

CONSOLIDATED FINANCIAL STATEMENTS

**OPPORTUNITY@WORK, INC.
AND AFFILIATE**

**FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2023**

OPPORTUNITY@WORK, INC. AND AFFILIATE

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Opportunity@Work, Inc. and Affiliate
Washington, D.C.

Opinion

We have audited the accompanying consolidated financial statements of Opportunity@Work, Inc., Inc. and Affiliate (Collectively, "Opp@Work"), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Opp@Work as of December 31, 2024, and the consolidated change in its net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Opp@Work and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Opp@Work's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Opp@Work's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Opp@Work's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Opp@Work's 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position on page 16, and the Consolidating Schedule of Activities and Change in Net Assets on page 17 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



July 29, 2025

OPPORTUNITY@WORK, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	ASSETS		
		<u>2024</u>	<u>2023</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	1,647,306	\$ 7,937,272
Investments		16,091,502	-
Grants and contributions receivable		10,306,567	2,087,500
Prepaid expenses		<u>367,795</u>	<u>365,392</u>
Total current assets		<u>28,413,170</u>	<u>10,390,164</u>
FIXED ASSETS, NET		<u>6,228,645</u>	<u>5,791,972</u>
OTHER ASSETS			
Grants and contributions receivable, net		-	7,976,302
Intangible assets		261,890	-
Right-of-use asset, net		675,961	928,551
Security deposit		<u>25,505</u>	<u>25,505</u>
Total other assets		<u>963,356</u>	<u>8,930,358</u>
TOTAL ASSETS		<u>\$ 35,605,171</u>	<u>\$ 25,112,494</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$	1,107,163	\$ 645,686
Operating lease liability		<u>268,931</u>	<u>257,345</u>
Total current liabilities		<u>1,376,094</u>	<u>903,031</u>
LONG-TERM LIABILITIES			
Program related investment loan		18,644	48,400
Operating lease liability, net		<u>521,216</u>	<u>790,147</u>
Total long-term liabilities		<u>539,860</u>	<u>838,547</u>
Total liabilities		<u>1,915,954</u>	<u>1,741,578</u>
NET ASSETS			
Without donor restrictions		21,053,914	3,548,964
With donor restrictions		<u>12,635,303</u>	<u>19,821,952</u>
Total net assets		<u>33,689,217</u>	<u>23,370,916</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 35,605,171</u>	<u>\$ 25,112,494</u>

See accompanying notes to consolidated financial statements.

OPPORTUNITY@WORK, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Foundation grants	\$ 19,629,000	\$ 8,997,519	\$ 28,626,519	\$ 27,441,366
Contributions	869,516	-	869,516	824,559
Contributed nonfinancial assets	771,887	-	771,887	591,059
Other income	290,384	-	290,384	179,709
Net assets released from donor restrictions	<u>16,184,168</u>	<u>(16,184,168)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>37,744,955</u>	<u>(7,186,649)</u>	<u>30,558,306</u>	<u>29,036,693</u>
EXPENSES				
Program Services	15,438,098	-	15,438,098	15,935,706
General and Administrative	<u>5,709,986</u>	<u>-</u>	<u>5,709,986</u>	<u>6,197,462</u>
Total expenses	<u>21,148,084</u>	<u>-</u>	<u>21,148,084</u>	<u>22,133,168</u>
Change in net assets, before other item	16,596,871	(7,186,649)	9,410,222	6,903,525
OTHER ITEM				
Net investment return	<u>908,079</u>	<u>-</u>	<u>908,079</u>	<u>101,897</u>
Change in net assets	17,504,950	(7,186,649)	10,318,301	7,005,422
Net assets at beginning of year	<u>3,548,964</u>	<u>19,821,952</u>	<u>23,370,916</u>	<u>16,365,494</u>
NET ASSETS AT END OF YEAR	<u>\$ 21,053,914</u>	<u>\$ 12,635,303</u>	<u>\$ 33,689,217</u>	<u>\$ 23,370,916</u>

OPPORTUNITY@WORK, INC. AND AFFILIATE

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	2024		2023	
	Program Services	General and Administrative	Total Expenses	Total Expenses
Personnel, benefits and taxes	\$ 8,576,050	\$ 3,171,964	\$ 11,748,014	\$ 14,208,723
Contract services	4,138,158	1,530,552	5,668,710	5,638,822
Subgrants	744,600	275,400	1,020,000	-
Staff retention and recruitment	71,450	26,427	97,877	78,060
Computer and software	830,376	307,125	1,137,501	926,604
Travel, conferences and workshops	189,430	70,063	259,493	475,532
Marketing and communication	12,345	4,566	16,911	188,676
Supplies and equipment	17,228	6,372	23,600	40,974
Occupancy, maintenance and repairs	213,897	79,113	293,010	278,226
Telephone	81,861	30,277	112,138	143,475
Insurance	45,597	16,864	62,461	64,504
Depreciation and amortization	479,983	177,528	657,511	33,673
Miscellaneous, bank charges, taxes and licenses	13,320	4,931	18,251	17,496
ISA fees and tuition financing	9,005	3,331	12,336	15,338
Printing, postage, dues and subscriptions	14,798	5,473	20,271	23,065
TOTAL	\$ 15,438,098	\$ 5,709,986	\$ 21,148,084	\$ 22,133,168

OPPORTUNITY@WORK, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 10,318,301	\$ 7,005,422
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	657,511	33,673
Unrealized and realized gain on investments	(366,445)	-
Contributed intangible assets	(275,000)	-
Consumption of intangible assets	13,110	-
Change in discount on long-term receivables	(677,986)	129,581
Amortization of right-of-use-asset	252,590	248,057
Loss on disposal of property and equipment	-	2,628
Decrease (increase) in:		
Grants and contributions receivable	435,221	1,015,545
Prepaid expenses	(2,403)	(326,184)
Increase (decrease) in:		
Accounts payable and accrued liabilities	461,477	(235,465)
Operating lease liability	<u>(257,345)</u>	<u>(249,603)</u>
Net cash provided by operating activities	<u>10,559,031</u>	<u>7,623,654</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(19,130,690)	-
Sales of investments	3,405,633	-
Capitalization of software development costs	(1,094,184)	(2,736,083)
Liquidation of certificate of deposit	<u>-</u>	<u>250,923</u>
Net cash used by investing activities	<u>(16,819,241)</u>	<u>(2,485,160)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on program related investment loan	<u>(29,756)</u>	<u>-</u>
Net cash used by financing activities	<u>(29,756)</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(6,289,966)	5,138,494
Cash and cash equivalents at beginning of year	<u>7,937,272</u>	<u>2,798,778</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,647,306</u>	<u>\$ 7,937,272</u>

OPPORTUNITY@WORK, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organizations -

Opportunity@Work, Inc. and Affiliate consists of two entities, Opportunity@Work, Inc., Inc. and Opportunity@Work, Inc. - Talent Equity Fund, LLC (together, Opp@Work). Opportunity@Work, Inc., Inc. is a non-profit Organization, incorporated in the State of Delaware on June 15, 2016 and located in Washington, D.C. Opportunity@Work, Inc., Inc.'s mission is to expand access to career opportunities so that all Americans can work, learn, and earn to their full potential in a dynamic economy.

Opportunity@Work, Inc. - Talent Equity Fund, LLC (the Fund) is a limited liability company registered in the State of Delaware on September 11, 2017 and located in Washington, D.C. The Fund was founded for the purpose of providing financial assistance to individuals with poor or no credit to pursue education and training programs, in the form of income share agreements or other innovative financing to defray student's costs of attending educational and training programs.

Principles of consolidation -

The accounts of Opp@Work have been consolidated with Opportunity@Work, Inc. - Talent Equity Fund, LLC pursuant to the criterion established by FASB ASC 958-810, *Not-for-Profit Entities Consolidation*. Under FASB ASC 958-810, consolidation is required if a separate not-for-profit Organization has control (i.e., major voting interest) and significant economic interest in that other Organization. All significant inter-company accounts and transactions have been eliminated in consolidation.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Opp@Work's consolidated financial statements for the year ended December 31, 2023, from which the summarized information was derived.

OPPORTUNITY@WORK, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Cash and cash equivalents -

Opp@Work considers all highly liquid investments with maturities of three months or less, which are not part of the investment portfolio, to be cash and cash equivalents. Money market funds held by investment managers totaled \$138,710 as of December 31, 2024. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, Opp@Work maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Consolidated Statement of Activities and Change in Net Assets.

Grants and contributions receivable -

Grants and contributions receivable are recorded at their net realizable value, which approximates fair value. Receivables that are expected to be collected in future years are measured as the present value of their future cash flows, which approximates fair value. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. Conditional promises to give are not recorded until the conditions are substantially met. All receivables are considered by management to be fully collectable within one year, for the year ended December 31, 2024. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$2,500 are capitalized and stated at cost. Fixed assets are depreciated or amortized on a straight-line basis over the estimated useful lives of the related assets, generally five years. The cost of maintenance and repairs is recorded as expenses are incurred.

STARSIGHT Connect software, STARSIGHT Learn software and Software development in progress represent those costs that meet the criteria for capitalization under ASC 350-40 *Intangibles - Goodwill and Other - Internal-use Software*. Costs consist of internally designated salaries and external contracted services for the development of the software products. The products were placed in service during the year ended December 31, 2024.

Depreciation and amortization expense for the year ended December 31, 2024 totaled \$657,511.

Intangible assets -

Intangible assets consist of contributed software credits and sponsored web content to be used at Opp@Work's desecration. As of December 31, 2024, the balance of the unused intangible assets totaled \$261,890. See Note 7 for more details on the valuation of these contributed nonfinancial assets.

OPPORTUNITY@WORK, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to the Consolidated Statement of Activities and Change in Net Assets, to its current fair value.

Income taxes -

Opp@Work is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an Organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Opp@Work is not a private foundation.

Opportunity@Work, Inc. - Talent Equity Fund, LLC is a limited liability company, whose sole member is Opportunity@Work, Inc., Inc. Opportunity@Work, Inc. - Talent Equity Fund, LLC does not undertake any activity that is inconsistent with Opportunity@Work, Inc., Inc.'s exemption from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, Opportunity@Work, Inc. - Talent Equity Fund, LLC is considered a disregarded entity for tax purposes, and as such, the activities of the LLC are included in the Form 990 for Opportunity@Work, Inc.

Support and revenue -

The majority of Opp@Work's activities are supported by grants and contributions from various foundations, corporations and individual donors. Grants and contributions are recognized in the appropriate category of net assets in the period received. Opp@Work performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from grants and contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Grants and contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, Opp@Work had no refundable advances as of December 31, 2024.

In addition, Opp@Work may obtain funding source agreements related to conditional contributions, which will be received in future years. Opp@Work had no conditional contributions to be received in future years as of December 31, 2024.

OPPORTUNITY@WORK, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed consulting services, advertising and software. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Opp@Work. None of the contributed nonfinancial assets were restricted by donors.

Use of estimates -

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of Opp@Work are reported as direct expenses to the functional area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort.

Risks and uncertainties -

Opp@Work invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Reclassification -

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. The reclassifications included are primarily due to a change in the presentation of other income and net investment return. The reclassifications had no effect on the previously reported changes in net assets.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, Opp@Work has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

OPPORTUNITY@WORK, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Opp@Work has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Mutual Funds - Money Market Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by Opp@Work are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by Opp@Work are deemed to be actively traded.
- *Fixed Income Treasury Bonds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 138,710	\$ -	\$ -	\$ 138,710
Mutual funds - money market funds	1,555,614	-	-	1,555,614
Fixed income treasury bonds	-	14,397,178	-	14,397,178
TOTAL INVESTMENTS	\$ 1,694,324	\$ 14,397,178	\$ -	\$ 16,091,502

Net investment return consisted of the following for the year ended December 31, 2024:

Interest and dividends	\$ 568,267
Unrealized gain	317,180
Realized gain	49,265
Investment expenses	(26,633)
NET INVESTMENT RETURN	\$ 908,079

OPPORTUNITY@WORK, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

3. PROGRAM RELATED INVESTMENT LOAN

In November 2017, Opp@Work entered into a program related investment (PRI) agreement with a foundation under which it received an advance of funding for a project called the Student Talent Equity Financing Pilot, which is designed to provide upfront financial support for students in the form of income share agreements (ISAs) to obtain education and job placement.

The total amount advanced to Opp@Work was \$119,024 during 2017, 2018 and 2019. Under the terms of the agreement, repayment of the loan to the foundation is triggered as each student makes repayments on their ISA. The balance of the Program Related Investment Loan is \$18,644 as of December 31, 2024.

4. FIXED ASSETS

Fixed assets consisted of the following at December 31, 2024:

Furniture	\$ 174,747
STARSIGHT Connect software	5,624,186
STARSIGHT Learn software	<u>1,187,413</u>
Total Fixed assets	6,986,346
Less: Accumulated depreciation and amortization	<u>(757,701)</u>
FIXED ASSETS, NET	<u>\$ 6,228,645</u>

5. INTERCOMPANY LOAN AGREEMENT

On June 15, 2018, Opportunity@Work, Inc. and its related entity Opportunity@Work, Inc. - Talent Equity Fund, LLC ("the Fund") entered into loan agreement whereby Opportunity@Work, Inc. provided TEF - LLC with \$250,000 for a Learn and Earn Pilot Program. The term of the Loan is for five (5) years and Opportunity@Work, Inc. expects a 3% return on the Loan. Opportunity@Work, Inc., however, acknowledges and agrees that they may not receive a 3% return and may have to forfeit payment of the Loan in its entirety, depending on the outcome of the pilot program. The Loan amount has been eliminated in consolidation.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2024:

Purpose Restricted	<u>\$ 12,635,303</u>
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The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose Restricted	\$ 13,877,256
Passage of Time	<u>2,306,912</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 16,184,168</u>

OPPORTUNITY@WORK, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

7. CONTRIBUTED NONFINANCIAL ASSETS

During the year ended December 31, 2024, Opp@Work was the beneficiary of donated software, advertising and services which allowed Opp@Work to provide greater resources toward various programs. The contributed nonfinancial assets were recorded at fair market value on the date of the gift. The contributed nonfinancial assets consisted of the following for the year ended December 31, 2024:

Donated consulting services	\$ 217,726
Donated legal services	91,373
Donated advertising / sponsored content	325,000
Donated software	<u>137,788</u>
TOTAL CONTRIBUTED NONFINANCIAL ASSETS	\$ <u>771,887</u>

The following programs have benefited from these donated services:

Program Services	\$ <u>509,997</u>
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The following contributed nonfinancial assets have capitalized and presented as an Intangible asset for future consumption:

Donated advertising / sponsored content	\$ 167,700
Donated software	<u>94,190</u>
TOTAL INTANGIBLE ASSETS	\$ <u>261,890</u>

8. LEASE COMMITMENTS

Opp@Work follows FASB ASC 842 for leases. Opp@Work has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. Opp@Work has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

Opp@Work entered into an operating lease for space in Washington, D.C. The lease commenced on February 1, 2022 and extends through July 31, 2027. Base rent is \$302,461 annually, increasing by a factor of 2.5% per year.

Opp@Work also leases office space in San Francisco, California, under a month-to-month arrangement.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of December 31, 2024:

<u>Year Ending December 31,</u>	
2025	\$ 280,526
2026	329,443
2027	198,934
Less: Imputed interest	<u>(18,756)</u>
	790,147
Less: Current portion	<u>(268,931)</u>
LONG-TERM PORTION	\$ <u>521,216</u>

OPPORTUNITY@WORK, INC. AND AFFILIATE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

8. LEASE COMMITMENTS (Continued)

Lease expense is included in occupancy, maintenance and repairs in the Consolidated Statement of Functional Expenses and totaled \$268,923 for the year ended December 31, 2024. Total cash paid for the lease was \$273,678 for the year ended December 31, 2024.

9. RETIREMENT PLAN

Opp@Work provides retirement benefits to its employees through a defined contribution plan covering all full-time employees. Opp@Work provides a discretionary contribution of 1% of compensation to each employee. The maximum matching contribution per employee per year is limited to \$5,000. Employer contributions to the Plan during the year ended December 31, 2024 totaled \$389,785 and are included in Personnel, benefits and taxes in the accompanying Statement of Functional Expense.

10. CONCENTRATION OF SUPPORT AND REVENUE

Approximately 64% of Opp@Work's total support and revenue for the year ended December 31, 2024 was derived from one foundation grantor. Concentrations of revenue is a common occurrence in Opp@Work's funding model, and accordingly, Opp@Work has no reason to believe that any changes in the concentrations from one year to the next would adversely affect Opp@Work's ability to finance ongoing operations.

11. LIQUIDITY

Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position comprise the following:

Cash and cash equivalents	\$ 1,647,306
Investments	16,091,502
Grants and contributions receivable	10,306,567
Less: Net assets with donor restrictions	<u>(12,635,303)</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS
FOR GENERAL EXPENDITURES WITHIN ONE YEAR** **\$ 15,410,072**

Opp@Work has a policy to structure its financial assets to be available and liquid as its obligations become due. In general, cash is available to meet the upcoming year's needs for general expenditures.

12. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Opp@Work has evaluated events and transactions for potential recognition or disclosure through July 29, 2025, the date the consolidated financial statements were issued.

SUPPLEMENTAL INFORMATION

OPPORTUNITY@WORK, INC. AND AFFILIATE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024

ASSETS

	Opportunity@ Work, Inc.	Opportunity@ Work - Talent Equity Fund, LLC	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,363,970	\$ 283,336	\$ -	\$ 1,647,306
Investments	16,091,502	-	-	16,091,502
Grants and contributions receivable	10,306,567	-	-	10,306,567
Loan receivable	276,062	-	(276,062)	-
Prepaid expenses	367,795	-	-	367,795
Total current assets	<u>28,405,896</u>	<u>283,336</u>	<u>(276,062)</u>	<u>28,413,170</u>
FIXED ASSETS, NET	<u>6,228,645</u>	<u>-</u>	<u>-</u>	<u>6,228,645</u>
OTHER ASSETS				
Intangible assets	261,890	-	-	261,890
Right-of-use asset, net	675,961	-	-	675,961
Security deposit	25,505	-	-	25,505
Total other assets	<u>963,356</u>	<u>-</u>	<u>-</u>	<u>963,356</u>
TOTAL ASSETS	<u>\$ 35,597,897</u>	<u>\$ 283,336</u>	<u>\$ (276,062)</u>	<u>\$ 35,605,171</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Loan payable	\$ -	\$ 276,062	\$ (276,062)	\$ -
Accounts payable and accrued liabilities	1,107,163	-	-	1,107,163
Operating lease liability	268,931	-	-	268,931
Total current liabilities	<u>1,376,094</u>	<u>276,062</u>	<u>(276,062)</u>	<u>1,376,094</u>

LONG-TERM LIABILITIES

Program related investment loan	18,644	-	-	18,644
Operating lease liability, net	521,216	-	-	521,216
Total long-term liabilities	<u>539,860</u>	<u>-</u>	<u>-</u>	<u>539,860</u>
Total liabilities	<u>1,915,954</u>	<u>276,062</u>	<u>(276,062)</u>	<u>1,915,954</u>

NET ASSETS

Without donor restrictions	21,046,640	7,274	-	21,053,914
With donor restrictions	12,635,303	-	-	12,635,303
Total net assets	<u>33,681,943</u>	<u>7,274</u>	<u>-</u>	<u>33,689,217</u>

**TOTAL LIABILITIES AND
NET ASSETS**

	<u>\$ 35,597,897</u>	<u>\$ 283,336</u>	<u>\$ (276,062)</u>	<u>\$ 35,605,171</u>
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OPPORTUNITY@WORK, INC. AND AFFILIATE

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Opportunity@Work, Inc.			Opportunity@Work - Talent Equity Fund LLC			Eliminations	Consolidated
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
SUPPORT AND REVENUE								
Foundation grants	\$ 19,629,000	\$ 8,997,519	\$ 28,626,519	\$ -	\$ -	\$ -	\$ -	\$ 28,626,519
Contributions	820,500	-	820,500	49,016	-	49,016	-	869,516
Contributed nonfinancial assets	771,887	-	771,887	-	-	-	-	771,887
Other income	290,384	-	290,384	-	-	-	-	290,384
Net assets released from donor restrictions	16,184,168	(16,184,168)	-	-	-	-	-	-
Total support and revenue	37,695,939	(7,186,649)	30,509,290	49,016	-	49,016	-	30,558,306
EXPENSES								
Program Services	15,438,098	-	15,438,098	-	-	-	-	15,438,098
General and Administrative	5,697,650	-	5,697,650	12,336	-	12,336	-	5,709,986
Total expenses	21,135,748	-	21,135,748	12,336	-	12,336	-	21,148,084
Change in net assets, before other item	16,560,191	(7,186,649)	9,373,542	36,680	-	36,680	-	9,410,222
OTHER ITEM								
Net investment return	908,079	-	908,079	-	-	-	-	908,079
Change in net assets	17,468,270	(7,186,649)	10,281,621	36,680	-	36,680	-	10,318,301
Net assets at beginning of year	3,578,370	19,821,952	23,400,322	(29,406)	-	(29,406)	-	23,370,916
NET ASSETS AT END OF YEAR	\$ 21,046,640	\$ 12,635,303	\$ 33,681,943	\$ 7,274	\$ -	\$ 7,274	\$ -	\$ 33,689,217