**28,957**	29,447
Dividends and interest reinvested	**(33,163)**	(30,530)
Net realized and unrealized gains on investments	**(126,469)**	(194,948)
Changes in operating assets and liabilities:		
Promises to give, net of discount	**(17,253)**	(151,132)
Prepaid expenses	**(16,613)**	(2,953)
Cash surrender value of life insurance	**(11,000)**	-
Accounts payable and accrued expenses	**136,033**	(11,984)
Deferred revenue	**(1,995)**	30,718
Net cash used in operating activities	**(164,120)**	(74,859)
Cash flows from investing activities:		
Purchase of property and equipment	**(11,507)**	(7,036)
Purchase of investments	**(83,848)**	(7,000)
Proceeds from sales of investments	**195,049**	155,016
Net cash provided by investing activities	**99,694**	140,980
Net increase (decrease) in cash and cash equivalents	**(64,426)**	66,121
Cash and cash equivalents at beginning of year	**123,493**	57,372
Cash and cash equivalents at end of year	**$ 59,067**	$ 123,493

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

September 30, 2013 and 2012

1. Organization

Push America, Inc. ("the Organization") is a 501(c)(3) nonprofit organization that serves people with disabilities. Push America was founded in 1977 as the national philanthropy of Pi Kappa Phi Fraternity with the purpose of instilling lifelong service in its members and enhancing the quality of life for people with disabilities. Push America has grown into a national nonprofit with numerous programs educating undergraduates, alumni and communities about the abilities of people with disabilities while forging friendships between Pi Kappa Phi members and people with disabilities.

2. Summary of Significant Accounting Policies

Basis of Accounting
The financial statements of Push America, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation
Financial statement presentation follows the recommendations of the Financial Accounting Standards Board *Accounting Standards Codification (ASC) 958-205 Not-for-Profit Entities: Presentation of Financial Statements.* Under *ASC 958-205*, the Organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets: Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets: Net assets subject to donor-imposed restrictions that expire when a stipulated time restriction ends or purpose restriction is accomplished.

Permanently restricted net assets: Net assets subject to donor-imposed restrictions that must be maintained permanently by the organization. Generally the donors of these assets permit the organization to use all or part of the income earned on the related investment for general or specific purposes.

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.

Cash Equivalents
The Organization considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

Promises to Give
All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases these net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as unrestricted.

Unconditional promises to give that are expected to be collected within one year are recorded at their face value. Unconditional promises to give that are expected to be collected in future years are recorded at the net present value. The discounts on those amounts are computed using an interest rate applicable to the year in which the promise is received. The discount rate was 1.66% and 0.84% for pledges made in the years ended September 30, 2013 and 2012, respectively. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

For the years ended September 30, 2013 and 2012, management has determined that an allowance for doubtful accounts was not necessary.

Investments

The Organization accounts for investments under *FASB ASC 958 Not-for-Profit Entities*. Under *ASC 958*, investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values. Investment returns that are restricted by the donor are reported as an increase in unrestricted net assets if the restrictions expire in the reporting period in which the investment returns are recognized.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization capitalizes office equipment, furnishings, and other fixed assets with a value in excess of $500. Depreciation is computed using primarily the straight-line method over the estimated lives of the assets, ranging from three to ten years. Improvements to property and equipment that do not extend the useful life of the asset are expensed in the year incurred.

Long-Lived Assets

Cash or other assets whose use is restricted to acquire long-lived assets are recorded as temporarily restricted until the long-lived assets are acquired. Once acquired, long-lived assets are recorded as unrestricted net assets unless otherwise disclosed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 those estimates.

Donated Materials, Services, and Use of Property

Under *FASB ASC 958 Not-for-Profit Entities*, the Organization recognizes services requiring specialized skills such as those provided by accountants, attorneys, marketing consultants, and other professionals if the services would need to be purchased if not donated. The Journey of Hope and other team and special events receive donations of lodging, meals, vehicles and services. These donations are valued at estimated fair market value. The amount of donated services recognized as revenues and expenses for the years ended September 30, 2013 and 2012, are $459,603 and $307,983, respectively.

Expense Allocation

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

Financial Development

Financial development expenses represent amounts incurred in raising additional funds for the Organization.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

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 Statements of Activities as net assets released from restrictions. Certain restricted contributions received in the same year in which the restrictions are met are recorded as an increase in unrestricted support.

Fair Value of Financial Instruments

The Organization has estimated the fair value of its financial instruments using available market information and other valuation methodologies in accordance with *ASC 820 Fair Value Measurements and Disclosures*. The FASB Fair Value Measurement standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and expands disclosures about fair value measurements in an effort to make the measurement of fair value more consistent and comparable. Financial instruments, as defined in *ASC Topic No. 825-10-50 Fair Value of Financial Instruments*, consist of cash, accounts receivable, investments, accounts payable, and accrued expenses.

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The fair value of each class of financial instruments for which it is practicable to estimate the fair value were determined as follows:

Investments in mutual funds– Valued at the quoted net asset value of shares held by the Organization at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Additionally, the Organization is not a private foundation pursuant to Internal Revenue Code Section 509(a)(1). The Organization does not believe that there are any material uncertain tax positions and accordingly, it will not recognize any asset or liability for unrecognized tax benefits or obligations.

The tax returns of the Organization are subject to examination by federal and state authorities. As of September 30, 2013, the Organization believes it is no longer subject to income tax examinations for years prior to 2010.

Subsequent Events

The Organization has analyzed its operations subsequent to September 30, 2013, through February 6, 2014, the date the financial statements were available to be issued, for potential recognition or disclosure in the financial statements.

3. Concentrations

Push America, Inc. is subject to some credit risk through cash investments which are placed in a high credit quality financial institution. The Organization did not exceed maximum insured deposit limitations at September 30, 2013 and 2012.

4. Promises to Give

Unconditional promises to give are included in the financial statements as promises to give and revenue of the appropriate net asset classification. Unconditional promises to give at September 30, 2013 and 2012 consisted of the following:

	2013	2012
Unconditional promises to give	**$ 173,000**	$ 155,000
Less: unamortized discount	**(4,615)**	(3,868)
Unconditional promises to give - net	**$ 168,385**	$ 151,132

Unconditional promises to give at face value at September 30, 2013 and 2012 are as follows:

	2013	2012
Receivable in less than one year	**$ 42,000**	$ 22,000
Receivable in one to five years	**127,000**	129,000
Receivable in more than five years	**4,000**	4,000
	$ 173,000	$ 155,000

5. Investments

The Organization maintains investments in mutual funds that invest in equity and debt securities. Investment income, realized gains and losses, and unrealized gains and losses from these securities are allocated to the unrestricted and temporarily restricted funds based on each fund's percentage of ownership of total investment assets.

Investments were comprised of the following at September 30:

	2013		2012	
	Cost	**Fair Value**	Cost	Fair Value
Unrestricted mutual funds:				
Large and mid cap equities	**$ 63,135**	**$ 67,235**	$ 87,856	$ 83,110
Small cap equities	**7,544**	**15,070**	10,277	17,264
Fixed income	**141,267**	**142,498**	154,928	167,271
Real assets	**52,036**	**48,643**	45,672	43,676
International	**101,965**	**100,586**	150,799	124,918
Temporarily restricted mutual funds:				
Large and mid cap equities	**241,420**	**259,005**	212,180	238,780
Small cap equities	**41,856**	**63,847**	42,654	49,598
Fixed income	**487,965**	**495,117**	453,203	485,341
Real assets	**174,281**	**166,084**	127,641	125,478
International	**352,932**	**384,638**	387,726	358,855
	$ 1,664,401	**$ 1,742,723**	$ 1,672,937	$ 1,694,292

Investment advisory fees paid for the management of the investment accounts totaled $14,261 and $12,822 for the years ended September 30, 2013 and 2012, respectively.

6. Fair Value Measurements

The following tables set forth the level, within the fair value hierarchy, of the Company's financial investments at fair value as of September 30, 2013 and 2012:

	Fair Value	Level 1	Level 2	Level 3
September 30, 2013				
Mutual funds	**$ 1,742,723**	**$ 1,742,723**	**$ -**	**$ -**
September 30, 2012				
Mutual funds	$ 1,694,292	$ 1,694,292	$ -	$ -

7. Property and Equipment

Property and equipment consisted of the following at September 30:

	Useful Lives	2013	2012
Computer equipment and software	3 - 5 years	**$ 109,039**	$ 99,176
Office furniture and equipment	5 - 10 years	**163,117**	161,471
		272,156	260,647
Less accumulated depreciation		**(167,038)**	(138,080)
		$ 105,118	$ 122,567

Depreciation expense for the years ended September 30, 2013 and 2012 was $28,957 and $29,447, respectively.

8. Restrictions on Net Assets

The restricted net assets include donor restricted funds to provide fellowships to be used as an incentive for camp counselors serving at summer programs for people with disabilities and the Journey of Hope program. The Organization also began a "Commitment Campaign" during the year ended September 30, 2012, designed to raise a board designated endowment fund that will be used to support 25% of the Organization's budget.

9. Retirement Plans

The Organization maintains a tax-qualified annuity plan administered by a national insurance company. The Organization makes a discretionary matching contribution determined on an annual basis equal to the employee's contribution. This amount is not to exceed 3% of employee compensation. Retirement plan expense was $12,793 and $14,182 for the years ended September 30, 2013 and 2012 respectively.

In 2013, the Organization established a deferred compensation plan for eligible management as determined by the Board of Directors. At September 30, 2013, the Organization accrued $11,000 in expenses for one participant in the Plan.

10. Related Party Transactions

The Organization has a verbal agreement with Pi Kappa Phi Fraternity, an affiliated organization, on a month to month basis for shared resources, such as office equipment, telephone lines, personnel salaries, software charges, insurance costs, and publication fees. The amounts charged to the entity during the years ending September 30, 2013 and 2012 were approximately $145,500 and $130,500, respectively.

Included in the shared resources amounts were rental payments in connection with a sub-lease agreement for office space. The sub-lease terms state the base rent of the office space will be recalculated annually, based on the usage of the office space by the Organization. The lease payment amount escalates 3% annually, beginning on April 1 of each year. The lease began on March 13, 2007, and ends on June 30, 2017. Based on the initial calculation of the base rent, the future minimum payments for the five succeeding years is as follows:

September 30, 2014	$ 54,393
September 30, 2015	56,025
September 30, 2016	57,706
September 30, 2017	44,578

Rent expense for office space was $53,307 and $52,158 for the years ended September 30, 2013 and 2012 respectively.