OPPORTUNITY 180
DECEMBER 31, 2017

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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, 2017, 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, 2017, 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
March 5, 2018
# Opportunity 180
## Statement of Financial Position
### December 31, 2017

### Assets

#### Current Assets
- Cash and equivalents $729,960
- Cash and equivalents, restricted $3,155,206
- Unconditional promises to give $50,000
- Prepaid expenses $3,712

#### Other Assets
- Property and equipment, net $21,375
- Website development, net $695
- Deposits $1,250

#### Total Assets $3,938,878

### Liabilities and Net Assets

#### Current Liabilities
- Accounts payable $3,566
- Accrued expenses $18,950

#### Total Current Liabilities $22,516

#### Net Assets
- Unrestricted $734,476
- Temporarily restricted $3,205,206

#### Total Net Assets $3,939,682

#### Total Liabilities and Net Assets $3,962,198

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See accompanying notes to financial statements.
UNRESTRICTED NET ASSETS
Revenue, gains and other support:
Contributions $197,824
Program fees 33,830
Net assets released from restrictions 2,674,138

2,905,792

Expenses:
Program services 3,528,816
Support services
Management and general 346,953
Fundraising 95,632

3,971,401

Decrease in unrestricted net assets (1,065,609)

TEMPORARILY RESTRICTED NET ASSETS
Contributions 5,000
Net assets released from restrictions (2,674,138)

Decrease in temporarily restricted net assets (2,669,138)

DECREASE IN NET ASSETS (3,734,747)

NET ASSETS, BEGINNING OF YEAR 7,674,429

NET ASSETS, END OF YEAR $3,939,682

See accompanying notes to financial statements.
OPPORTUNITY 180
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>Program Management</th>
<th>Support Services</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$ 167,877</td>
<td>$ 169,833</td>
<td>$ 69,399</td>
<td>$ 407,109</td>
</tr>
<tr>
<td>Payroll taxes and related</td>
<td>13,171</td>
<td>13,325</td>
<td>5,445</td>
<td>31,941</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>13,137</td>
<td>13,291</td>
<td>5,431</td>
<td>31,859</td>
</tr>
<tr>
<td>Fellowship training</td>
<td>1,914,763</td>
<td>-</td>
<td>-</td>
<td>1,914,763</td>
</tr>
<tr>
<td>Grants</td>
<td>1,289,636</td>
<td>-</td>
<td>-</td>
<td>1,289,636</td>
</tr>
<tr>
<td>Advertising</td>
<td>-</td>
<td>2,396</td>
<td>-</td>
<td>2,396</td>
</tr>
<tr>
<td>Bad debt</td>
<td>-</td>
<td>1,650</td>
<td>-</td>
<td>1,650</td>
</tr>
<tr>
<td>Community outreach</td>
<td>779</td>
<td>-</td>
<td>-</td>
<td>779</td>
</tr>
<tr>
<td>Consulting</td>
<td>35,650</td>
<td>34,172</td>
<td>2,500</td>
<td>72,322</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>4,428</td>
<td>4,480</td>
<td>1,830</td>
<td>10,738</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>3,136</td>
<td>3,173</td>
<td>1,297</td>
<td>7,606</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,951</td>
<td>5,009</td>
<td>2,047</td>
<td>12,007</td>
</tr>
<tr>
<td>Meals</td>
<td>3,610</td>
<td>3,609</td>
<td>-</td>
<td>7,219</td>
</tr>
<tr>
<td>Occupancy</td>
<td>13,607</td>
<td>13,765</td>
<td>5,625</td>
<td>32,997</td>
</tr>
<tr>
<td>Office</td>
<td>3,825</td>
<td>3,869</td>
<td>1,581</td>
<td>9,275</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>606</td>
<td>613</td>
<td>250</td>
<td>1,469</td>
</tr>
<tr>
<td>Professional expenses</td>
<td>55,000</td>
<td>73,120</td>
<td>-</td>
<td>128,120</td>
</tr>
<tr>
<td>Telephone</td>
<td>549</td>
<td>556</td>
<td>227</td>
<td>1,332</td>
</tr>
<tr>
<td>Travel</td>
<td>4,091</td>
<td>4,092</td>
<td>-</td>
<td>8,183</td>
</tr>
</tbody>
</table>

$ 3,528,816          $ 346,953          $ 95,632          $ 3,971,401

See accompanying notes to financial statements.
CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets $ (3,734,747)

Adjustments to reconcile change in net assets to net cash used in operating activities:
- Depreciation and amortization 10,738
- (Increase) decrease in operating assets:
  - Accounts receivable 22,000
  - Unconditional promises to give 1,049,501
  - Prepaid expenses 341,286
  - Deposits 4,450
- Increase (decrease) in operating liabilities:
  - Accounts payable (47,774)
  - Accrued expenses 12,602

Net cash used in operating activities (2,341,944)

CASH FLOWS FROM INVESTING ACTIVITIES

- Purchases of property and equipment (2,231)
- Change in restricted cash and equivalents 1,619,637

Net cash provided by investing activities 1,617,406

DECREASE IN CASH AND CASH EQUIVALENTS (724,538)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 1,454,498

CASH AND CASH EQUIVALENTS, END OF YEAR $ 729,960

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

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, 2017, 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 $2,396 for the year ended December 31, 2017.

Deposits

Deposits represent security deposits paid by the Organization under the terms of a lease agreement for office space.

Date of Management’s Review

Subsequent events have been evaluated through March 5, 2018, 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, 2017, consisted of one unconditional promise to give from the State of Nevada due in less than one year totaling $50,000, which represented the full balance of pledges to be received at December 31, 2017. No discount or allowance was recognized for these pledges.

NOTE 3.  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, 2017, the Organization contributed a total of $9,752.
NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2017:

- Furniture and equipment $39,956
- Less: accumulated depreciation (18,581)

$21,375

Depreciation expense totaled $10,044 for the year ended December 31, 2017.

NOTE 5. 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, 2017:

- Website development costs $2,083
- Less: accumulated amortization (1,388)

$695

Amortization expense totaled $694 for the year ended December 31, 2017.

NOTE 6. 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 $3,638,126 as of December 31, 2017.

During the year ended December 31, 2017, the Organization received contribution revenue of $151,000 from a single source. This donation represented 64% of total revenue.

NOTE 7. OPERATING LEASES

The Organization had a non-cancelable operating lease for office space that expired June 14, 2017. The Organization signed a new non-cancelable lease for office space effective June 15, 2017 and expiring June 15, 2018. The future minimum lease payments total $6,250 in 2018.

Rental expense recognized during the year ended December 31, 2017 totaled $23,671.
NOTE 8. CONDITIONAL PROMISE TO GIVE

In April 2016, the Organization received a conditional promise to give for $10,000,000. According to the original agreement, the gift was to be paid as matching funds in amounts equal to the qualifying support received by the Organization from July 1, 2015 through June 30, 2017. During June 2017, the donor extended the date through which qualifying support will be eligible for matching funds to June 30, 2019. As of December 31, 2017, the Organization has recorded revenue of $6,265,501 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, 2019.

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, 2017:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Excellent Schools</td>
<td>$226,615</td>
</tr>
<tr>
<td>Charter school development</td>
<td>$2,928,591</td>
</tr>
<tr>
<td>Time restriction</td>
<td>$50,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,205,206</strong></td>
</tr>
</tbody>
</table>

Temporarily restricted net assets consisted of the following at December 31, 2017:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$3,155,206</td>
</tr>
<tr>
<td>Unconditional promises to give</td>
<td>$50,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,205,206</strong></td>
</tr>
</tbody>
</table>