PCS Edventures!.com, Inc.
TABLE OF CONTENTS

PART I – COMPANY AND SECURITY INFORMATION

1) Name of the issuer and its predecessors (if any):

PCS Edventures!.com, Inc.

2) Address of the issuer's principal executive offices:

Company Headquarters:

11915 W. Executive Dr., Ste. 101
Boise, ID 83713

IR Contact:

Mike Bledsoe
mikeb@edventures.com
208-343-3110
11915 W. Executive Dr., Ste. 101
Boise, ID 83713
www.edventures.com

3) Security Information

a) Security information as of December 31, 2017:

Title and Class of Security	Par Value	Trading Symbol	Total Shares Authorized	Total Shares Outstanding
Common Stock	No Par Value	PCSV	150,000,000	111,653,715
Preferred Stock	No Par Value	N/A	20,000,000	0

On March 27, 2017, PCSV filed Form 15 with the Securities and Exchange Commission terminating the registration of its Common Stock under Rule 12 g-4(a)(1) of the Securities Exchange Act of 1934.

b) Transfer Agent:

Interwest Transfer Co.
1981 East Murray Holladay Road 100
Salt Lake City, UT 84117
(801) 272-9297

Is the Transfer Agent registered under the Exchange Act?

Yes

c) List any restrictions on the transfer of security:

PCSV has issued unregistered shares of common stock that are restricted from resale in the public market unless the sale(s) are exempt from SEC registration requirements.

d) Describe any trading suspension orders issued by the SEC in the past 12 months:

None

e) List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None have occurred within the past 12 months.

4) Issuance History

Changes in Total Common Shares Outstanding (last two fiscal years):

The details of common stock share transactions outstanding over the last two fiscal years are as follows:

a. <u>Common Stock</u>

During the fiscal year ended March 31, 2016:

The Board of Directors resolved on July 15, 2015, to increase the Company authorized common stock from 90,000,000 shares with no par value to 100,000,000 shares of common stock with no par value. Management submitted the resolution for ratification by the shareholders at the Annual Meeting. Shareholders ratified the increase in authorized common stock to 100,000,000 on September 25, 2015.

The Company issued 398,000 shares of common stock for services. The per share value ranged from $0.11 to $0.15 for a net value of $48,440 based on the closing price of the Company's common stock on the date of grant.

The Company recognized 692,300 of restricted stock units payable to non-management directors for services rendered at a rate of one share of common stock for each restricted stock unit. Each restricted stock unit is valued at $0.11 to $0.15, based on the closing price of the Company's common stock at the date of vesting. These agreements call for payment of current year director fees via issuance of restricted stock units over a vesting period ending September 30, 2015. Vesting requires continued service through September 30, 2015 and reelection at the annual shareholder meeting. $97,845 was recorded to common stock for the issuance on November 16, 2016. The total number of shares of common stock issued for RSU's is 692,300. Four Board of Director members resigned in 3Q FY2016. Restricted Stock Units accrued for the resigning members were forfeited. Restricted stock units payable were accrued of $3,240 as of March 31, 2016 for the one remaining board member, representing shares that will be issued in future periods.

The CEO exercised 25,000 options earned from an employee incentive stock option agreement dated July 15, 2012, using the cashless option into 19,000 shares of restricted common stock. The price per share was $0.06 discounted from market value of $0.25 at the time of exercise resulted in a reduction of 6,000 shares of common stock.

A related party exercised 120,000 warrants issued on January 11, 2013 at a price of $0.07 for a total of $8,400 resulting in 120,000 shares of restricted common stock.

The Company issued 1,066,006 shares of common stock for the conversion of promissory notes issued to private investors. The price per share value of $0.15 resulted in a net value of $159,901. Due to conversion within the terms of the note, no gain or loss was recorded as a result of the conversion.

The Company expensed $15,269 related to stock options and warrants granted in the current period as well as prior periods; to seven employees in incentive stock option plans valued using the Black-Scholes valuation model.

The Company granted 358,000 shares of common stock to employees. The per share value of range of $0.04 to $0.10, a net value of $8,908 based on the closing price of the Company's common stock on the date of grant.

During the fiscal year ended March 31, 2017:

The Board of Directors resolved on July 14, 2016, to increase the Company authorized common stock from 100,000,000 shares with no par value to 150,000,000 shares of common stock with no par value. The resolution was ratified on September 23, 2016, by the shareholders at the Annual Meeting. The Articles of Amendment were filed with the Idaho Secretary of State on September 23, 2016.

The Company issued 75,000 and reclaimed (200,000) shares of common stock for services. The per share value ranged from $0.045 to $0.09 for a net value of ($2,750) based on the closing price of the Company's common stock on the date of grant.

Restricted stock units payable were accrued of $3,240 as of March 31, 2016 for the one remaining board member, representing shares that will be issued in future periods. The one remaining Board member no longer fit the criteria for "independence" and became ineligible for Board compensation. The $3,240 restricted stock units were forfeited.

An employee exercised 70,000 options earned from an employee incentive stock option agreement dated February 1, 2014. The price per share was $0.0362 discounted from market value of $0.08 at the time of exercise.

The Company issued 5,763,014 shares of common stock for the conversion of promissory notes issued to the Company CEO and Chairman of the Board. The price per share value of $0.04 resulted in a net value of $230,521. Due to conversion within the terms of the note, no gain or loss was recorded as a result of the conversion

The Company issued 17,957,690 shares of common stock in private equity sales. The price per share value ranged from $0.065 to $0.08 resulting in a net value of $1,186,000. Due to conversion within the terms of the note, no gain or loss was recorded as a result of the conversion

The Company expensed $35,154 related to stock options and warrants granted in the current period as well as prior periods; to eleven employees in incentive stock option plans valued using the Black-Scholes valuation model.

The Company granted 200,000 shares of common stock to employees. The per share value of $0.08, resulted in a net value of $16,000 based on the closing price of the Company's common stock on the date of grant.

During the nine months ending December 31, 2017:

The Company expensed amounts related to stock options and warrants granted in the current period as well as prior periods valued at $17,865.

During the quarter ending September 30, 2017, the Company converted $388,899 of Interest payable to 7,777,978 Rule 144 "restricted" common stock at $0.05, the bid price of our stock on the date of the transaction.

During the quarter ending September 30, 2017, the Company converted $1,342 of Interest payable to 33,562 Rule 144 "restricted" common stock at $0.04, the bid price of our stock on the date of the transaction.

During the quarter ending September 30, 2017, the Company issued a total of 3,500,000 Rule 144 "restricted" common stock shares from private equity sales at a price of $0.04 totaling $140,000.

During the quarter ending September 30, 2017, the Company accrued $56,263 in Stock Payable as conversion of accrued interest on the principle balance due to the CEO of $1,867,679 for subsequent issue of 1,406,587 shares of Rule 144 "restricted" common stock at $0.04, the bid price of our stock on the date of the transaction. As of December 31, 2017, this stock had not yet been issued.

b. Preferred Stock

The Company has 20,000,000 authorized shares of preferred stock. As of December 31, 2017, and for the two-year period prior to that, there were no preferred shares issued or outstanding.

5) Financial Statements

See PART II – UNAUDITED FINANCIAL STATEMENTS below.

6) Issuer's Business, Products and Service

a) Description of the Issuer's business operations, principal products and their market:

PCS specializes in experiential, hands-on, K12 education and drone technology. PCS has extensive experience and intellectual property (IP) that includes robotics software and hardware, product designs, and K12 curriculum content and uses these assets to develop educational products around STEM (Science, Technology, Engineering, and Math) subjects.

PCS, through its acquisition of Thrust-UAV, has developed and sells the RubiQ STEM education drone and the Riot 250R Pro consumer racing drone, as well as other drone-related items and products using drone-related technology. The RubiQ STEM education drone comes with curriculum developed by the company and has experienced good market acceptance since its April, 2017 launch. Based on the feedback on the RubiQ STEM education drone, the Company has developed additional STEM education products around drones.

PCS educational products and Thrust-UAV drone products are developed from both in-house efforts and contracted services. They are marketed through reseller channels, direct sales efforts, partner networks, and web-based strategies. The company continues to be approached for various partnerships interested in the Company's unique combination of having expertise in both education and drone technology. In December of 2017, the Company announced that it had entered into a licensing agreement with Eastman Kodak Company.

b) Date and State (or Jurisdiction) of Incorporation:

Current State of Incorporation: Idaho, August 3, 1994

c) Issuer's primary and secondary SIC Codes;

Primary: 8200 Services – Educational

Secondary: 5099 Durable Goods, not elsewhere classified

d) The Issuer's fiscal year end date is March 31.

7) Description of Issuer's Facilities

PCS Edventures!.com, Inc.'s corporate headquarters, R&D activities, and manufacturing facilities are located at 11915 W. Executive Dr., Ste. 101, Boise, ID 83713. The Company occupies 10,000 square feet of office and warehouse space under a lease with a monthly rental which is due to expire in March of 2020.

8) Officers, Directors, and Control Personas

a. Names of Officers, Directors, and Control Persons.

Officers and Directors: The following table lists the Officers and Directors of the Company:

Name	Title
Todd Hackett	Chairman and CEO
Mike Bledsoe	Vice President & Treasurer, Director

Control Persons: The following table lists the beneficial owners of more than 5% of the Company's Common Stock as of September 30, 2017:

Name	% Shares Owned
Todd Hackett, Chairman and CEO	39.5%
Dan Fuchs, non-employee	8.1% *
K2RED, LLC.	5.3% *

* Shares owned by Dan Fuchs includes his portion of those owned in K2RED, LLC. in which Dan Fuchs is a 33.3% owner.

Beneficial Shareholders: The following table list the beneficial owners of more than 10% of the Company's Common Stock as of September 30, 2017.

Name	% Shares Owned
Todd Hackett, Chairman and CEO	39.5%

b. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

   None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

9) Third Party Providers

Legal Counsel:

Burningham & Burningham
455 East 500 South Ste 205
Salt Lake City, UT 84111

Accountant:

BA Harris & Associates PA
960 S. Broadway Ave., Ste. 314
Boise, ID 83706

PART II – UNAUDITED FINANCIAL STATEMENTS

PCS EDVENTURES!.COM, INC.
Balance Sheets
(Unaudited)

	December 31, 2017 (unaudited)	March 31, 2017 (unaudited)
CURRENT ASSETS		
Cash	$14,209	$34,746
Accounts receivable, net of allowance for doubtful accounts of $2,096 and $2,096, respectively	144,355	392,023
Prepaid expenses		11,591
Finished goods inventory	327,648	518,756
Other Receivable	14,290	27,142
Total Current Assets	500,502	984,258
NON-CURRENT ASSETS		
Fixed Assets, net of accumulated depreciation of $173,985 and $165,364, respectively	-	8,621
GOODWILL	1,270	1,270
OTHER ASSETS		
Note Receivable net of allowance ($49,513)	21,198	21,198
Deposits	6,725	12,180
Total Other Assets	27,923	33,378
Total Non-Current Assets	29,193	43,269
TOTAL ASSETS	$529,695	$1,027,527

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

PCS EDVENTURES!.COM, INC.
Balance Sheets
(Unaudited)

	December 31, 2017 (unaudited)	March 31, 2017 (unaudited)
CURRENT LIABILITIES		
Accounts payable and other current liabilities	$178,692	$329,229
Payroll liabilities payable	40,682	42,986
Accrued expenses	337,280	485,936
Deferred Revenue	56,461	4,175
Note payable	40,246	251,445
Note payable, default	381,067	-
Note payable, convertible, default	90,696	-
Note payable, related party	-	1,917,679
Note payable, related party, default	2,337,680	-
Lines of credit payable	-	14,096
Total Current Liabilities	$3,462,804	$3,045,546
NON-CURRENT LIABILITIES		
Notes payable, long term, convertible, default	-	90,696
Total Non-Current Liabilities	-	90,696
Total Liabilities	$3,462,804	$3,136,242
STOCKHOLDERS' DEFICIT		
Preferred stock, no par value, 20,000,000 authorized shares, no shares issued and outstanding		
Common stock, no par value, 150,000,000 authorized shares, 111,653,715 and 100,308,372 shares issued and outstanding, respectively	40,212,877	39,664,770
Restricted stock payable	56,263	-
Accumulated deficit	(43,202,249)	(41,773,485)
Total Stockholders' Deficit	(2,933,109)	(2,108,715)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$529,695	$1,027,527

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

PCS EDVENTURES!.COM, INC.
Statements of Operations
(Unaudited)

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2017	2016	2017	2016
REVENUES				
Domestic revenue	$305,940	$180,488	1,489,994	$1,055,585
International service revenue	-	182,164	-	189,664
Learning Center revenue	-	34,330	16,533	103,880
License and royalty revenue	2,042	15,608	6,148	29,415
Total Revenues	307,982	412,590	1,512,675	1,378,544
COST OF SALES	650,349	444,339	1,512,953	1,130,915
GROSS PROFIT	(342,367)	(31,749)	(278)	247,629
OPERATING EXPENSES				
Salaries and wages	225,193	280,501	709,026	820,849
Depreciation and amortization expense	-	28,161	-	84,593
General and administrative expenses	85,225	226,420	467,362	926,993
Total Operating Expenses	310,418	535,082	1,176,388	1,832,435
OPERATING LOSS	(652,785)	(566,831)	(1,176,666)	(1,584,806)
OTHER INCOME AND EXPENSES				
Gain on Settlement	-	13,000	-	13,000
Interest expense	(99,742)	(51,282)	(252,097)	(153,658)
Total Other Income/(Expense)	(99,742)	(38,282)	(252,097)	(140,658)
LOSS FROM OPERATIONS	(752,527)	(605,113)	(1,428,763)	(1,725,464)
NET LOSS	(752,527)	(605,113)	(1,428,763)	(1,725,464)
NET COMPREHENSIVE LOSS	(752,527)	(605,113)	(1,428,763)	(1,725,464)
NET LOSS ATTRIBUTABLE				
TO COMMON SHAREHOLDERS	($752,527)	($605,113)	(1,428,763)	($1,725,464)
Net loss per common share:				
Basic	($0.01)	($0.01)	($0.01)	($0.02)
Diluted	($0.01)	($0.01)	($0.01)	($0.02)
Weighted Average # of Shares Outstanding	111,653,715	95,444,493	106,389,272	87,816,984

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

PCS EDVENTURES!.COM, INC.
Statement of Stockholders' Deficit
(Unaudited)

	# of Common Shares O/S	Capital Stock	Stock & RSU Payable	Accumulated Deficit	Total Shareholders' Equity (Deficit)
Balance at 3/31/17	$100,308,372	$39,664,770	$0	($41,773,485)	($2,108,715)
Stock issued for cash	11,345,343	530,241	-	-	530,241
Conversion of interest payable for common stock	-	-	56,263	-	56,263
Option Expense		17,866	-	-	17,865
Net Loss	-	-	-	(1,428,763)	(1,428,763)
Balance at 12/31/2017 (unaudited)	$111,653,715	40,212,877	56,263	(43,202,249)	($2,933,109)

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

PCS EDVENTURES!.COM, INC.
Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended December 31, 2017	2016	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Loss	($1,428,763)	($1,725,464)	
Adjustments to reconcile net loss to net cash provided by operating activities:			
Gain on settlement	-	(13,000)	
Depreciation expense	-	$8,249	
Amortization of assets	-	76,344	
Common stock issued for services	-	19,010	
Amortization of fair value of stock options		29,244	
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	19,088	587,309	(Increase
(Increase) decrease in inventories	62,852	(197,974)	
(Increase) decrease in other current assets	60,348	1,921	
(Decrease) increase in accounts payable and accrued liabilities	(135,296)	(37,492)	
Increase (decrease) in unearned revenue	13,479	(6,796)	
Net Cash Used by Operating Activities	($1,408,292)	($1,242,339)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchase of fixed assets	-	-	
Net Cash Used by Investing Activities	-	-	
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of stock	$554,017	$1,186,000	
Cash paid for settlement of shares for services	-	(9,000)	
Proceeds from options	-	2,533	
Borrowings on note payable	815,440	250,380	
Principal payments on debt	18,298	(200,858)	
Net Cash Provided by Financing Activities	1,387,755	1,229,055	
Net Increase (Decrease) in Cash	(20,537)	(13,284)	
Cash at Beginning of Period	34,746	54,357	
Cash at End of Period	$14,209	$41,073	

The accompanying notes are an integral part of these financial statements

Statements of Cash Flows (continued)
(Unaudited)

NON-CASH INVESTING & FINANCING ACTIVITIES	For the Nine Months Ended December 31, 2017	2016
Conversion of debt	-	$230,521
RSU accrued in prior period and issued in current period		

CASH PAID FOR	2017	2016
Interest	$	$102,376
Income Taxes	-	$800

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

PCS EDVENTURES!.COM, INC.
Notes to the Financial Statements

December 31, 2017
(Unaudited)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

PCS Edventures!.com, Inc. (the "Company", "PCS", "we", "our", "us" or similar words) was incorporated in 1994, in the State of Idaho. PCS specializes in experiential, hands-on, K12 education and drone technology. PCS has extensive experience and intellectual property (IP) that includes robotics software and hardware, product designs, and K12 curriculum content. PCS continually develops new educational products based upon market needs the Company identifies through its sales and customer networks. PCS, through its acquisition of Thrust-UAV, has developed and sells the RubiQ STEM education drone and the Riot 250R Pro consumer racing drone.

PCS educational solutions are implemented through the development, marketing, and distribution of educational products and services that target the Pre K-12 market and are marketed through reseller channels, direct sales efforts, and partner networks. Our Thrust-UAV drone division is continuing to build a distribution and reseller network to sell the Riot 250R Pro racing drone and accessories. The division has been solicited for various partnerships and requests for product development which the Company is evaluating.

On August 3, 1994, PCS Education Systems, Inc. was incorporated under the laws of Idaho to develop and operate stand-alone learning labs.

In October of 1994, PCS exchanged common stock on a one-for-one basis for common stock of PCS Schools, Inc. As a result of this exchange, PCS Schools, Inc. became a wholly-owned subsidiary of PCS. In the late 1990s, the Company divested the stand-alone learning labs to focus on the creation of turn-key lab modules coupled with web-based technology for use in the classroom and afterschool programs.

On March 27, 2000, PCS changed its name from PCS Education Systems, Inc. to PCS Edventures!.com, Inc. On September 26, 2014, the shareholders voted for the proposal to grant the Board of Directors the authority to change the name of the Company in a fashion that will remove the ".com", but retain the current brand.

On November 30, 2005, PCS entered into an agreement with 511092 N.B. LTD., a Canadian corporation (LabMentors), to exchange PCS common stock for common stock of 511092 N.B. LTD., which exchange was completed in December of, 2005, with LabMentors becoming a wholly-owned subsidiary. In December 2005, the name of this subsidiary was formally changed to PCS LabMentors, Ltd.. The Company divested Labmentors, the wholly owned subsidiary, in August of 2013.

In January of 2012, the Company committed to a business plan enhancement, which included the opening, operating, and licensing of EdventuresLab private learning centers and launched a pilot program in the spring of 2012. As of June 30, 2014, two EdventuresLab programs had been opened and were operating in the Idaho Treasure Valley. Enrollment has been less than needed to sustain profitability in this segment. As a consequence, the Company closed its Boise, Idaho EdventuresLab site and will be closing its Eagle, Idaho EdventuresLab site in July of 2017.

On January 31, 2013, PCS formed a subsidiary called Premiere Science, Inc., incorporated and registered in the State of Idaho. The subsidiary is 100% wholly-owned by the Company and was formed to use as an additional sales and marketing tool to gain other business opportunities. There were no operations for this subsidiary.

In January of 2013, we formed Premiere Science, Inc. ("Premiere Science") in the State of Idaho as a wholly-owned subsidiary.

In September of 2013, we sold PCS LabMentors, Ltd. ("PCS LabMentors"), which was based in Fredericton, New Brunswick, Canada.

In February of 2016 we executed an asset purchase of Thrust-UAV LLC ("Thrust-UAV"), an Idaho based limited liability corporation specializing in First Person View (FPV) drone technology, the purpose of which was to strengthen our internal technology capabilities, expand our STEM product offerings, and open up market opportunities outside of the K12 education space.

In March of 2017, the Board of Directors unanimously resolved to suspend reporting as an SEC reporting company. The rationale behind this decision was to reduce costs. There was no change in the trading of the Company's shares, which continue to trade on the OTCPK under the symbol PCSV. The Company will no longer be required to report audited financial statements.

In January of 2018, the Board of Directors accepted the resignation of Robert Grover, Executive Vice President and Director. Mr. Grover left the Company on good terms and serves as a consultant to the Company from time to time.

NOTE 2 - UNAUDITED FINANCIAL STATEMENTS

The December 31, 2017 financial statements presented herein are unaudited, and in the opinion of management, include all adjustments (consisting of only normal recurring accruals) necessary for a fair presentation of financial position, results of operations and cash flows. Such financial statements do not include all of the information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

The operating results for the three and nine-month periods ended December 31, 2017, are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2018.

NOTE 3 - GOING CONCERN

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern that contemplates the realization of assets and liquidation of liabilities in the normal course of business. The established sources of revenues are not sufficient to cover the Company's operating costs. The Company has accumulated significant losses and payables and generated negative cash flows. The combination of these items raises substantial doubt about its ability to continue as a going concern. Management's plans with respect to alleviating this adverse position are as follows:

The Company has undergone a number of initiatives to reduce costs. We consolidated our office to one location, thus eliminating a costly lease. We filed form 15 which relieves us from the requirements of being an SEC reporting company, saving audit and legal fees which the Company estimates to be in excess of $100,000 per year. We have closed our Boise, Idaho EdventuresLab and sold our Eagle, Idaho EdventuresLab, saving significant overhead expenses after the Company determined that these operations were not profitable. We have focused our R&D activities on only those projects that the Company feels have near-term potential. Much of our product development work that has typically been contracted out has ceased.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully raise capital as needed, to continue to monitor and reduce overhead costs, and to attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Concentration of Credit Risk

The Company extends credit to customers and is therefore subject to credit risk. The Company performs initial and ongoing credit evaluations of its customers' financial condition and does not require collateral. An allowance for doubtful accounts is recorded to account for potential bad debts. Estimates are used in determining the allowance for doubtful accounts and are based upon an assessment of selected accounts and as a percentage of remaining accounts receivable by aging category. In determining these percentages, the Company evaluates historical write-offs, and current trends in customer credit quality, as well as changes in credit policies. At December 31, 2017, a major international customer and a domestic reseller accounted for 4% and 3% of the Company's accounts receivable, respectively.

Use of Estimates

The preparation of condensed financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company's significant estimates include reserves related to accounts receivable and inventory, the recoverability and useful lives of long-lived assets, the valuation allowance related to deferred tax assets, the valuation of equity instruments and debt discounts.

Recently Issued Accounting Pronouncements

On May 10, 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-09, "Compensation–Stock Compensation (Topic 718): Scope of Modification Accounting," clarifying when a change to the terms or conditions of a share-based payment award must be accounted for as a modification. The new guidance requires modification accounting if the fair value, vesting condition or the classification of the award is not the same immediately before and after a change to the terms and conditions of the award. The new guidance is effective for the Company on a prospective basis beginning on January 1, 2018, with early adoption permitted. This new guidance is not expected to have an impact on the Company's financial statements as it is not the Company's practice to change either the terms or conditions of share-based payment awards once they are granted.

Reclassifications

Certain accounts in the prior period condensed consolidated financial statements have been reclassified for comparison purposes to conform to the presentation of the current period condensed consolidated financial statements. These reclassifications had no effect on the previously reported net income or loss.

Net Earnings (Loss) Per Share of Common Stock

Basic net earnings (loss) per share ("EPS") is computed by dividing net earnings (loss) attributable to common stockholders by the weighted average number of common shares outstanding during the period. Diluted net earnings (loss) per share reflects the potential dilution that could occur if securities or other instruments to issue common stock were exercised or converted into common stock.

NOTE 5 – PREPAID EXPENSES

Prepaid expenses for the periods were as follows:

	December 31, 2017	March 31, 2017
Prepaid insurance	-	-
Prepaid inventory	-	-
Prepaid software	-	8,000
Prepaid expenses, other	-	3,591
Total Prepaid Expenses	-	11,591

NOTE 6 – GOODWILL AND INTANGIBLE ASSETS

Goodwill and other intangible assets for the period were as follows:

	December 31, 2017	March 31, 2017
Goodwill	1,270	1,270
Intangible Assets	100,048	100,048
Accumulated Amortization Intangible Assets	(100,048)	(100,048)
Total Goodwill and Intangible Assets	1,270	1,270

Intangible asset amortization expense for the nine months ended December 31, 2017 and December 31, 2016 was $0 and $84,593, respectively.

NOTE 7 – FIXED ASSETS

Assets and depreciation for the periods were as follows:

	December 31, 2017	March 31, 2017
Computer/office equipment	177,445	177,445
Software		
Accumulated depreciation	(177,445)	(168,825)
Total Fixed Assets	-	8,621

Fixed asset depreciation expense for the nine months ended December 31, 2017 and December 31, 2016 was $8,621 and $8249, respectively.

NOTE 8 – NOTES PAYABLE

Notes payable for the periods consisted of the following:

	December 31, 2017	March 31, 2017
Note payable	-	251,445
Note payable, default	381,067	
Note payable, related party	-	1,917,679
Note payable, related party, default	2,337,680	-
Lines of credit payable	-	14,096
Notes payable, long term, convertible	-	90,696
Note payable, convertible, default	90,696	-
Notes payable, long term	-	
Total Notes Payable	2,809,443	2,273,916

Note payable, default

On September 1, 2017 the Company executed a non-convertible promissory note with no warrants attached with a third party for 30,000 at 20% interest per annum, due December 31, 2017. This was a conversion of accounts payable resulting from inventory purchase into a promissory note. The note principle balance of $30,000 was outstanding at December 31, 2017, with accrued interest of $2,005. This note was subsequently paid in full.

On June 8, 2017 the Company executed a non-convertible promissory note with no warrants attached with a third party for $200,000 at 20% interest per annum, due October 31, 2017. On October 23, 2017, the promissory note dated June 8, 2017 in which the Company executed a non-convertible promissory note was subsequently extended in an amendment to the due date of December 15, 2017. This was secured by international contracts. The note principle balance of $200,000 was outstanding at December 31, 2017, with accrued interest of $19,072. This promissory note due date was subsequently extended in an amendment to March 31, 2017.

On April 18, 2012, the Company entered into a long-term promissory note with one of its employees and board members for $25,000 with an interest rate of seven and one-half percent (7.5%) per annum. The balance is due in full on or before April 18, 2017. Monthly payments are required for interest only to the Lender's financial intuition. On April 18, 2017 the principle balance and interest of $18,212 was paid in full.

On January 13, 2012, the Company entered into two separate promissory notes in the amount of $35,000 each for an aggregate amount of $70,000. The notes bear interest at nine percent (9%) per annum and were previously due and payable on or before January 10, 2013. Minimum monthly payments of one and one-half (1.5%) of the loan balances are required and are submitted to the Lenders' financial institution. The notes were amended April 1, 2013, and re-written with a new principal amount of $32,100 each for an aggregate amount of $64,200. The notes bear interest at nine percent (9%) per annum and are due and payable on or before April 1, 2020. The underlying loan requires that the Company pay to the Lenders' financial institution monthly payments of $1,033 on or before the 1st day of each month, beginning May 1, 2013, and continuing each month in like amounts until the final payment due on April 1, 2020. The Company had paid $43,933 in principal, leaving a balance of $26,067 at December 31, 2017. No interest is accrued for this note payable.

On March 10, 2017 the Company executed a non-convertible promissory note with no warrants attached with a third party for $100,000 at 25% interest per annum, due May 19, 2017. The note was secured by accounts receivable. The note principle balance of $100,000 was still outstanding at December 31, 2017, in default, with accrued interest of $18,904.

Note payable, related party, default

On September 19, 2017 the Company executed a non-convertible promissory note with no warrants attached with the Company CEO and Chairman of the Board for $400,000 at 20% interest per annum, due December 31, 2017. This was secured by international contracts. The note principle balance of $400,000 was outstanding at December 31, 2017, with accrued interest and fees of $27,835.

From FY 2013 to FY 2017, the Company has executed related party promissory notes with an employee and the CEO, both being members of the Board of Directors, per the included table. The total principle balance of September 30, 2017 is $1,917,679. Accrued interest on the principle balance due to the CEO of $1,867,679 for $56,263 as of September 30, 2017 was booked as 1,406,587 shares of restricted 144 common stock payable. Accrued interest for the three months ending December 31, 2017 is $47,076.

Line of Credit

On September 13, 2011, the Company drew down a line of credit at a financial institution in the amount of $39,050. The line of credit bears interest at seventeen and one-half (17.5%) per annum. The Company made variable monthly payments for approximately 6 years paying the balance of $12,280 in full on August 8, 2017.

Convertible Note Payable – Non-related party

On August 1, 2012, the Company issued amendments to the convertible note agreements (convertible into common stock at a rate of $0.15 per share) in the aggregate amount of $215,000 and extended the due date with repayment in the amount of $40,000 per quarter to begin April, 2013, with the final payment due in August, 2014, to include any remaining balance due at that time. In consideration for extending the due date of the promissory notes, the expiration dates on the warrants issued (fully expensed in the prior period) on March 31, 2011, which were subsequently extended to June 27, 2014, were amended and extended again for an additional three years, making the new expiration dates August 1, 2017. At the Lenders' sole option, Lenders may elect to receive payment of their respective notes and all accrued interest in "restricted" common stock of the Company at the price per share of said common stock at the same rate as the warrants. On June 7, 2013, the Company executed an amendment to the loan transaction. The amended loan transaction involved the extension of the promissory notes from April 30, 2013, to April 30, 2016, with the Lenders waiving any default under the previous note. The Company made interest payments to each of the eight note holders for all accrued interest from August 1, 2012, to April 30, 2013, for consideration of the extension. On the fourth extension, all accrued interest was combined with the original principal amount as of July 31, 2012. On July 13, 2015, three non-related party conversions with a principal balance of $102,033, combined with the accrued interest to date of $17,894, were converted to 799,514 shares of common stock. As of September 30, 2017 the ending principal balance on the two remaining note holders was $90,696. Interest accrued as of December 31, 2017 is $40,850. These two remaining convertible promissory notes have been in default since April 30, 2016.

Note payable, long term

On September 1, 2017 the Company executed a non-convertible promissory notes with no warrants attached with a third party for 47,451 at 11% to 20% varying interest per annum, due August 15, 2019. This was a conversion of accounts payable resulting from inventory purchase into a promissory note. The note principle balance of $40,246 was outstanding at December 31, 2017, with interest expense of $386.

NOTE 9 – NOTE RECEIVABLE

On July 31, 2013, the Company signed a Memorandum of Understanding with a Canadian company owned by Joseph Khoury ("JAK") proposing a purchase agreement in which JAK shall purchase LabMentors from PCS for USD $150,000. JAK has agreed to assume 100% of LabMentors outstanding liabilities and to pay the remainder of the USD $150,000 through a note payable. The Company note receivable in the amount of $50,740, carried an annual interest rate of 3% compounded annually and is to be paid over a period of 60 months in equal monthly payments beginning in month 13 of the 60 month period. This sale was finalized during the period ending September 30, 2013. On April 14, 2015, JAK informed PCS of the potential closure of LabMentors and an inability to meet its note obligations. LabMentors had made three note payments as of the date of the notification totaling $3,399. In evaluation of the note's potential for collectability, a note allowance was accrued to the full amount of the note receivable balance. The note receivable principal balance at December 31, 2016 was $49,513. The note receivable allowance balance at December 31, 2017, is $49,513, resulting in a net $0 balance for this note receivable.

On August 10, 2016, the Company entered into a note receivable with one of its consultants for the amount of $21,198, with an interest rate of eighteen percent (18%) per annum, and secured by future payables owed to the consultant by the Company for services rendered. Interest and principal were due by January 31, 2017. The note has not been collected as of December 31, 2017.

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company includes fair value information in the notes to financial statements when the fair value of its financial instruments is different from the book value. When the book value approximates fair value, no additional disclosure is made

NOTE 11 – ACCOUNTS RECEIVABLE

The Company had accounts receivable of $158,645 net of an allowance for $2,096 for the quarter ended December 31, 2017. This accounts receivable balance included a major international customer's 10% hold back on the current contract's paid work orders of $6,590, and an international customer's lab royalty fees of $14,290.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

a. Operating Lease Obligation

The Company leased its main office under a non-cancelable lease agreement accounted for as an operating lease. On December 31, 2013, the Company signed an amendment to the existing lease to reduce the leased square feet to 5,412 for $6,765 per month for the 12 months ending December 31, 2014. On February 1, 2015, the Company signed a new lease to reduce the square feet to 3,609 for $4,511 per month for the 12 months ending January 31, 2016. The Company signed a lease amendment for the main office space on May 11, 2016, for $15.48 per square foot or $4,647 per month for the 12 months expiring May 31, 2017. On May 31, 2017, the Company moved its headquarters to the office space included in the new warehouse facility leased March 15, 2016, and extended the warehouse lease for three years.

The Company leased additional warehouse space in Boise, Idaho. Originally, this warehouse space consisted of approximately 2,880 square feet. The lease expired in June 2012. This lease was extended for 24 months, beginning July 1, 2012. The lease was extended to a new term ending October 31, 2015. The Company signed a sixth amendment on April 15, 2015, to lease additional warehouse space of approximately 1,400 square feet adjacent to the existing leased space to April 30, 2016. The Company moved all warehousing to the new facility, vacating and completing the lease agreement ending April 30, 2016.

On March 15, 2016, the Company leased a warehouse, office space and manufacturing facility of approximately 10,000 square feet for $6,300 per month for 12 months. On April 28, 2016, the Company moved all inventories, property, plant and equipment to this new warehouse facility. Rent expense for the warehouse locations was $56,957 and $56,065, for the nine months ended December 31, 2017, and 2016, respectively.

The Company leased an additional learning lab site in Eagle, Idaho, in the first quarter of FY2015. The lease has a three-year term for 1,050 square feet, for an annual base rent of $16,640 or $1,387 per month, with three percent (3%) growth per year. The lease was completed and operations sold July 31, 2017.

b. Litigation

On or about May 18, 2015, the Company was named as a co-defendant in a legal action related to one of its employees, alleged to have been driving an automobile negligently while on work related services for the Company, and causing damages to the plaintiffs in the action. The action was brought in the District Court of the Fourth Judicial District of the State of Idaho, in and for the County of Ada, Civil Action number CV PI 1507419. The insurance carrier indicated the claim would not be supported if the employee was not on company business, which the Company asserted was the case. The Company engaged legal counsel to represent it in this matter. On October 25, 2016, the case was dismissed with prejudice.

On October 13, 2015, the Company filed a Summons and Complaint against a person the Company contracted to provide public relations to the Company. The complaint primarily involved defamation and breach of contract. On October 18, 2016, the Company negotiated a settlement on Ada County Case No. CV OC 1517581 originating in the Idaho Fourth Judicial District Court. The parties to the suit negotiated an agreement that included a confidentiality clause. The matter was settled amicably.

On February 23, 2016, the Company issued a press release announcing an $825,000 contract with Drones ETC. in which its Thrust-UAV business unit would develop and produce a drone-related technology product for Drones ETC. On December 23, 2016, the Company received a Notice of Termination of the contract from legal counsel for Drones ETC. in which it purported to terminate the contract, alleging breach of contract resulting from the Company's alleged failure to provide the product in a timely manner and demanding the return of the $33,000 it had paid to the Company on the execution of the contract. The Company engaged legal counsel and refuted the allegations. A negotiated settlement was reached and PCS retains all rights to the product.

NOTE 13 - STOCKHOLDERS' EQUITY

a. Common Stock

During the nine months ending December 31, 2017, the Company expensed amounts related to stock options and warrants granted in the current period as well as prior periods valued at $17,865.

During the nine months ending December 31, 2017, the Company accrued $56,263 in Stock Payable as conversion of accrued interest on the principle balance due to the CEO of $1,867,679 for subsequent issue of 1,406,587 shares of Rule 144 "restricted" common stock at $0.04, the bid price of our stock on the date of the transaction.

During the nine months ending December 31, 2017, the Company converted $388,899 of Interest payable to 7,777,978 Rule 144 “restricted” common stock at $0.05, the bid price of our stock on the date of the transaction.

During the nine months ending December 31, 2017, the Company converted $1,342 of Interest payable to 33,803 Rule 144 “restricted” common stock at $0.051, the bid price of our stock on the date of the transaction.

During the nine months ending December 31, 2017, the Company issued a total of 3,500,000 Rule 144 “restricted” common stock shares from private equity sales during the quarter ended December 31, 2017 at a price of $0.04 totaling $140,000.

b. Preferred Stock

The Company has 20,000,000 authorized shares of preferred stock. As of December 31, 2017, there were no preferred shares issued or outstanding.

NOTE 14 - BASIC AND DILUTED NET LOSS PER COMMON SHARE

Basic net loss per common share for the three month periods ended December 31, 2017, and 2016, are based on 111,653,715 and 95,444,493 weighted average common shares outstanding, respectively. Diluted net loss per share for the nine-month period ended December 31, 2017 and 2016, are based on 109,302,627 and 92,013,507 weighted average common shares outstanding, respectively.

	For the Three Months Ended December 31,		For the Nine Months Ended December 31,	
	2017	2016	2017	2016
Net Income (loss) per common share:				
Basic	($0.01)	($0.01)	($0.01)	($0.02)
Diluted	($0.01)	($0.01)	($0.01)	($0.02)
Weighted average number of common shares outstanding Basic	111,653,715	95,444,493	106,389,272	87,816,984
Weighted average number of common shares outstanding Fully Diluted	114,567,070	99,641,016	109,302,627	92,013,507

Diluted shares outstanding represents the number of shares that would be outstanding if all issued and outstanding options and warrants were exercised.

NOTE 15 - DILUTIVE INSTRUMENTS

Stock Options and Warrants

The Company is required to recognize expense of options or similar equity instruments issued to employees using the fair-value-based method of accounting for stock-based payments in compliance with the financial accounting standard pertaining to share-based payments. This standard covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. Application of this standard requires significant judgment regarding the assumptions used in the selected option pricing model, including stock price volatility and employee exercise behavior. Most of these inputs are either highly dependent on the current economic environment at the date of grant or forward-looking over the expected term of the award.

	Issued	Cancelled	Exercised	Total Issued and Outstanding	Exercisable	Not Vested
Balance as of March 31, 2017	31,106,655	17,396,870	9,977,210	3,732,575	2,962,575	770,000
Warrants	-	600,000	-	(600,000)	(600,000)	-
Common Stock Options	-	219,220	-	(219,220)	(54,220)	(155,000)
Balance as of December 31, 2017	31,106,655	18,216,090	9,977,210	2,913,355	2,298,355	615,000

On November 18, 2015, the Company granted 200,000 stock options to an officer, Robert Grover. The expected volatility rate of 186.52% calculated using the Company stock price over the two-year period ending November 17, 2015. A risk-free interest rate of 0.80 % was used to value the options. The options were valued using the Black-Scholes valuation model. The total value of the options was $14,659. The options vest over a three-year period and are exercisable at $0.09 per share, which represents the fair market value at the date of grant in accordance with the 2009 Equity Incentive Plan. The total value of the options was expensed in full in the quarter ending December 31, 2016.

On February 16, 2016, the Company granted 850,000 incentive stock options to three employees. The expected volatility rate of 218.68% was calculated using the Company stock price over the period beginning February 14, 2014, through the last business date prior to issue. A risk-free interest rate of 0.29 % was used to value the options. The options were valued using the Black-Scholes valuation model. The total value of these options was $24,154. The options vest over a two-year period and are exercisable at $0.04 per share, which represents the fair market value at the date of grant in accordance with the 2009 Equity Incentive Plan. As of December 31, 2017, $21,252 of the total value of the options had been expensed. In the quarter ending December 31, 2017, $2,840 of the total value was expensed.

On November 1, 2016, the Company granted 500,000 stock options to an officer, Michael J. Bledsoe. The expected volatility rate of 230.18% was calculated using the Company's stock price over the period beginning July 1, 2014, through date of issue. A risk-free interest rate of 0.08 % was used to value the options. The options were valued using the Black-Scholes valuation model. The total value of this option was $37,315. The options vest over a three-year period and are exercisable at $0.08 per share which represents the fair market value at the date of grant in accordance with the 2009 Equity Incentive Plan. As of December 31, 2017, $18,658 of the total value was expensed. In the quarter ending December 31, 2017, $3,104 of the total value was expensed.

During the quarter ending December 31, 2017, the Company did not grant options.

Warrants

On January 22, 2015, the Company issued 2,000,000 warrants to a shareholder and board member with a 36-month term to purchase "restricted" Rule 144 common stock, no par value (the "Shares"), as consideration for the issuance of a promissory note in the amount of $400,000, from the Company at a purchase price of $0.04 per share of common stock (the "Exercise Price"). These Warrants are fully vested and exercisable. The warrants were evaluated for embedded derivatives in accordance with ASC 815 and were found to not include any embedded derivatives. The warrants attached to the note were valued using the Black Scholes Valuation Model. The assumptions used in the model included the historical volatility of the Company's stock of 180%, and the risk-free rate for the periods within the expected life of the warrant based on the U.S. Treasury yield curve in effect of 0.35%. The resulting fair value was $66,717. This value was recorded as a debt discount and was amortized over the life of the loan. The remaining $38,184 of the debt discount was amortized during the quarter ending June 30, 2015.

NOTE 16 - SUBSEQUENT EVENTS

From FY 2013 to FY 2017, the Company has executed related party promissory notes with the CEO. The total principle balance as of September 30, 2017 was $1,917,679. Interest on the principle balance of as of June 15, 2017 was $388,899, converted into 7,777,978 shares of restricted common stock. These shares were issued to our CEO on July 12, 2017. The accrued interest balance of $56,263 as of September 30, 2017 was booked as stock payable and will be converted into 1,406,587 shares of restricted 144 common stock in the quarter ending March 31, 2018.

On June 8, 2017 the Company executed a non-convertible promissory note with no warrants attached with a third party for $200,000 at 20% interest per annum, due October 31, 2017. This was secured by international contracts. The note principle balance of $200,000 was outstanding at December 31, 2017, with accrued interest of $19,072. This promissory note due date was subsequently extended in an amendment to March 31, 2018.

On January 3, 2018, the Company entered into a non-convertible promissory note with a third party for $85,000 with an interest rate of twenty percent (20%) per annum. This promissory note was secured with domestic customer accounts receivable. The balance is due in full on or before April 30, 2018.

On January 3, 2018, the Company entered into a non-convertible promissory note with a third party for $20,000 with an interest rate of twenty percent (20%) per annum. The balance is due in full on or before April 30, 2018.

On January 4, 2018 the Company paid the non-convertible promissory note with no warrants attached with a third party for 30,000 at 20% interest per annum, due December 31, 2017, in full along with the accrued interest of $2,005.

On January 9, 2018 the Company entered into two non-convertible promissory notes with no warrants attached with one of its employees and board members for $15,000 and $85,000 with an interest rate of twenty percent (20%) per annum. This was secured by international contracts. The balance is due in full on or before April 30, 2018.

In January of 2018, the Board of Directors accepted the resignation of Robert Grover, Executive Vice President and Director. Mr. Grover left the Company on good terms and serves as a consultant to the Company from time to time.

ISSUER CERTIFICATIONS

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Todd R. Hackett, certify that:

1. I have reviewed this quarterly disclosure statement of PCS Edventures!.com, Inc.

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: March 05, 2018 By: /s/Todd R. Hackett

Todd R. Hackett
Chief Executive Officer

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Michael J. Bledsoe, certify that:

1. I have reviewed this quarterly disclosure statement of PCS Edventures!.com, Inc.

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; and

3. Based on my knowledge, the financial statements, and other financial information included in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: March 05, 2018 By: /s/Michael J. Bledsoe

Michael J. Bledsoe
Vice President and Treasurer