OPPORTUNITY 180

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2016

HOULDSWORTH RUSSO & COMPANY
20 YEARS & COUNTING
Certified Public Accountants

OPPORTUNITY 180

DECEMBER 31, 2016

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

Senior Management and
Board of Directors
Opportunity 180
Las Vegas, Nevada

We have audited the accompanying financial statements of Opportunity 180 (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 Opportunity 180 as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
February 27, 2017

Certified Public Accountants
20 YEARS & COUNTING

OPPORTUNITY 180
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS		
CURRENT ASSETS		
Cash and equivalents	$	1,454,498
Cash and equivalents, restricted		4,774,843
Accounts receivable		22,000
Unconditional promises to give		1,099,501
Prepaid expenses		344,998
		7,695,840
OTHER ASSETS		
Property and equipment, net		29,188
Website development, net		1,389
Deposit		5,700
	$	7,732,117
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$	51,340
Accrued expenses		6,348
		57,688
NET ASSETS		
Unrestricted		1,800,085
Temporarily restricted		5,874,344
		7,674,429
	$	7,732,117

See accompanying notes to financial statements.

OPPORTUNITY 180
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

UNRESTRICTED NET ASSETS	
Revenue, gains and other support:	
Contributions	$ 3,510,731
Program fees	22,000
Net assets released from restrictions	1,294,354
	4,827,085
Expenses:	
Program services	3,636,615
Support services	
Management and general	541,900
Fundraising	176,414
	4,354,929
Increase in unrestricted net assets	472,156
TEMPORARILY RESTRICTED NET ASSETS	
Contributions	4,713,377
Net assets released from restrictions	(1,294,354)
Increase in temporarily restricted net assets	3,419,023
INCREASE IN NET ASSETS	3,891,179
NET ASSETS, BEGINNING OF YEAR	3,783,250
NET ASSETS, END OF YEAR	$ 7,674,429

See accompanying notes to financial statements.

OPPORTUNITY 180
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

		Support Services		
	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 134,180	$ 168,258	$ 104,396	$ 406,834
Payroll taxes and related	11,661	14,622	9,072	35,355
Employee benefits	9,157	11,483	7,124	27,764
Grants	3,011,182	-	-	3,011,182
Advertising	-	2,917	-	2,917
Computer support	1,842	2,309	1,433	5,584
Community outreach	12,838	-	-	12,838
Consulting	325,373	63,831	19,600	408,804
Depreciation and amortization	2,906	3,644	2,261	8,811
Dues and subscriptions	6,706	8,409	5,217	20,332
Insurance	3,975	4,985	3,093	12,053
Meals	5,507	5,507	-	11,014
Occupancy	13,689	17,166	10,651	41,506
Office	13,609	17,065	10,588	41,262
Printing and publications	2,865	3,592	2,229	8,686
Professional expenses	59,816	196,558	-	256,374
Telephone	964	1,209	750	2,923
Travel	20,345	20,345	-	40,690
	$ 3,636,615	$ 541,900	$ 176,414	$ 4,354,929

See accompanying notes to financial statements.

OPPORTUNITY 180
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	$ 3,891,179
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	8,811
(Increase) decrease in operating assets:	
Accounts receivable	(22,000)
Unconditional promises to give	(349,501)
Prepaid expenses	(93,347)
Deposits	(3,200)
Increase (decrease) in operating liabilities:	
Accounts payable	35,022
Accrued expenses	5,080
Deferred rent	(3,929)
Net cash provided by operating activities	3,468,115
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(16,424)
Net cash used in investing activities	(16,424)
INCREASE IN CASH AND CASH EQUIVALENTS	3,451,691
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,777,650
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 6,229,341
SUMMARY OF CASH ACCOUNTS	
Cash and equivalents	$ 1,454,498
Cash and equivalents, restricted	4,774,843
	$ 6,229,341

See accompanying notes to financial statements.

OPPORTUNITY 180
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Opportunity 180 (the "Organization") was incorporated August 26, 2014, under the laws of the State of Nevada. The Organization is a nonprofit entity that identifies and recruits leaders to open great schools and provides resources to develop great teachers in Clark County, Nevada. The Organization is supported primarily through donor contributions.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, 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 (FASB) in its Accounting Standards Codification (ASC). Under FASB ASC, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Income Tax Status

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code.

Use of Estimates

Timely preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures, some of which may need revision in future periods. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The Organization capitalizes items with a cost basis in excess of $500.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional Promises to Give

Unconditional promises to give represent promises from donors to give to the Organization. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized at fair value when the conditions on which they depend are substantially met. Unconditional promises to give are stated at the amount management expects to collect from outstanding balances. It is the Organization’s policy to charge off uncollectible balances when management determines the receivable will not be collected.

Donated Services

Donated services are recognized as contributions in accordance with accounting principles generally accepted in the United States of America if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased by the Organization. During the year ended December 31, 2016, the Organization did not receive any donated services meeting these qualifications and, therefore, none are recognized in these financial statements.

Gifts of Long-Lived Assets

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expense Allocation

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount which the carrying amount of the assets exceeds the fair value of the assets.

Advertising

The Organization uses advertising to promote its programs and fundraising events. The production costs of advertising are expensed as incurred. Advertising expense was $2,917 for the year ended December 31, 2016.

Date of Management's Review

Subsequent events have been evaluated through February 27, 2017, which is the date the financial statements were available to be issued.

NOTE 2. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2016, consisted of two pledges receivable due in less than one year totaling $1,099,501. One pledge receivable represented 96% of total pledges receivable at December 31, 2016. No discount or allowance was recognized for these pledges.

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable result from contracts for services provided by the Organization. Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on management's review of all outstanding amounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The maximum amount of loss that might be sustained in the event of nonpayment is the recorded accounts receivable balance. At December 31, 2016, management considered all accounts receivable fully collectible within one year. At December 31, 2016, the entire balance was due from one customer.

NOTE 4. EMPLOYEE BENEFIT PLAN

The Organization participates in a single employer Simple IRA plan (the "Plan"), which is both employee and employer funded. The Organization is required to match up to 3% of qualified employee deferrals. Alternatively, the Organization may choose to make nonelective contributions equal to 2% of employee compensation for each employee for the calendar year. During the year ended December 31, 2016, the Organization contributed a total of $8,028.

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2016:

Furniture and equipment	$ 37,726
Less: accumulated depreciation	(8,538)
	$ 29,188

Depreciation expense totaled $8,117 for the year ended December 31, 2016.

NOTE 6. WEBSITE DEVELOPMENT

Website development costs are stated at cost. Additions and improvements are capitalized, while the costs of operating and maintaining the website are expensed as incurred. Amortization of the cost of website development is based on the estimated three-year useful life of the website using the straight-line method.

Website development consists of the following at December 31, 2016:

Website development costs	$ 2,083
Less: accumulated amortization	(694)
	$ 1,389

Amortization expense totaled $694 for the year ended December 31, 2016.

NOTE 7. CONCENTRATIONS

In the ordinary course of business, the Organization maintains cash balances at financial institutions in excess of federally insured limits. The cash held by the banking institutions is insured up to the Federal Deposit Insurance Corporation ("FDIC") limit of $250,000. The total uninsured cash balances in these accounts were $6,096,451 as of December 31, 2016.

During the year ended December 31, 2016, the Organization received contribution revenue of $6,114,500 from a single source. This donation represented 74% of total revenue.

NOTE 8. OPERATING LEASES

The Organization had a non-cancelable operating lease for office space that expired November 30, 2016. The Organization signed a new non-cancelable lease for office space effective November 15, 2016 and expiring June 14, 2017.

Future minimum lease payments are as follows:

2017	$ 15,000

Rental expense recognized during the year ended December 31, 2016 totaled $32,529.

NOTE 9. RESTRICTED NET ASSETS

Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Temporarily restricted net assets are restricted for the following purposes at December 31, 2016:

Building Excellent Schools	$ 1,115,968
Charter school development	3,358,875
Lead Nevada Academy	300,000
Time restriction	1,099,501
	$ 5,874,344

Temporarily restricted net assets consisted of the following at December 31, 2016:

Cash	$ 4,774,843
Unconditional promises to give	1,099,501
	$ 5,874,344

NOTE 10. CONDITIONAL PROMISE TO GIVE

In April 2016, the Organization received a conditional promise to give for $10,000,000. The gift will be paid as matching funds in amounts equal to the qualifying support received by the Organization from July 1, 2015 through June 30, 2017. As of December 31, 2016, the Organization has recorded revenue of $6,114,501 in relation to this agreement. The remaining portion of the conditional promise will be recognized as qualifying funds are received by the Organization before June 30, 2017.