OPPORTUNITY 180

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2015

HOULDSWORTH
RUSSO & COMPANY
20 YEARS & COUNTING
Certified Public Accountants

OPPORTUNITY 180

DECEMBER 31, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Opportunity 180
Las Vegas, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of Opportunity 180 (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2015, 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, 2015, 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 24, 2016

Certified Public Accountants
20 YEARS & COUNTING

OPPORTUNITY 180
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS	
CURRENT ASSETS	
Cash and equivalents	$ 1,072,327
Cash and equivalents, restricted	1,705,323
Unconditional promises to give	750,000
Deposit, current	13,548
Prepaid expenses	251,651
	3,792,849
OTHER ASSETS	
Property and equipment, net	7,333
Website development	2,083
Deposit	2,500
	$ 3,804,765
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	$ 16,318
Accrued expenses	1,268
Deferred rent	3,929
	21,515
NET ASSETS	
Unrestricted	1,327,927
Temporarily restricted	2,455,323
	3,783,250
	$ 3,804,765

See accompanying notes to financial statements.

OPPORTUNITY 180
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

UNRESTRICTED NET ASSETS	
Revenue, gains and other support:	
Contributions	$ 1,644,677
Expenses:	
Program services	177,938
Support services	
Management and general	109,245
Fundraising	29,567
	316,750
Increase in unrestricted net assets	1,327,927
TEMPORARILY RESTRICTED NET ASSETS	
Contributions	2,455,323
Increase in temporarily restricted net assets	2,455,323
INCREASE IN NET ASSETS	3,783,250
NET ASSETS, BEGINNING OF YEAR	-
NET ASSETS, END OF YEAR	$ 3,783,250

See accompanying notes to financial statements.

OPPORTUNITY 180
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

		Support Services		
	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 57,998	$ 30,280	$ 14,713	$ 102,991
Payroll taxes and related	5,020	2,621	1,273	8,914
Employee benefits	506	264	128	899
Advertising	-	5,750	-	5,750
Computer support	947	495	240	1,682
Conferences	785	410	199	1,394
Consulting	30,756	16,057	7,803	54,616
Depreciation	236	123	60	419
Dues and subscriptions	1,659	866	421	2,946
Insurance	292	152	74	518
Meals	1,794	937	455	3,186
Office	1,129	589	286	2,004
Printing and publications	3,752	1,959	952	6,662
Professional expenses	-	42,647	-	42,647
Leadership training	61,391	-	-	61,391
Rent	3,956	2,065	1,004	7,025
Telephone	81	42	20	143
Travel	7,638	3,988	1,938	13,563
	$ 177,938	$ 109,245	$ 29,567	$ 316,750

See accompanying notes to financial statements.

OPPORTUNITY 180
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

		2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$	3,783,250
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		419
(Increase) in operating assets:		
Unconditional promises to give		(750,000)
Prepaid expenses		(251,651)
Deposits		(16,048)
Increase in operating liabilities:		
Accounts payable		16,318
Accrued expenses		1,268
Deferred rent		3,929
Net cash provided by operating activities		2,787,485
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment		(7,752)
Investment in website development		(2,083)
Net cash used in investing activities		(9,835)
INCREASE IN CASH AND CASH EQUIVALENTS		2,777,650
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		-
CASH AND CASH EQUIVALENTS, END OF YEAR	$	2,777,650
SUMMARY OF CASH ACCOUNTS		
Cash and equivalents	$	1,072,327
Cash and equivalents, restricted		1,705,323
	$	2,777,650

See accompanying notes to financial statements.

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 (Pledges) Receivable

Unconditional promises to give receivable 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 pledges receivable are recognized at fair value when the conditions on which they depend are substantially met. Pledges receivable are stated at the amount management expects to collect from outstanding balances. It is the Organization's policy to charge off uncollectible receivables 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, 2015, the Organization did not recognize any donated services meeting these qualifications.

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)

Deferred Rent Expense

The Organization has entered into an operating lease agreement containing provisions for periods of reduced rent payments. In accordance with U.S. GAAP, the Organization records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid is credited or charged to deferred rent.

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 $5,750 for the year ended December 31, 2015.

Date of Management's Review

Subsequent events have been evaluated through February 24, 2016, which is the date the financial statements were available to be issued.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2015
Furniture and equipment	$ 7,752
Less accumulated depreciation	(419)
	$ 7,333

NOTE 3. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2015, consisted of one pledge receivable due in less than one year totaling $750,000. No discount or allowance was recognized for this pledge.

NOTE 4. WEBSITE DEVELOPMENT

Website development costs are stated at cost. The cost of additions and improvements are capitalized while the costs of operating and maintaining the website are expensed when incurred. Amortization of the cost of website development will be based on the estimated three year useful life of the website using the straight-line method once it has been placed in service. As of December 31, 2015, the website has not been placed in service and no amortization expense was recognized during the year.

NOTE 5. 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 $2,547,791 as of December 31, 2015.

During the year ended December 31, 2015, the Organization received contribution revenue of $2,000,000 from a single source. This donation represented 49% of contribution revenue.

During the year ended December 31, 2015, one outstanding pledge totaling $750,000 represented 100% of the outstanding pledges receivable and 18% of total revenue.

NOTE 6. 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:

	2015
Building Excellent Schools	$ 1,705,323
Time restriction	750,000
	$ 2,455,323

The temporarily restricted net assets consisted of the following assets at December 31:

	2015
Cash	$ 1,705,323
Unconditional promises to give	750,000
	$ 2,455,323

NOTE 7. RELATED PARTY

One of the Organization's Board members is also a trustee of the Engelstad Family Foundation, a major contributor of the Organization. The Engelstad Family Foundation contributed $1,000,000 for the year ended December 31, 2015, which represented 24% of total revenues.

NOTE 8. OPERATING LEASES

The Organization has a non-cancelable operating lease for office space expiring November 30, 2016. Monthly rental payments are required under this lease.

Future minimum lease payments are as follows:

2016	$	27,500

Rental expense recognized during the year ended December 31, 2015 totaled $7,025.