



NATIONAL

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Green Dot Public Schools National
(A California Nonprofit Public Benefit Corporation)
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Green Dot Public Schools National (GDPS National) (A California Nonprofit Public Benefit Corporation) and affiliates, which are comprised of the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, which collectively comprise the basic financial statements.

Management's Responsibility for the Consolidated 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 GDPS National'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 GDPS National'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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of GDPS National as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the GDPS NA's 2015 combined financial statement, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 10, 2015. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise GDPS National's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as referenced in the previous paragraph is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2017, on our consideration of GDPS National's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GDPS National's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California
January 9, 2017

FINANCIAL STATEMENTS

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2015)

JUNE 30, 2016

	2016	2015
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 44,278,624	\$ 25,780,505
Restricted cash and investments	6,115,008	553,145
Accounts receivable	18,965,783	19,463,250
Prepaid expenses and other current assets	896,503	856,117
Total Current Assets	70,255,918	46,653,017
Non-Current Assets:		
Restricted cash and investments	36,380,264	34,185,273
Debt issue costs, net	2,964,268	2,645,761
Security deposits	648,267	575,483
Note receivable	6,786,929	400,433
Fixed assets	116,637,880	114,786,522
Less: accumulated depreciation	24,524,136	21,275,254
Total Non-Current Assets	138,893,472	131,318,218
Total Assets	\$ 209,149,390	\$ 177,971,235
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 14,263,985	\$ 12,201,024
Interest payable	1,086,793	381,417
Deferred revenue	10,102,094	3,107,914
Current portion of long-term obligations	8,474,269	21,088,878
Total Current Liabilities	33,927,141	36,779,233
Other Liabilities:		
Deferred revenue - proposition funding	31,848,446	31,685,029
Total Other Liabilities	31,848,446	31,685,029
Long-Term Obligations:		
Non-current portion of long-term obligations	95,646,578	75,634,228
Total Liabilities	161,422,165	144,098,490
NET ASSETS		
Unrestricted	47,325,784	33,403,331
Temporarily restricted	401,441	469,414
Total Net Assets	47,727,225	33,872,745
Total Liabilities and Net Assets	\$ 209,149,390	\$ 177,971,235

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

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
(With comparative financial information at June 30, 2015)

FOR THE YEAR ENDED JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 113,117,722	\$ 90,042,931
Federal revenue	16,919,906	14,226,847
Other State revenue	18,924,773	14,548,566
Proposition construction revenue	53,671	97,335
Contributions and grants	8,261,717	11,245,167
Donated services and property	652,811	645,144
Local revenue	8,207,519	3,543,639
Net assets released from restrictions	207,930	2,501,239
Total Revenues	<u>166,346,049</u>	<u>136,850,868</u>
EXPENSES		
Program services:		
Salaries and benefits	87,170,472	73,902,617
Student services	19,354,800	13,889,123
Materials and supplies	3,047,699	2,808,953
Student nutrition	3,709,325	3,180,877
Other expenses	12,658,907	11,432,677
Depreciation and amortization	4,558,903	3,995,431
Occupancy	10,218,696	8,833,017
Proposition construction expense	53,671	97,335
Interest	4,759,796	4,140,315
Subtotal	<u>145,532,269</u>	<u>122,280,345</u>
Fund development:	<u>745,358</u>	<u>745,389</u>
Management and general:		
Salaries and benefits	3,479,702	5,332,852
Depreciation	72,862	76,848
Occupancy	251,306	296,491
Operating expenses	2,342,099	2,569,831
Subtotal	<u>6,145,969</u>	<u>8,276,022</u>
Total Unrestricted Expenses	<u>152,423,596</u>	<u>131,301,756</u>
CHANGE IN UNRESTRICTED NET ASSETS	13,922,453	5,549,112
TEMPORARILY RESTRICTED NET ASSETS		
Contributions and grants, net	139,957	217,027
Net assets released from restrictions	(207,930)	(2,501,239)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(67,973)</u>	<u>(2,284,212)</u>
CHANGE IN NET ASSETS	13,854,480	3,264,900
NET ASSETS, BEGINNING OF YEAR	33,872,745	30,607,845
NET ASSETS, END OF YEAR	<u>\$ 47,727,225</u>	<u>\$ 33,872,745</u>

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

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENT OF CASH FLOWS
(With comparative financial information at June 30, 2015)

FOR THE YEAR ENDED JUNE 30, 2016

	<u>2015</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 13,854,480	\$ 3,264,900
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	4,513,556	3,967,348
Amortization expense (including bond discount)	118,209	112,849
Loss on asset casualty	-	927,022
Cash restricted for interest/ Debt Obligation Stipulations	(7,965,192)	303,021
Changes in operating assets and liabilities:		
(Increase) Decrease in assets		
Accounts receivable	497,467	1,505,728
Prepaid expenses and other current assets	(40,386)	(213,789)
Security deposits	(72,784)	(166,255)
Note receivable	(6,386,496)	-
Increase (Decrease) in liabilities		
Accounts payable and accruals	2,062,961	(759,363)
Interest payable	705,376	(36,437)
Deferred revenue	7,157,597	17,827,056
Loan forgiveness	(1,000,000)	-
Net Cash Provided by Operating Activities	<u>13,444,788</u>	<u>26,732,080</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash (received) used for construction	208,338	(18,634,616)
Capital expenditures	(3,116,032)	(3,361,412)
Net Cash Used by Investing Activities	<u>(2,907,694)</u>	<u>(21,996,028)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts incurred for debt issuance	(436,716)	(18,816)
Loan proceeds, net	29,531,461	1,097,334
Loan principal payments	(21,133,720)	(3,275,578)
Cash restricted to meet debt obligation	-	(288,534)
Net Cash Provided By (Used In) Financing Activities	<u>7,961,025</u>	<u>(2,485,594)</u>
NET CHANGE IN CASH	<u>18,498,119</u>	<u>2,250,458</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	25,780,505	23,530,047
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 44,278,624</u>	<u>\$ 25,780,505</u>
Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u>\$ 4,046,504</u>	<u>\$ 4,168,836</u>

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

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - ORGANIZATION AND MISSION

Green Dot Public Schools National (GDPS National) (A California Nonprofit Public Benefit Organization) was organized on May 22, 2014. Financial activity began on July 1, 2014. GDPS National was created to provide services to Green Dot Public Schools California (GDPS CA), Green Dot Public Schools Tennessee (GDPS TN), and Green Dot Public Schools Washington State (GDPS WA), collectively referred to as Green Dot Regions. Related party transactions between GDPS National, GDPS CA, GDPS TN, and GDPS WA have been identified on the face of the financial statements. See Note 2 for additional details regarding related party relationships and transactions.

GDPS National's mission is to promote the advancement of education and manage the development and operation of public charter schools. GDPS National works with the Green Dot regions to transform public education so all students graduate prepared for college, leadership, and life.

GDPS CA (A California Nonprofit Public Benefit Organization) was organized in 1999. GDPS CA operates eighteen charter schools in California. The charter schools operate under the approval of the California State Board of Education and the Inglewood Unified School District, Lennox School District and Los Angeles Unified School District. The charter schools receive per-pupil funding to help support operations. GDPS CA plans to open other charter schools in the in the future.

Delta Properties, Inc. (Delta) (A California Nonprofit Public Benefit Corporation) was formed in 2008 as a nonprofit public benefit corporation to support GDPS CA, formerly known as Green Dot Public Schools. Together with its subsidiaries, 111th Place, LLC (111th), 8255 Beach, LLC (Beach), 12628 Avalon, LLC (Avalon), Manchester & 27th, LLC (Manchester), 1655 27th Street Facilities, LLC (27th Street), and DPI 800 East 111th Place LLC (DPI) its primary purpose is to finance, develop, lease and maintain certain school facilities for the exclusive use of GDPS CA. GDPS CA is the sole corporate member of Delta. Delta has a separate Board of Directors, appointed by GDPS CA management. GDPS CA financial statements include the accounts of Delta and significant inter-company transactions and balances have been eliminated in the consolidated GDPS CA financial statements.

GDPS TN (A Tennessee Nonprofit Public Benefit Organization) was organized on May 29, 2014. GDPS TN operated two charter schools. The charter school operates under the approval of the Tennessee Department of Education (TDOE) and is part of the Achievement School District. The charter school receives per-pupil funding to help support operations. GDPS TN plans to open other charter schools in the future.

GDPS WA (A Washington State Nonprofit Public Benefit Organization) was organized on November 14, 2013. GDPS WA operated one charter school. The charter school operates under the approval of the State of Washington Office of Superintendent of Public Instruction and the Washington State Charter School Commission. The charter school receives per-pupil funding to help support operations. GDPS WA plans to open other charter schools in the future.

The accompanying consolidated financial statements include the accounts of GDPS National, GDPS CA, GDPS TN, and GDPS WA, collectively referred as Consolidated GDPS. Significant inter-company transactions and balances have been eliminated in the consolidated financial statements.

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies followed by Consolidated GDPS are described below to enhance the use of the consolidated financial statements to the reader.

Financial Statement Presentation

GDPS National is required to report information about their financial position and activities in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. In addition, GDPS National is required to present a Statement of Cash Flows.

Accounting Method - Basis of Accounting

The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to non-profit public benefit corporations. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the consolidated financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. GDPS National uses the accrual basis of accounting. Revenues are recognized when they are earned.

Related Parties

The Governing Board of GDPS National designates the Directors of GDPS CA, GDPS TN, and GDPS WA. Transactions between GDPS National, GDPS CA, GDPS TN, and GDPS WA have been identified on the face of the financial statements.

GDPS National is a national organization providing shared services to GDPS schools in California, Tennessee, and Washington State. These services include, but are not limited to, Human Resources, Human Capital, Legal, Finance and Accounting, Information Technology, Strategic Planning, and National Expansion. In exchange, the schools pay a service fee to GDPS National. Each of the regional offices operates the schools and oversees educational services in their region. In addition, GDPS National reserves the right to determine whether separate fees associated with regional launch and new school start-up are required.

GDPS National grants GDPS CA, GDPS TN and GDPS WA a non-transferable, non-sub-licensable, and non-exclusive license to use, reproduce, and display the Green Dot Marks, which include but are not limited to: trademarks, service marks, design marks, trade names, domain names, registrations in connection with GDPS National's oversight, support activities, and related educational activities of the schools in its region.

During school years in which GDPS CA schools incur expenses significantly above typical GDPS CA schools, these schools may be awarded Team Strong Grants ("Grants") from GDPS CA regional office. Expenses above typical schools expenses are associated with transformation charters schools with higher than average facility costs, and/or lower than average per-student funding. Grants may vary based upon actual costs incurred.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Refer to the table below for related party transactions between GDPS National and GDPS CA, GDPS TN, and GDPS WA:

	Accounts Payable - Related Party	Team Strong Grant Expense	Start-Up Fee Revenue	Shared Services Fee Revenue
GDPS National	\$ (1,959,427)	\$ -	\$ (1,375,000)	\$ (15,150,941)

	Accounts Receivable (Payable) - Related Party	Team Strong Grants Revenue (Expense)	Start-up Fees Expense	Shared Services Fee Expense
GDPS CA Regional Office	\$ 2,598,633	\$ (1,650,000)	\$ -	\$ -
GDPS CA Schools	-	1,650,000	25,000	14,083,495
GDPS TN Regional Office	(336,871)	-	500,000	-
GDPS TN Schools	-	-	400,000	1,067,446
GDPS WA Regional Office	-	-	250,000	-
GDPS WA Schools	(302,335)	-	200,000	-
Total	<u>\$ 1,959,427</u>	<u>\$ -</u>	<u>\$ 1,375,000</u>	<u>\$ 15,150,941</u>

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending upon the existence and/or nature of any donor restrictions.

All donor-restricted contributions are recorded as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, either by the passage of time or when the purpose is satisfied, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as "net assets released from restrictions". Consolidated GDPS had temporarily restricted net assets as of \$401,441 at June 30, 2016.

In-kind contributions are recorded at their estimated fair values at the date of donation. Donated services are recorded if they create or enhance non-financial assets or require a specialized skill that GDPS National would otherwise need to purchase. GDPS National receives donated facilities however the amount is not reflected in the financial statements since there is no readily determined method of valuing the services. As of June 30, 2016, Consolidated GDPS received in-kind contributions of services valued at \$652,811.

Government grants are recognized as revenue in accordance with the terms of the applicable grant agreement, which generally require revenue recognition upon incurrence of expenses related to the specified services. Deferred revenue is recorded to the extent cash received on specific grants exceeds qualified expenses.

Conditional Promises

Conditional promises to give, which depend on the occurrence of specified future and uncertain events, are not recorded until the conditions are met.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Income Taxes

GDPS National is a nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and qualifies for deductible contributions as a public charity described in Section 509(a)(1) Type 1 supporting organizations and is exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. The statute of limitations for Federal and California State purposes is generally three and four years, respectively.

GDPS National has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the consolidated financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. GDPS National management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

Cash and Cash Equivalents

For purposes of the Consolidated Statement of Cash Flows, GDPS National considers all highly liquid investments with an initial maturity of three months or less to be considered as cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from the outstanding balance. Management provides an analysis of the probable collection of the accounts through a provision for bad debt expense and an adjustment to a valuation allowance. At June 30, 2016, management had determined all accounts receivable are fully collectible and no allowance for bad debts has been established.

Intra-company Receivable/Payable

Intra-company receivable/payable results from a net cumulative difference between resources provided by GDPS National regional office to other departments and reimbursement for those resources from each department to GDPS National regional office.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fixed Assets

It is GDPS National's policy to capitalize individual property and equipment purchases over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Building and leasehold improvements, furniture, and equipment are depreciated using the straight-line method, from two to 30 years. Consolidated GDPS depreciation expense for the year ended June 30, 2016, was \$4,513,556.

Use of Estimates

The 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 the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification of Comparative Statements

GDPS National reclassified certain expenses as program service or management and general as well as certain assets and liabilities on the Statement of Financial Position for the 2016 fiscal year. Accordingly, these reclassifications have been revised for the presentation of 2015 information.

Unrestricted/Designated Net Assets

Designations of the ending net assets indicate tentative plans for financial resource utilization in a future period. Consolidated GDPS had temporarily restricted net assets of \$401,441 at June 30, 2016.

Consolidation

The consolidated financial statements include the accounts of GDPS National, GDPS CA, GDPS TN, and GDPS WA. All material inter-company transactions have been eliminated.

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash at June 30, 2016, consisted of the following:

	GDPSN	GDPS CA	GDPS TN	GDPS WA	Consolidated Reported Amount	Bank Balance
Deposits						
Cash on hand and in banks	\$ 4,527,673	\$ 33,377,628	\$ 3,411,545	\$ 2,961,778	\$ 44,278,624	\$ 46,137,787

The majority of GDPS National's cash is held in non-interest bearing accounts, which are subject to federally insured limits. GDPS National has not experienced any losses in such accounts. At June 30, 2016, consolidated GDPS had \$44,786,951 in excess of FDIC insured limits in non-interest bearing accounts.

NOTE 4 - RESTRICTED CASH AND INVESTMENTS

At June 30, 2016, cash held for restricted purposes consisted of the following:

	Reported Amount	Bank Balance
Delta	\$ 6,115,008	\$ 6,115,008
Current Restricted Cash and Investments	\$ 6,115,008	\$ 6,115,008
Proposition 47, 55, and 1D	\$ 32,283,651	\$ 32,283,651
Delta	4,096,613	4,096,613
Non-Current Restricted Cash and Investments	\$ 36,380,264	\$ 36,380,264

GDPS CA and Delta's restricted cash and investments balance held in interest bearing accounts are insured up to \$250,000. At June 30, 2016, GDPS CA and Delta had \$41,245,272 in excess of FDIC insured limits. Delta has restricted cash and investments balance held in money market accounts that are not protected against loss, however; Delta's money market accounts are held in AAA rated investments. At June 30, 2016, Delta held \$8,912,362 in money market funds. Management believes GDPS CA and Delta are not exposed to any significant risk related to restricted cash and investments. Note that the \$41,245,272 in excess of FDIC insured limits includes the \$8,912,362 in Delta money market funds.

Proposition 47, 55, and 1D

Restricted cash and investments in the amount of \$32,283,651 represents the remaining balance of funds received which are limited in use for the payment of costs of constructing and operating new facilities. Ánimo Leadership CHS, Ánimo Oscar De La Hoya CHS and Ánimo Pat Brown CMS were awarded funds under Proposition 47, Proposition 55, and Proposition 1D.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 - RESTRICTED CASH AND INVESTMENTS, continued

Delta Restricted Cash and Cash Equivalents

Delta's restricted cash and investments in the amount of \$10,211,621 arise from conditions required by various financing arrangements, with \$6,115,008 held to satisfy current obligations and \$4,096,613 held to satisfy long-term obligations. Financial statement classification is based on whether the restricted cash and investments are held to satisfy current or long-term obligations.

NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016, consisted of the following:

	GDPSN	GDPS CA	GDPS TN	GDPS WA	Total
Apportionment	\$ -	\$ 10,165,102	\$ 375,062	\$ -	\$ 10,540,164
Federal receivable	-	2,498,263	1,390,712	51,507	3,940,482
Other State receivable	-	3,240,979	-	281,709	3,522,688
Other receivable	30,474	891,891	32,758	7,326	962,449
Total Accounts Receivable	<u>\$ 30,474</u>	<u>\$ 16,796,235</u>	<u>\$ 1,798,532</u>	<u>\$ 340,542</u>	<u>\$ 18,965,783</u>

NOTE 6 - CONDITIONAL PROMISES

On February 25, 2013, GDPS CA received an amendment to a promise to give from a private foundation conditioned upon opening new charter schools from December 1, 2006, to November 30, 2019. GDPS CA may receive \$250,000 in the first year of school operations, \$175,000 in the second year of school operations, and \$75,000 in the third year of school operations for a total of \$10,542,000 for 21 new schools opening. As of June 30, 2016, GDPS CA may receive \$650,000 over the next four years.

On September 29, 2011, GDPS CA received a promise to give from a private foundation conditioned upon reaching teacher effectiveness milestones outlined in the agreement. GDPS CA may receive \$162,224 over the next year upon completion of all milestones outlined in the agreement.

On June 25, 2015, GDPS TN received a promise to give from a private foundation for the general support of GDPS TN conditioned upon meeting the milestones set forth in the grant agreement. GDPS TN may receive \$3,900,000 over the next year upon completion of all milestones outlined in the agreement.

On November 10, 2013, GDPS WA received a promise to give from a private foundation conditioned upon planning and launch of a new charter school and regional office for 2015 school year in Washington State. On September 30, 2015, the original promise was amended to include additional funds and to extend to the promise to June 30, 2018. GDPS WA may receive \$800,000 over the next two years upon completion of all milestones outlined in the amended agreement.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 - NOTE RECEIVABLE

On September 29, 2015, GDPS CA entered into an agreement to loan to EXED 4 INVESTMENT FUND LLC \$6,386,929 with interest at 6.9538 percent per annum. Accrued interest and principal are due and payable December 15, 2016. Proceeds from the agreement will be used to pay existing debt which matures on or about the same time.

NOTE 8 - FIXED ASSETS

Fixed assets at June 30, 2016, consisted of the following:

	<u>GDPSN</u>	<u>GDPS CA</u>	<u>GDPS TN</u>	<u>Total</u>
Land	\$ -	\$ 18,414,560	\$ -	\$ 18,414,560
Building improvements	-	37,490,788	-	37,490,788
Leasehold improvements	-	50,498,111	696,061	51,194,172
Computer and equipment	1,423,146	4,627,577	-	6,050,723
Work in progress	93,036	3,210,912	183,689	3,487,637
Subtotal	<u>1,516,182</u>	<u>114,241,948</u>	<u>879,750</u>	<u>116,637,880</u>
Less: accumulated depreciation	(103,362)	(24,275,927)	(144,847)	(24,524,136)
Total Fixed Assets	<u>\$ 1,412,820</u>	<u>\$ 89,966,021</u>	<u>\$ 734,903</u>	<u>\$ 92,113,744</u>

During the year ended June 30, 2016, \$4,513,556 was charged to depreciation expense.

NOTE 9 - ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable at June 30, 2016, consisted of the following:

	<u>GDPSN</u>	<u>GDPS CA</u>	<u>GDPS TN</u>	<u>GDPS WA</u>	<u>Total</u>
Salaries and benefits	\$ 911,864	\$ 4,544,230	\$ 465,070	\$ 84,803	\$ 6,005,967
Accrued expenses	658,974	6,723,819	720,248	154,977	8,258,018
Total	<u>\$ 1,570,838</u>	<u>\$ 11,268,049</u>	<u>\$ 1,185,318</u>	<u>\$ 239,780</u>	<u>\$ 14,263,985</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 - DEFERRED REVENUE

Deferred revenue at June 30, 2016, consisted of the following:

	GDPSN	GDPS CA	GDPS TN	GDPS WA	Total
Proposition 47, 55 and 1D	\$ -	\$ 31,848,446	\$ -	\$ -	\$ 31,848,446
Other	135,706	5,345,878	1,850,000	2,770,510	10,102,094
Total Deferred Revenue	<u>\$ 135,706</u>	<u>\$ 37,194,324</u>	<u>\$ 1,850,000</u>	<u>\$ 2,770,510</u>	<u>\$ 41,950,540</u>

NOTE 11 - LONG-TERM OBLIGATIONS

At June 30, 2016, GDPS National's long-term obligations summary is as follows:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due in One Year
GDPS CA	\$ 95,723,106	\$ 31,899,494	\$ 24,086,753	\$ 103,535,847	\$ 8,474,269
GDPS TN	1,000,000	585,000	1,000,000	585,000	-
Total	<u>\$ 96,723,106</u>	<u>\$ 32,484,494</u>	<u>\$ 25,086,753</u>	<u>\$ 104,120,847</u>	<u>\$ 8,474,269</u>

GDPS CA

At June 30, 2016, GDPS CA's long-term obligations summary is as follows:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due in One Year
Revolving loans	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -
Proposition construction loans	32,157,110	53,672	1,054,465	31,156,317	1,079,587
Notes payable	55,028,661	-	22,610,378	32,418,283	6,812,048
Bonds payable	7,875,812	31,845,822	115,546	39,606,088	515,000
Settlement agreements	411,523	-	56,364	355,159	67,634
Total	<u>\$ 95,723,106</u>	<u>\$ 31,899,494</u>	<u>\$ 24,086,753</u>	<u>\$ 103,535,847</u>	<u>\$ 8,474,269</u>

Note that the large current-portion of long-term obligations amount is due to loans, which would have matured during fiscal year 2016. These loans were refinanced as part of a bond financing which took place in September 2015.

On September 29, 2015, GDPS CA entered into an agreement to borrow from GDPSC 2015-2 TRUST \$6,386,929 with interest at 4.591 percent per annum. Accrued interest and principal are due and payable January 15, 2017. Proceeds from the agreement will be used to pay existing debt which matures on or about the same time. GDPSC 2015-2 TRUST is a trust established for the benefit of Delta. As of June 30, 2016, the outstanding loan balance is \$6,386,929. Inter-company loan have been eliminated in the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 - LONG-TERM OBLIGATIONS, continued

On September 29, 2015, GDPS CA entered into a loan agreement with DPI for the benefit of *Ánimo James B. Taylor Charter Middle School*. DPI agreed to lend the principal sum of \$3,320,000 with no accrued interest on the principal sum outstanding with a maturity date on August 1, 2022. Monthly principal payment of \$45,000 is payable to DPI commencing on October 25, 2015. As of June 30, 2016, the outstanding loan balance is \$2,915,000. Inter-company loans have been eliminated in the consolidated financial statements.

Revolving Loans

At June 30, 2016, GDPS CA's revolving loans summary is as follows:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due in One Year
<i>Ánimo Western CMS</i>	\$ 62,500	\$ -	\$ 62,500	\$ -	\$ -
<i>Ánimo Phillis Wheatley CMS</i>	62,500	-	62,500	-	-
<i>Ánimo Westside CMS</i>	62,500	-	62,500	-	-
<i>Ánimo CPA</i>	62,500	-	62,500	-	-
Total	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ -</u>

Ánimo Western CMS

On June 28, 2012, on behalf of *Ánimo Western CMS*, GDPS CA applied for and was accepted into the California School Finance Authority Charter School Revolving Loan program. GDPS CA received a loan in the amount of \$250,000. The loan bears an interest rate of 0.35 percent and will be repaid during the months of August, September, October, November, December, and January of each year. The repayments will be withheld from *Ánimo Western CMS*' monthly principal apportionment payments. At June 30, 2016, the balance was paid in full.

Ánimo Phillis Wheatley CMS

On June 28, 2012, on behalf of *Ánimo Phillis Wheatley CMS*, GDPS CA applied for and was accepted into the California School Finance Authority Charter School Revolving Loan program. GDPS CA received a loan in the amount of \$250,000. The loan bears an interest rate of 0.35 percent and will be repaid during the months of August, September, October, November, December, and January of each year. The repayments will be withheld from *Ánimo Phillis Wheatley CMS*' monthly principal apportionment payments. At June 30, 2016, the balance was paid in full.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 - LONG-TERM OBLIGATIONS, continued

Ánimo Westside CMS

On June 28, 2012, on behalf of Ánimo Westside CMS, GDPS CA applied for and was accepted into the California School Finance Authority Charter School Revolving Loan program. GDPS CA received a loan in the amount of \$250,000. The loan bears an interest rate of 0.35 percent and will be repaid during the months of August, September, October, November, December, and January of each year. The repayments will be withheld from Ánimo Westside CMS' monthly principal apportionment payments. At June 30, 2016, the balance was paid in full.

Ánimo CPA

On June 28, 2012, on behalf of Ánimo CPA, GDPS CA applied for and was accepted into the California School Finance Authority Charter School Revolving Loan program. GDPS CA received a loan in the amount of \$250,000. The loan bears an interest rate of 0.35 percent and will be repaid during the months of August, September, October, November, December, and January of each year. The repayments will be withheld from Ánimo CPA's monthly principal apportionment payments. At June 30, 2016, the balance was paid in full.

Proposition Construction Loans

At June 30, 2016, GDPS CA's proposition construction loans summary is as follows:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due in One Year
Ánimo Leadership CHS	\$ 11,626,678	\$ -	\$ -	\$ 11,626,678	\$ -
Ánimo Oscar De La Hoya CHS	12,354,850	-	-	12,354,850	-
Ánimo Venice CHS	7,356,991	-	-	7,356,991	-
Ánimo Pat Brown CHS	818,591	-	-	818,591	-
Total	<u>\$ 32,157,110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,157,110</u>	<u>\$ -</u>

Ánimo Leadership CHS

Per Proposition 47 and 1D, one-half of the approved project costs paid under the award are reimbursed in the form of a State grant (recorded as proposition construction revenue and expense on the Statement of Activities and Changes in Net Assets). One-half of the approved project costs paid under the award are required to be remitted back to the State in the form of loan payments over a period not to exceed 30 years.

The original proposition construction loan obligation of \$12,071,778 for building improvements represents one-half of the costs incurred for Ánimo Leadership CHS' approved Proposition 47 and 1D project. The site improvements made under the guidelines of the Proposition 47 and 1D awards are being accounted for as capital leases because the term of the lease exceeds 75 percent of the economic life of the leased property. At June 30, 2016, the proposition construction loan obligation is \$11,240,078.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 - LONG-TERM OBLIGATIONS, continued

Future payments are as follows:

Repayment Year	Principal *	Interest to Maturity	Total
2017	\$ 414,294	\$ 265,399	\$ 679,693
2018	422,580	257,113	679,693
2019	431,031	248,662	679,693
2020	439,653	240,041	679,694
2021	-	-	-
2022-2026	-	-	-
2027-2031	-	-	-
2032-2036	-	-	-
2037-2041	-	-	-
2042-2043	-	-	-
Total	\$ 1,707,558	\$ 1,011,215	\$ 2,718,773

* Total principal payment will be reduced by cash proceeds that are not utilized by the end of construction. As of June 30, 2016, \$2,029,884 was not utilized.

Ánimo Oscar De La Hoya CHS

Per Proposition 55 and 1D, one-half of the approved project costs paid under the award are reimbursed in the form of a State grant (recorded as proposition construction revenue and expense on the Statement of Activities and Changes in Net Assets). One-half of the approved project costs paid under the award are required to be remitted back to the State in the form of loan payments over a period not to exceed 30 years.

The original proposition construction loan obligation of \$13,892,600 for building improvements represents one-half of the costs incurred for Ánimo Oscar De La Hoya CHS' approved Proposition 55 project. The site improvements made under the guidelines of the Proposition 55 and 1D awards are being accounted for as capital leases because the term of the lease exceeds 75 percent of the economic life of the leased property. At June 30, 2016, the proposition construction loan obligation is \$11,945,970.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 - LONG-TERM OBLIGATIONS, continued

Future payments are as follows:

Repayment Year	Principal *	Interest to Maturity	Total
2017	\$ 419,797	\$ 349,761	\$ 769,558
2018	431,006	338,552	769,558
2019	442,513	327,044	769,557
2020	454,328	315,229	769,557
2021	466,549	303,099	769,648
2022-2026	2,525,897	1,321,891	3,847,788
2027-2031	2,881,599	966,190	3,847,789
2032-2036	3,287,391	560,397	3,847,788
2037-2039	2,190,664	118,009	2,308,673
Total	\$ 13,099,744	\$ 4,600,172	\$ 17,699,916

* Total principal payment will be reduced by \$1,153,774 in cash proceeds that were not utilized and are held in restricted cash and investments to be returned in the 2016 fiscal year.

Ánimo Venice CHS

Per Proposition 55, one-half of the approved project costs paid under the award are reimbursed in the form of a State grant (recorded as earned revenue and proposition expense on the Statement of Activities and Changes in Net Assets). One-half of the approved project costs paid under the award are required to be remitted back to the State of California in the form of lease payments over a period not to exceed 30 years.

The original capital lease obligation of \$8,256,797 for building improvements represents one-half of the costs incurred for Ánimo Venice CHS' approved Proposition 55 and 1D project. The site improvements made under the guidelines of the Proposition 55 and 1D awards are being accounted for as capital leases because the term of the lease with the State of California exceeds 75 percent of the economic life of the leased property. At June 30, 2016, the capital lease obligation is \$7,117,576.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 - LONG-TERM OBLIGATIONS, continued

Future payments are as follows:

Repayment Year	Principal	Interest to Maturity	Total
2017	\$ 245,496	\$ 180,786	\$ 426,282
2018	251,732	174,551	426,283
2019	258,126	168,157	426,283
2020	264,682	161,600	426,282
2021	271,405	154,878	426,283
2022-2026	1,464,000	667,412	2,131,412
2027-2031	1,659,616	471,797	2,131,413
2032-2036	1,881,371	250,043	2,131,414
2037-2038	821,148	31,417	852,565
Total	<u>\$ 7,117,576</u>	<u>\$ 2,260,641</u>	<u>\$ 9,378,217</u>

Ánimo Pat Brown CHS

Per Proposition 55 and 1D, one-half of the approved project costs paid under the award are reimbursed in the form of a State grant (recorded as earned revenue and proposition expense on the Statement of Activities and Changes in Net Assets). One-half of the approved project costs paid under the award are required to be remitted back to the State of California in the form of lease payments over a period not to exceed 30 years.

The June 30, 2016, capital lease obligation of \$852,693 for building improvements represents one-half of the costs incurred for Ánimo Pat Brown CHS' approved Proposition 55 and 1D project. The site improvements made under the guidelines of the Proposition 55 and 1D awards are being accounted for as capital leases because the term of the lease with the State of California exceeds 75 percent of the economic life of the leased property. At June 30, 2016, the project is incomplete. A payment schedule will not be provided until the project is complete.

Notes Payable

At June 30, 2016, GDPS CA's and Delta's notes payable summary is as follows:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due in One Year
Ánimo James B. Taylor CHS	\$ 3,333,629	\$ -	\$ 3,333,629	\$ -	\$ -
Delta	51,695,032	-	19,276,749	32,418,283	6,812,048
Total	<u>\$ 55,028,661</u>	<u>\$ -</u>	<u>\$ 22,610,378</u>	<u>\$ 32,418,283</u>	<u>\$ 6,812,048</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 - LONG-TERM OBLIGATIONS, continued

Ánimo James B. Taylor CHS

GDPS CA entered into a loan agreement with National Cooperative Bank. National Cooperative Bank agreed to lend the principal sum of \$4,000,000 with an interest rate of 5.375 percent on the principal sum outstanding with a maturity date on January 1, 2015. At June 30, 2016, the balance was paid in full.

Delta

The terms and balances of new markets tax credit financing arrangement obtained to purchase property in Los Angeles and secured by interest in property purchased at June 30, 2016, are as follows:

Loan	Description	Interest Rate	Maturity Date	Callable Date	Payment Terms	Balance June 30, 2016
12628 Avalon LLC	New markets tax credit financing arrangement obtained to purchase property in Los Angeles. Secured by interest in property purchased.	5.650%	12/15/16-12/15/39	N/A	Note A: Interest only through maturity. No prepayment permitted. Note B: Interest and principal through January 1, 2017. Interest only from January 1, 2017, through maturity. No prepayment permitted prior to December 15, 2016. Note C: Interest only through maturity. No prepayment permitted.	\$ 8,818,283
Subtotal 12628 Avalon LLC						8,818,283
1655 27th Facilities, LLC	New markets tax credit financing arrangement obtained to purchase property in Los Angeles. Secured by interest in property purchased.	4.273-4.819%	10/12/18-10/12/41	N/A	Notes A and B: Interest only through maturity. No prepayment permitted. Note C: Interest only through September 30, 2018. Interest and principal from October 1, 2018, through maturity. No prepayment permitted.	21,200,000
Subtotal 1655 27th Facilities LLC						21,200,000
Delta Properties, Inc.	Promissory note issued in conjunction with property purchased in Los Angeles. Secured by all interests or rights of Delta Properties, Inc.	**	10/12/41	N/A	No interest prior to October 12, 2018. Interest and principal from October 12, 2018, through maturity. Prepayments of principal are required, commencing on September 21, 2012, and each year thereafter, based on annual fiscal year (July 1-June 30) California Department of Education per student funding rates in excess of note terms. Principal payments were not required for the year ended June 30, 2015. Prepayment of principal permitted.	2,400,000
Subtotal Delta Properties, Inc.						2,400,000
Total Notes Payable						\$ 32,418,283

** Municipal Market Data (MMD) interest rate on 30-year municipal bonds with a rating of AAA plus 4.50% - 5.00% per annum through maturity. Adjusting factor increasing to 7.00% after maturity date of note.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 - LONG-TERM OBLIGATIONS, continued

Future maturities of notes payable are as follows:

For the year Ending June 30,	Avalon	27th Street	Delta	Total
2017	\$ 6,812,048	\$ -	\$ -	\$ 6,812,048
2018	-	-	500,000	500,000
2019	-	16,683,745	500,000	17,183,745
2020	-	117,028	500,000	617,028
2021	-	123,572	500,000	623,572
Thereafter	2,006,235	4,275,655	400,000	6,681,890
Total	<u>\$ 8,818,283</u>	<u>\$ 21,200,000</u>	<u>\$ 2,400,000</u>	<u>\$ 32,418,283</u>

Costs associated with the issuance of these notes payable have been capitalized as debt issue costs. These costs are amortized over the term of the notes. Amortization of the issuance costs for the year ended June 30, 2016, amounted to \$67,844.

Bonds Payable

At June 30, 2016, Delta's bonds payable summary is as follows:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due in One Year
Delta - bonds payable	\$ 8,010,000	\$ 31,105,000	\$ 105,000	\$ 39,010,000	\$ 515,000
Delta - bonds discount	(134,188)	-	(7,917)	(126,271)	-
Delta - premium	-	740,822	18,463	722,359	-
Total	<u>\$ 7,875,812</u>	<u>\$ 31,845,822</u>	<u>\$ 115,546</u>	<u>\$ 39,606,088</u>	<u>\$ 515,000</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 - LONG-TERM OBLIGATIONS, continued

In July 2011, Manchester obtained bond financing through the California Communities Development Authority. Details of these bonds are as follows:

Issuance	Description	Interest Rate	Maturity Date	Optional Redemption	Payment Terms	Balance June 30, 2016
Series 2011 A-1 & Series 2011 A-2	Tax exempt bond issues at an underwriter's discount utilized to acquire school facilities for use by GDPS CA. Issuance secured by deed of trust on those school facilities.	6.90-7.25%	8/1/31-8/1/41	8/1/2021	Bond 1: Beginning February 1, 2012, interest coupon payments due semi-annually on February and August 1. Bond principal payments due annually August 1, beginning August 1, 2018. Bond 2: Beginning February 1, 2012, interest coupon payments due semi-annually on February and August 1. Bond principal payments due annually August 1, beginning August 1, 2032.	\$ 7,630,000
					Subtotal Series 2011 A	\$ 7,630,000
Series 2011 B	Taxable bond issues at an underwriter's discount utilized to acquire school facilities for use by GDPS CA. Issuance secured by deed of trust on those school facilities.	8.50%	8/1/18	N/A	Beginning February 1, 2012, interest coupon payments due semi-annually on February and August 1. Bond principal payments due annually August 1, beginning August 1, 2012.	\$ 275,000
					Subtotal Series 2011 B	275,000
					Less: unamortized discount	(126,271)
					Subtotal Series 2011	\$ 7,778,729

Delta and GDPS CA obtained board approval to obtain a bond financing not to exceed \$35,000,000 on August 7 2015, and August 3, 2015, respectively. The purpose of the bond financing was to refinance three New Market Tax Credit loans, refinance the facility loan for *Ánimo James B. Taylor*, obtain funds to reconstruct *Ánimo South LA CHS*, and secure lower interest rates.

The debt refinance related to the Delta facilities for four GDPS CA schools: 111th Place LLC (*Ánimo South LA CHS*), 8255 Beach LLC (*Ánimo Pat Brown CHS*), 12628 Avalon LLC (*Ánimo Watts CHS*), and the newly formed entity DPI 800 East 111th Place LLC (*Ánimo James B. Taylor CMS*). The purpose of the newly formed entity is to hold the debt associated with the facility that *Ánimo James B. Taylor CMS* occupies. In addition to refinancing debt, the bond proceeds will be used to rebuild *Ánimo South LA CHS* with \$4,500,000 in project fund new money.

Due diligence was performed by Standard & Poor's and an investment grade rating of BBB- was assigned to GDPS CA. The bonds were priced on September 14, 2015 at a 4.6 percent weighted interest rate on a par amount of \$31,105,000. The bond transaction closed on September 29, 2015.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 - LONG-TERM OBLIGATIONS, continued

<u>Issuance</u>	<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Optional Redemption</u>	<u>Payment Terms</u>	<u>Balance June 30, 2016</u>
Series 2015 A	Tax-exempt bond issued at a an underwriter's discount utilized to acquire, construct, expand, remodel, renovate, improve, furnish and equip school facilities for use by GDPS CA. Issuance secured by deed of trust on those school facilities.	4.00-4.70%	8/1/25-8/1/45	N/A	Beginning February 1, 2016, interest coupon payments due semi-annually on February 1 and August 1. Bond principal payments due annually August 1, beginning August 1, 2023.	\$ 26,710,000
					Subtotal Series 2015 A	\$ 26,710,000
Series 2015 B	Taxable bond issued at a an underwriter's discount utilized to acquire, construct, expand, remodel, renovate, improve, furnish and equip school facilities for use by GDPS CA. Issuance secured by deed of trust on those school facilities.	5.00%	8/1/23	N/A	Beginning February 1, 2016, interest coupon payments due semi-annually on February 1 and August 1. Bond principal payments due annually August 1, beginning August 1, 2016.	\$ 4,395,000
					Subtotal Series 2015 B	4,395,000
					Plus: Premium	722,359
					Subtotal Series 2015	\$ 31,827,359
					Total Bonds Payable	\$ 39,606,088

The bond agreement requires Manchester to comply with various covenants, conditions and restrictions including maintaining certain financial ratios. Manchester is required to maintain a bond reserve cash account in an amount equal to the lesser: of (a) ten percent of the proceeds of the bonds; (b) maximum annual debt service with respect to the Series 2011A and Series 2011B Bonds Outstanding; or (c) 125 percent of average annual debt service with respect to the Bonds. As of June 30, 2016, the reserve requirement amounted to \$761,450 and is reported as restricted cash and investments on the statement of financial position.

Bonds payable are reported on the balance sheet net of a \$126,271 bond discount and \$722,359 bond premium. The discount is being amortized to interest expense over the life of the bonds. The amortized bond discount and premium charged to interest expense for the year ended June 30, 2016, was \$7,917 and \$18,522, respectively.

Costs associated with the issuance of these bonds payable have been capitalized as debt issue costs. These costs are amortized over the term of the notes. Amortization of the issuance costs for the year ended June 30, 2016, amounted to \$50,365.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 - LONG-TERM OBLIGATIONS, continued

Future maturities of bonds payable are as follows:

Fiscal Year Ending June 30,		
2017		\$ 515,000
2018		620,000
2019		655,000
2020		695,000
2021		730,000
Thereafter		<u>35,795,000</u>
	Total future maturities	39,010,000
	Plus: unamortized premium	722,359
	Less: unamortized discount	<u>(126,271)</u>
	Total	<u><u>\$ 39,606,088</u></u>

Settlement Agreements

Alain Leroy Locke 3 CPA EAAP Case No. 11-7

On September 8, 2011, Alain Leroy Locke 3 College Preparatory Academy (Alain Leroy Locke 3 CPA) received a summary review determination letter from the Education Audit Appeals Panel (EAAP) regarding an audit finding from 2008-2009.

Alain Leroy Locke 3 CPA and the California State Controller's Office agreed to a complete resolution of Audit Finding 2009-10 for the fiscal year 2008-2009 and determined that the questioned costs were \$338,181. At June 30, 2016, the balance was \$123,998. Though Alain Leroy Locke 3 CPA is now closed, payments will continue to be made by GDPS CA Regional Office.

Future payments are as follows:

Repayment Year	Settlement Payments
2017	\$ 67,634
2018	56,364
Total	<u><u>\$ 123,998</u></u>

The State of California will not charge GDPS CA any interest on the amounts specified.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 - LONG-TERM OBLIGATIONS, continued

On September 12, 2011, the California Department of Education requested additional clarification for Alain Leroy Locke 3 CPA's June 30, 2010, audit finding 2010-11. According to the audit finding revision, Alain Leroy Locke 3 CPA has questioned costs in the amount of \$893,556 for an attendance compliance deficiency for 124 students exactly as noted in the above EAAP Case No. 11-7. As of June 30, 2016, GDPS CA has not settled with EAAP but has accrued the potential liability in accordance with the settlement calculation used on Case No. 11-7.

GDPS TN

On June 17, 2015, GDPS TN entered into a loan agreement with CSGF Memphis, LLC. CSGF Memphis agreed to lend the principal sum of \$1,000,000 with an interest rate of 1.00 percent per annum on the principal sum outstanding. The entire unpaid principal amount of the note, together with all accrued unpaid interest is due on December 1, 2020. Upon successful accomplishment of the milestones outlined in the loan, certain of the amounts due under the loan may be forgiven and treated as a charitable grant. During the year ended June 30, 2016, GDPS TN accomplished the milestones and the full loan was forgiven.

On August 7, 2015, GDPS TN entered into a loan agreement with CSGF Memphis, LLC. CSGF Memphis agreed to lend the principal sum of \$585,000 with an interest rate of 1.00 percent per annum on the principal sum outstanding. The first principal payment of \$285,000 is due on December 31, 2021, and the entire unpaid principal amount of the note, together with all accrued unpaid interest is due on December 31, 2022. Upon successful accomplishment of the milestones outlined in the loan, certain of the amounts due under the loan may be forgiven and treated as a charitable grant. At June 30, 2016, the balance was \$585,000.

NOTE 12 - REVOLVING LINE OF CREDIT

GDPS CA has available a bank line of credit of \$3,500,000 to bridge monthly funding delays from the State of California, when necessary. The line of credit matures on December 15, 2016. GDPS CA has not drawn on this line of credit.

GDPS TN has available a bank line of credit of \$2,000,000 to bridge monthly funding delays from the State of Tennessee, when necessary. The line of credit matures on December 15, 2016. GDPS TN has not drawn on this line of credit.

GDPS WA has available a bank line of credit of \$1,000,000 to bridge monthly funding delays from the State of Washington, when necessary. The line of credit matures on December 15, 2016. GDPS WA has not drawn on this line of credit.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 - FAIR VALUE FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of GDPS National financial instruments as of June 30, 2016 are as follows:

	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 44,278,624	\$ 44,278,624
Restricted cash and cash equivalents	\$ 42,495,272	\$ 42,495,272
Proposition construction loans	\$ 31,156,317	\$ 31,095,647
Notes payable	\$ 32,418,283	\$ 34,794,807
Bonds payable	\$ 39,606,088	\$ 39,606,088
Settlement agreements	\$ 355,159	\$ 355,159

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents—The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of those instruments.

Restricted cash and investments—The carrying amount reported in the statement of financial position approximates fair value from quoted prices in active markets for identical assets.

Construction loans—The fair value of construction loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Notes payable—The fair value of notes payable is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Bonds payable—The fair value of bonds payable is based on quoted market prices for the same issues. The carrying amount reported in the statement of financial position approximates fair value.

Settlement agreements—The carrying amount reported in the statement of financial position approximates fair value because no interest is charged on future payments for these instruments.

Per ASC 825-10-50, Delta must disclose the fair market value of its financial instruments despite being a nonprofit corporation as Delta does not meet the definition of a "nonpublic entity". Delta qualifies as a publicly traded company due to the Manchester Bond Payable, which makes Delta a conduit bond obligor for conduit debt securities that are traded in a public market. Please note that the holder of the note is not Delta. In addition, consolidated GDPS is not exempt from the disclosure as the entity's total assets are more than \$100 million on the date of the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 - OPERATING LEASES

GDPS National and GDPS CA

GDPS National and GDPS CA entered into an agreement in January 2010, with LBA Realty Fund – Holding Co. VI, LLC, and LBA Realty Fund II Holding Co. I, LLC, to lease the premises on 1149 South Hill Street, Suite 600, Los Angeles, California. The term of the lease commences on September 1, 2010, and ends on December 31, 2021.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2017	\$ 926,320
2018	994,116
2019	1,023,940
2020	1,054,658
2021	1,089,134
Thereafter	2,900,774
Total	<u>\$ 7,988,942</u>

GDPS CA

Ánimo Inglewood CHS

GDPS CA entered into a lease agreement on behalf of Ánimo Inglewood CHS on July 18, 2011, with Manchester & 27th LLC, to lease the premises on 3348 W. 85th Street and 3425 W. Manchester Boulevard, Inglewood, California. The term of the lease commenced upon the date the lessor acquired the property and ends June 30, 2041. The base rent shall be paid in monthly installments equal to the principal and interest under the lessor's loan agreement dated February 1, 2011.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2017	\$ 676,998
2018	676,797
2019	677,108
2020	677,488
2021	677,097
Thereafter	3,396,563
Total	<u>\$ 6,782,051</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 - OPERATING LEASES, continued

Ánimo Ellen Ochoa Charter Middle School

GDPS CA entered into a lease agreement on behalf of Ánimo Ellen Ochoa CMS on April 29, 2004, with Whitwood, LLC, to lease the land on 5156 Whittier Boulevard, Los Angeles, California. The term of the lease commenced April 29, 2004, and ends on June 30, 2016.

GDPS CA entered into a lease agreement on behalf of Ánimo Ellen Ochoa on August 1, 2016, with 1st & Roman Apartments, L.P., to lease the land on 3651 E 1st Street, Los Angeles, California. The term of the lease commenced on August 1, 2016, and ends on June 30, 2017.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2017	<u>\$ 110,000</u>

Ánimo South Los Angeles CHS

GDPS CA entered into a lease agreement on behalf of Ánimo South Los Angeles CHS on July 18, 2008, and amended and restated on December 1, 2015, with 111th Place LLC, to lease the premises on 11100 and 11130 South Western Avenue, Los Angeles, California. The term of the lease commenced on September 1, 2015, and ends on June 30, 2045.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2017	\$ 602,710
2018	583,350
2019	574,773
2020	565,494
2021	528,597
Thereafter	<u>18,093,697</u>
Total	<u>\$ 20,948,621</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 - OPERATING LEASES, continued

Ánimo Westside CMS

GDPS CA entered into a lease agreement on behalf of Ánimo Westside CMS on September 20, 2012, with Playa Vista LLC, to lease the premises on 5456 McConnell Street, Los Angeles, California. The term of the lease commenced on April 1, 2013, and ends on June 30, 2028.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2017	\$ 659,057
2018	675,534
2019	692,422
2020	709,732
1905	612,000
Thereafter	<u>6,640,226</u>
Total	<u><u>\$ 9,988,971</u></u>

Ánimo Jefferson CMS and Ánimo Ralph Bunche CHS

GDPS CA entered into a lease agreement on behalf of Ánimo Ralph Bunche CHS and Ánimo Jefferson CMS on September 20, 2011, with 1655 27th Street Facilities LLC to lease the premises on 1655 E. 27th Street, Los Angeles, California. The term of the lease commenced on September 20, 2011, and ends in September 2021.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2017	\$ 1,280,700
2018	1,280,700
2019	1,560,233
2020	1,560,233
2021	1,280,700
Thereafter	<u>17,984,066</u>
Total	<u><u>\$ 24,946,632</u></u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 - OPERATING LEASES, continued

Ánimo Pat Brown CHS

GDPS CA entered into a lease agreement on behalf of Ánimo Pat Brown CHS on March 25, 2009, and amended and restated on December 1, 2015, with 8255 Beach LLC, to lease the premises on 8255 Beach Street, Los Angeles, California. The term of the lease commenced on September 1, 2015, and ends on June 30, 2045.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2017	\$ 523,860
2018	504,700
2019	495,923
2020	486,644
2021	449,747
Thereafter	15,300,097
Total	<u>\$ 17,760,971</u>

Ánimo Mae Jemison CMS

GDPS CA entered into a lease agreement on behalf of Ánimo Mae Jemison CMS on February 24, 2014, with PCSD 12700 Avalon, LLC to lease the land on 12700 Avalon Boulevard, Los Angeles, California. The term of the lease commenced on July 1, 2014, and ends June 30, 2024. The base rent shall be paid in monthly installments.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2017	\$ 495,000
2018	674,000
2019	674,000
2020	674,000
2021	674,000
Thereafter	2,022,000
Total	<u>\$ 5,213,000</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 - OPERATING LEASES, continued

Ánimo Watts CPA

GDPS CA entered into a lease agreement on behalf of Ánimo Watts CPA on December 15, 2009, and amended and restated on December 1, 2015, with 12628 Avalon LLC, to lease the land on 12628 South Avalon Boulevard, Los Angeles, California. The term of the lease commenced September 1, 2015, and ends on June 30, 2045.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2017	\$ 632,831
2018	504,700
2019	504,700
2020	495,923
2021	449,747
Thereafter	15,300,097
Total	<u>\$ 17,887,998</u>

Ánimo James B. Taylor CMS

GDPS CA entered into a lease agreement on April 25, 2007, with Watts Labor Community Action Committee to lease the land on 810 and 820 East 11th Place, Los Angeles, California. The term of the lease commenced on June 14, 2007, and ends June 30, 2022. The base rent shall be paid in monthly installments. The facility was occupied by Ánimo James B. Taylor CMS beginning in fiscal year 2013-2014.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2017	\$ 766,687
2018	799,687
2019	837,928
2020	871,416
2021	910,158
Thereafter	745,337
Total	<u>\$ 4,931,213</u>

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 - OPERATING LEASES, continued

Agreements With Los Angeles Unified School District (LAUSD)

Ánimo Western CMS and Ánimo Phillis Wheatley CMS

On June 22, 2010, GDPS CA entered into a lease agreement with LAUSD on behalf of Ánimo Western CMS and Ánimo Phillis Wheatley CMS in accordance with the Public Choice Facilities Agreement. The location is Henry Clay Middle School. The term of the lease commenced on the first day of school operation and ends upon the expiration date of the schools' charter petitions.

Ánimo Jackie Robinson CHS

On April 1, 2011, GDPS CA entered into a lease agreement on with LAUSD on behalf of Ánimo Jackie Robinson CHS for the use of one of LAUSD's school sites for its main campus location. The location is at William Clinton Middle School. The term of the lease expires on June 30 of each year and is renewed annually.

Alain Leroy Locke CPA

On September 11, 2007, GDPS CA entered into a lease agreement with LAUSD on behalf of Alain Leroy Locke CPA for the use of one of LAUSD's school site for its main campus location. The location is at Locke High School. The term of the lease commenced on the first day of school operation and ends upon the expiration date of the schools' charter petitions. The monthly payments will be withheld from the apportionment payments due to each school.

Ánimo CPA

On May 24, 2011, GDPS CA entered into a lease agreement with LAUSD on behalf of Ánimo CPA for the use of one of LAUSD's school sites for its main campus location. The location is at Jordan Senior High School. The term of the lease expires on June 30 of each year and is renewed annually.

Ánimo Ellen Ochoa

On April 1, 2016, GDPS CA entered into a lease agreement with LAUSD on behalf of Ánimo Ellen Ochoa for the use of one of LAUSD's school sites for its main campus location. The location is at Robert Louis Stevenson Middle School. The term of the lease expires on June 30 of each year and is renewed annually.

GDPS WA Regional Office

GDPS WA entered into a lease agreement on February 10, 2015, with McKinstry Co., LLC to lease the premises located in Tacoma, Washington at 210 S. Hudson Street, Suite 306. The term of the lease commenced upon the date the lessee occupies the property and ends July 15, 2015. On September 30, 2015, GDPS WA vacated the premises and terminated the lease agreement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 - OPERATING LEASES, continued

GDPS WA

GDPS WA entered into a lease agreement on behalf of Destiny Middle School on January 15, 2015, with PSCD Tacoma Facilities II LLC, to lease the premises on 1301 East 34th Street. The term of the lease commenced upon the date the lessor acquired the property and ends June 30, 2045. The base rent shall be paid in monthly installments equal to the amount set forth under the lessor's loan agreement dated January 15, 2015.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2017	\$ 470,200
2018	500,604
2019	541,216
2020	605,604
1905	617,716
Thereafter	19,167,915
Total	<u>\$ 21,903,255</u>

NOTE 15 - CONTINGENCIES

GDPS consolidated have received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any reimbursement, if required, would not be material.

Litigation

GDPS National has various outstanding claims or litigation. However, based on consultation with legal counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on GDPS National's financial position or result of operations.

NOTE 16 - RETIREMENT PLAN

401K

Effective January 1, 2016, GDPS National established a defined contribution plan (the Plan) covering all eligible employees 21 years or older and with one year of eligibility service. GDPS National makes a matching contribution equal to participants' contributions to the Plan up to four percent of the participant's compensation. Total expense for the year ended June 30, 2016 was \$84,993.

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 17 - SUBSEQUENT EVENTS

GDPS National's management has evaluated events or transactions that may occur for potential recognition or disclosure in the consolidated financial statements from the balance sheet date through January 9, 2017, which is the date the consolidated financial statements were available to be issued. Management has determined that there were no subsequent events or transactions, other than those noted below, that would have a material impact on the current year consolidated financial statements.

GDPS CA

In July 2014, a fire occurred at the premises of *Ánimo South Los Angeles CHS*. Delta leases the property to GDPS CA. Two buildings remain intact and the third building was destroyed in the fire. During the 2017 fiscal year, *Ánimo South Los Angeles CHS* 9th and 10th grade students will continue to attend classes in the building not affected by the fire. *Ánimo South Los Angeles CHS* 11th and 12th grade students will occupy available space at the *Ánimo Western CMS* and *Ánimo Phillis Wheatley CMS* facility.

The building and the contents will be covered by insurance at replacement cost. In addition, GDPS CA will be compensated for loss of business income and additional costs incurred due to the fire. In fiscal year 2015, the net book value of the building destroyed in the fire was written off in the amount of \$927,025. The loss of the building was offset by \$1,939,454 in insurance revenue due to cash received from the insurance company. Therefore, revenue from insurance proceeds, net of the building book value was \$1,012,428; this transaction was presented as "Other Income" on the face of the financials. Planning for the new building and finalization of the insurance claim is still in process. Once the claim is finalized, any additional insurance revenue will be recognized in fiscal year 2017.

GDPS CA plans to reconstruct the 11,000 square foot building with the insurance proceeds. In conjunction with the construction, GDPS CA is considering adding square footage and making other campus improvements to enhance the educational environment. The additional square footage and the other improvements are to be financed with \$4,500,000 in new money outlined in the September 29, 2015 bond financing.

During the 2017 fiscal year, GDPS CA opened *Ánimo Florence-Firestone CMS* serving grades six to eight. *Ánimo Florence-Firestone CMS* is part of the Los Angeles Unified School District and entered into a charter agreement with an expiration date of June 30, 2021.

GDPS TN

During the 2016-2017 fiscal year, GDPS TN opened Kirby MS and Hillcrest HS serving grades six to eight and nine to twelve, respectively. Kirby MS and Hillcrest HS are part of the Achievement School District and entered into a charter agreement with an expiration date of June 30, 2026.

GDPS WA

Effective April 3, 2016, the Washington State Legislature passed the Bill SB 6194 into law granting charter schools legal status. There is a new lawsuit pending against the State, to which GDPS WA signed on as an intervening party.

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

Beginning in the Fall of 2017, GDPS WA will open a second middle school located in Seattle, Washington. The Washington State Charter Commission approved the Seattle Middle School its charter agreement with an expiration date of August 22, 2027.

SUPPLEMENTARY INFORMATION

GREEN DOT PUBLIC SCHOOLS NATIONAL
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GREEN DOT PUBLIC SCHOOLS NATIONAL
STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2015)

JUNE 30, 2016

	2016	2015
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,527,673	\$ 4,151,974
Accounts receivable	30,474	5,581
Accounts receivable - related party	336,871	1,062,961
Prepaid expenses and other current assets	303,743	239,867
Total Current Assets	<u>5,198,761</u>	<u>5,460,383</u>
Non-Current Assets:		
Security deposits	36,034	-
Fixed assets	1,516,182	59,786
Less: accumulated depreciation	103,362	-
Total Non-Current Assets	<u>1,448,854</u>	<u>59,786</u>
Total Assets	<u>\$ 6,647,615</u>	<u>\$ 5,520,169</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 1,570,838	\$ 1,167,647
Accounts payable - related party	2,296,298	3,645,786
Deferred revenue	135,706	157,279
Total Current Liabilities	<u>4,002,842</u>	<u>4,970,712</u>
NET ASSETS		
Unrestricted	<u>2,644,773</u>	<u>549,457</u>
Total Net Assets	<u>2,644,773</u>	<u>549,457</u>
Total Liabilities and Net Assets	<u>\$ 6,647,615</u>	<u>\$ 5,520,169</u>

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

GREEN DOT PUBLIC SCHOOLS NATIONAL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
(With comparative financial information at June 30, 2015)

FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
Contributions and grants	\$ 171,388	\$ 1,100
Local revenue	18,540,267	19,394,013
Total Revenues	<u>18,711,655</u>	<u>19,395,113</u>
EXPENSES		
Program services:		
Salaries and benefits	10,630,795	7,095,789
Student services	696,674	471,034
Materials and supplies	88,335	64,082
Other expenses	2,475,905	8,514,052
Depreciation and amortization	103,362	-
Occupancy	519,894	398,687
Subtotal	<u>14,514,965</u>	<u>16,543,644</u>
Fund development	<u>745,358</u>	<u>745,389</u>
Management and general:		
Salaries and benefits	1,000,272	667,656
Operating expenses	355,744	888,967
Subtotal	<u>1,356,016</u>	<u>1,556,623</u>
Total Expenses	<u>16,616,339</u>	<u>18,845,656</u>
CHANGE IN UNRESTRICTED NET ASSETS	2,095,316	549,457
NET ASSETS, BEGINNING OF YEAR	549,457	-
NET ASSETS, END OF YEAR	<u>\$ 2,644,773</u>	<u>\$ 549,457</u>

GREEN DOT PUBLIC SCHOOLS NATIONAL
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GREEN DOT PUBLIC SCHOOLS NATIONAL
STATEMENT OF CASH FLOWS
(With comparative financial information at June 30, 2015)

FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 2,095,316	\$ 549,457
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	103,362	-
Changes in operating assets and liabilities:		
(Increase) Decrease in assets		
Accounts receivable	(24,893)	(5,581)
Accounts receivable - related party	726,090	(1,062,961)
Prepaid expenses and other current assets	(63,876)	(239,867)
Security deposits	(36,034)	-
Increase (Decrease) in liabilities		
Accounts payable and accruals	403,191	1,167,647
Accounts payable - related party	(1,349,488)	3,645,786
Deferred revenue	(21,573)	157,279
Net Cash Provided by Operating Activities	1,832,095	4,211,760
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,456,396)	(59,786)
NET CHANGE IN CASH	375,699	4,151,974
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,151,974	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,527,673	\$ 4,151,974
Supplemental cash flow disclosure:		
Cash paid during the period for interest	\$ -	\$ -

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

GREEN DOT PUBLIC SCHOOLS CALIFORNIA
STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2015)

JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 33,377,628	\$ 17,275,495
Restricted cash and investments	6,115,008	553,145
Accounts receivable	16,796,235	18,358,323
Accounts receivable - related party	2,598,633	3,583,524
Prepaid expenses and other current assets	497,022	458,251
Total Current Assets	<u>59,384,526</u>	<u>40,228,738</u>
Non-Current Assets:		
Restricted cash and investments	36,380,264	34,185,273
Debt issue costs, net	2,964,268	2,645,761
Security deposits	573,183	573,283
Note receivable	6,786,929	400,433
Fixed assets	114,241,948	114,428,069
Less: accumulated depreciation	24,275,927	21,249,811
Total Non-Current Assets	<u>136,670,665</u>	<u>130,983,008</u>
Total Assets	<u>\$ 196,055,191</u>	<u>\$ 171,211,746</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 11,268,049	\$ 10,413,720
Interest payable	1,086,793	381,417
Deferred revenue	5,345,878	1,732,897
Current portion of long-term obligations	8,474,269	21,088,878
Total Current Liabilities	<u>26,174,989</u>	<u>33,616,912</u>
Other Liabilities:		
Deferred revenue - proposition funding	31,848,446	31,685,029
Total Other Liabilities	<u>31,848,446</u>	<u>31,685,029</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	95,061,578	74,634,228
Total Liabilities	<u>153,085,013</u>	<u>139,936,169</u>
NET ASSETS		
Unrestricted	42,568,737	30,806,163
Temporarily restricted	401,441	469,414
Total Net Assets	<u>42,970,178</u>	<u>31,275,577</u>
Total Liabilities and Net Assets	<u>\$ 196,055,191</u>	<u>\$ 171,211,746</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

GREEN DOT PUBLIC SCHOOLS CALIFORNIA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
(With comparative financial information for the year ended June 30, 2015)

FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 102,753,610	\$ 85,225,461
Federal revenue	13,628,262	12,722,095
Other State revenue	18,907,420	14,531,686
Proposition construction revenues	53,671	97,335
Contributions and grants	4,507,557	6,042,160
Donated services and property	652,811	645,144
Local revenue	3,936,493	4,864,985
Net assets released from restrictions	207,930	2,501,239
Total Revenues	<u>144,647,754</u>	<u>126,630,105</u>
EXPENSES		
Program services:		
Salaries and benefits	67,618,542	62,488,429
Student services	15,893,668	12,598,221
Materials and supplies	2,521,084	2,354,006
Student nutrition	3,700,595	3,171,082
Other expenses	7,972,459	10,211,117
Depreciation and amortization	4,336,137	3,969,988
Occupancy	7,995,667	7,631,853
Proposition construction expense	53,671	97,335
Interest	4,759,796	4,140,315
Subtotal	<u>114,851,619</u>	<u>106,662,346</u>
Management and general:		
Salaries and benefits	1,311,847	3,664,733
Depreciation	72,862	76,848
Shared services and start-up fees – related party	14,108,495	11,207,271
Occupancy	236,483	269,285
Operating expenses	2,303,874	1,797,678
Subtotal	<u>18,033,561</u>	<u>17,015,815</u>
Total Expenses	<u>132,885,180</u>	<u>123,678,161</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>11,762,574</u>	<u>2,951,944</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions and grants, net	139,957	217,027
Net assets released from restrictions	(207,930)	(2,501,239)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(67,973)</u>	<u>(2,284,212)</u>
CHANGE IN NET ASSETS	11,694,601	667,732
NET ASSETS, BEGINNING OF YEAR	31,275,577	30,607,845
NET ASSETS, END OF YEAR	<u>\$ 42,970,178</u>	<u>\$ 31,275,577</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

GREEN DOT PUBLIC SCHOOLS CALIFORNIA
STATEMENT OF CASH FLOWS

(With comparative financial information for the year ended June 30, 2015)

FOR THE YEAR ENDED JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 11,694,601	\$ 667,732
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	4,290,790	3,941,905
Amortization expense (including bond discount)	118,209	112,849
Loss on asset casualty	-	927,022
Cash restricted for interest/ Debt Obligation Stipulations	(7,965,192)	303,021
Changes in operating assets and liabilities:		
(Increase) Decrease in assets		
Accounts receivable	1,562,088	2,610,655
Accounts receivable - related party	984,891	(3,583,524)
Prepaid expenses and other current assets	(38,771)	184,077
Security deposits	100	(164,055)
Noncurrent receivable	(6,386,496)	-
Increase (Decrease) in liabilities		
Accounts payable and accruals	854,329	(2,546,667)
Interest payable	705,376	(36,437)
Deferred revenue	3,776,398	16,452,039
Net Cash Provided (Used) by Operating Activities	<u>9,596,323</u>	<u>18,868,617</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash (received) used for construction	208,338	(18,634,616)
Capital expenditures, net	(1,078,553)	(3,002,959)
Net Cash Used by Investing Activities	<u>(870,215)</u>	<u>(21,637,575)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts incurred for debt issuance	(436,716)	(18,816)
Loan proceeds, net	28,946,461	97,334
Loan principal payments	(21,133,720)	(3,275,578)
Cash restricted to meet debt obligation	-	(288,534)
Net Cash Provided (Used) by Financing Activities	<u>7,376,025</u>	<u>(3,485,594)</u>
NET CHANGE IN CASH	<u>16,102,133</u>	<u>(6,254,552)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>17,275,495</u>	<u>23,530,047</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 33,377,628</u>	<u>\$ 17,275,495</u>
Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u>\$ 4,046,504</u>	<u>\$ 4,168,836</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(With comparative financial information at June 30, 2015)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,411,545	\$ 3,154,540
Accounts receivable	1,798,532	1,048,952
Prepaid expenses and other current assets	95,738	157,999
Total Current Assets	<u>5,305,815</u>	<u>4,361,491</u>
Non-Current Assets:		
Fixed assets	879,750	298,667
Less: accumulated depreciation	144,847	25,443
Total Non-Current Assets	<u>734,903</u>	<u>273,224</u>
Total Assets	<u>\$ 6,040,718</u>	<u>\$ 4,634,715</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 1,185,318	\$ 539,144
Accounts payable - related party	336,871	1,062,961
Deferred revenue	1,850,000	-
Total Current Liabilities	<u>3,372,189</u>	<u>1,602,105</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	585,000	1,000,000
Total Liabilities	<u>3,957,189</u>	<u>2,602,105</u>
NET ASSETS		
Unrestricted	<u>2,083,529</u>	<u>2,032,610</u>
Total Net Assets	<u>2,083,529</u>	<u>2,032,610</u>
Total Liabilities and Net Assets	<u>\$ 6,040,718</u>	<u>\$ 4,634,715</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(With comparative financial information at June 30, 2015)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 9,936,960	\$ 4,817,470
Federal revenue	2,826,579	1,331,452
Other State revenue	17,353	16,880
Contributions and grants	2,494,854	5,851,742
Local revenue	61,086	172,510
Total Revenues	15,336,832	12,190,054
EXPENSES		
Program services:		
Salaries and benefits	7,180,758	4,236,604
Student services	1,861,391	818,056
Materials and supplies	316,313	364,620
Student nutrition	8,730	9,795
Other expenses	1,561,296	810,680
Depreciation and amortization	119,404	25,443
Occupancy	1,329,002	802,023
Subtotal	12,376,894	7,067,221
Management and general:		
Salaries and benefits	\$ 689,704	\$ 637,828
Shared services and start-up fees – related party	1,967,446	2,242,858
Occupancy	4,123	11,289
Operating expenses	247,746	198,248
Subtotal	2,909,019	3,090,223
Total Expenses	15,285,913	10,157,444
CHANGE IN UNRESTRICTED NET ASSETS	50,919	2,032,610
NET ASSETS, BEGINNING OF YEAR	2,032,610	-
NET ASSETS, END OF YEAR	\$ 2,083,529	\$ 2,032,610

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(With comparative financial information at June 30, 2015)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Unrestricted Net Assets	\$ 50,919	\$ 2,032,610
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	119,404	25,443
Changes in operating assets and liabilities:		
(Increase) Decrease in assets		
Accounts receivable	(749,580)	(1,048,952)
Prepaid expenses and other current assets	62,261	(157,999)
Increase (Decrease) in liabilities		
Accounts payable and accruals	646,174	539,144
Accounts payable - related party	(726,090)	1,062,961
Deferred revenue	1,850,000	-
Loan forgiveness	(1,000,000)	-
Net Cash Provided by Operating Activities	253,088	2,453,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(581,083)	(298,667)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds, net	585,000	1,000,000
NET CHANGE IN CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	257,005	3,154,540
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,411,545	\$ 3,154,540
Supplemental cash flow disclosure:		
Cash paid during the period for interest	\$ -	\$ -

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(With comparative financial information at June 30, 2015)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,961,778	\$ 1,198,496
Accounts receivable	340,542	50,394
Accounts receivable - related party	-	62,262
Total Current Assets	<u>3,302,320</u>	<u>1,311,152</u>
Non-Current Assets:		
Security deposits	39,050	2,200
Total Assets	<u>\$ 3,341,370</u>	<u>\$ 1,313,352</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 239,780	\$ 80,513
Accounts payable - related party	302,335	-
Deferred revenue	2,770,510	1,217,738
Total Current Liabilities	<u>3,312,625</u>	<u>1,298,251</u>
NET ASSETS		
Unrestricted	28,745	15,101
Total Net Assets	<u>28,745</u>	<u>15,101</u>
Total Liabilities and Net Assets	<u>\$ 3,341,370</u>	<u>\$ 1,313,352</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(With comparative financial information at June 30, 2015)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 427,152	\$ -
Federal revenue	465,065	173,300
Contributions and grants	1,087,918	1,050,165
Local revenue	2,912,092	15,101
Total Revenues	<u>4,892,227</u>	<u>1,238,566</u>
EXPENSES		
Program services:		
Salaries and benefits	1,740,377	81,795
Student services	903,067	1,812
Materials and supplies	121,967	26,245
Other expenses	649,247	72,607
Occupancy	374,133	454
Subtotal	<u>3,788,791</u>	<u>182,913</u>
Management and general:		
Salaries and benefits	477,879	362,635
Shared services and start-up fees – related party	450,000	475,000
Occupancy	10,700	15,917
Operating expenses	151,213	187,000
Subtotal	<u>1,089,792</u>	<u>1,040,552</u>
Total Expenses	<u>4,878,583</u>	<u>1,223,465</u>
CHANGE IN UNRESTRICTED NET ASSETS	13,644	15,101
NET ASSETS, BEGINNING OF YEAR	15,101	-
NET ASSETS, END OF YEAR	<u>\$ 28,745</u>	<u>\$ 15,101</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(With comparative financial information at June 30, 2015)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

	2,016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 13,644	\$ 15,101
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
(Increase) Decrease in assets		
Accounts receivable	(290,148)	(50,394)
Accounts receivable - related party	62,262	(62,262)
Security deposits	(36,850)	(2,200)
Increase (Decrease) in liabilities		
Accounts payable and accruals	159,267	80,513
Accounts payable - related party	302,335	-
Deferred revenue	1,552,772	1,217,738
Net Cash Provided by Operating Activities	1,763,282	1,198,496
NET CHANGE IN CASH	1,763,282	1,198,496
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,198,496	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,961,778	\$ 1,198,496
Supplemental cash flow disclosure:		
Cash paid during the period for interest	\$ -	\$ -

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016

	GDPSN	GDPS CA	GDPS TN	GDPS WA
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 4,527,673	\$ 33,377,628	\$ 3,411,545	\$ 2,961,778
Restricted cash and investments	-	6,115,008	-	-
Accounts receivable	30,474	16,796,235	1,798,532	340,542
Accounts receivable - related party	336,871	2,598,633	-	-
Prepaid expenses and other current assets	303,743	497,022	95,738	-
Total Current Assets	<u>5,198,761</u>	<u>59,384,526</u>	<u>5,305,815</u>	<u>3,302,320</u>
Non-Current Assets:				
Restricted cash and cash equivalents	-	36,380,264	-	-
Debt issue cost, net	-	2,964,268	-	-
Security deposits	36,034	573,183	-	39,050
Note receivable	-	6,786,929	-	-
Fixed assets	1,516,182	114,241,948	879,750	-
Less: accumulated depreciation	103,362	24,275,927	144,847	-
Total Non-Current Assets	<u>1,448,854</u>	<u>136,670,665</u>	<u>734,903</u>	<u>39,050</u>
Total Assets	<u>\$ 6,647,615</u>	<u>\$ 196,055,191</u>	<u>\$ 6,040,718</u>	<u>\$ 3,341,370</u>
LIABILITIES				
Current Liabilities:				
Accounts payable and accruals	\$ 1,570,838	\$ 11,268,049	\$ 1,185,318	\$ 239,780
Accounts payable - related party	2,296,298	-	336,871	302,335
Interest payable	-	1,086,793	-	-
Deferred revenue	135,706	5,345,878	1,850,000	2,770,510
Current portion of long-term obligations	-	8,474,269	-	-
Total Current Liabilities	<u>4,002,842</u>	<u>26,174,989</u>	<u>3,372,189</u>	<u>3,312,625</u>
Other Liabilities:				
Deferred revenue - proposition funding	-	31,848,446	-	-
Total Other Liabilities	<u>-</u>	<u>31,848,446</u>	<u>-</u>	<u>-</u>
Long-Term Obligations:				
Non-current portion of long-term obligations	-	95,061,578	585,000	-
Total Liabilities	<u>4,002,842</u>	<u>153,085,013</u>	<u>3,957,189</u>	<u>3,312,625</u>
NET ASSETS				
Unrestricted	2,644,773	42,568,737	2,083,529	28,745
Temporarily restricted	-	401,441	-	-
Total Net Assets	<u>2,644,773</u>	<u>42,970,178</u>	<u>2,083,529</u>	<u>28,745</u>
Total Liabilities and Net Assets	<u>\$ 6,647,615</u>	<u>\$ 196,055,191</u>	<u>\$ 6,040,718</u>	<u>\$ 3,341,370</u>

See accompanying note to supplementary information.

<u>Eliminations</u>	<u>Total</u>
\$ -	\$ 44,278,624
-	6,115,008
-	18,965,783
(2,935,504)	-
-	896,503
<u>(2,935,504)</u>	<u>70,255,918</u>

-	36,380,264
-	2,964,268
-	648,267
-	6,786,929
-	116,637,880
-	24,524,136
-	<u>138,893,472</u>
<u>\$ (2,935,504)</u>	<u>\$ 209,149,390</u>

\$ -	\$ 14,263,985
(2,935,504)	-
-	1,086,793
-	10,102,094
-	8,474,269
<u>(2,935,504)</u>	<u>33,927,141</u>

-	31,848,446
-	<u>31,848,446</u>

-	95,646,578
<u>(2,935,504)</u>	<u>161,422,165</u>

-	47,325,784
-	401,441
-	<u>47,727,225</u>
<u>\$ (2,935,504)</u>	<u>\$ 209,149,390</u>

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2016

	GDPSN	GDPS CA	GDPS TN
CHANGES IN UNRESTRICTED NET ASSETS			
REVENUES			
State apportionments	\$ -	\$ 102,753,610	\$ 9,936,960
Federal revenue	-	13,628,262	2,826,579
Other State revenue	-	18,907,420	17,353
Proposition construction revenue	-	53,671	-
Contributions and grants	171,388	4,507,557	2,494,854
Donated services and property	-	652,811	-
Local revenue	18,540,267	3,936,493	61,086
Net assets released from restrictions	-	207,930	-
Total Revenues	<u>18,711,655</u>	<u>144,647,754</u>	<u>15,336,832</u>
EXPENSES			
Program services:			
Salaries and benefits	10,630,795	67,618,542	7,180,758
Student services	696,674	15,893,668	1,861,391
Materials and supplies	88,335	2,521,084	316,313
Student nutrition	-	3,700,595	8,730
Other expenses	2,475,905	7,972,459	1,561,296
Depreciation and amortization	103,362	4,336,137	119,404
Occupancy	519,894	7,995,667	1,329,002
Proposition construction expense	-	53,671	-
Interest	-	4,759,796	-
Subtotal	<u>14,514,965</u>	<u>114,851,619</u>	<u>12,376,894</u>
Fund development	<u>745,358</u>	<u>-</u>	<u>-</u>
Management and general:			
Salaries and benefits	1,000,272	1,311,847	689,704
Depreciation	-	72,862	-
Shared services and start-up fees – related party	-	14,108,495	1,967,446
Occupancy	-	236,483	4,123
Operating expenses	355,744	2,303,874	247,746
Subtotal	<u>1,356,016</u>	<u>18,033,561</u>	<u>2,909,019</u>
Total Expenses	<u>16,616,339</u>	<u>132,885,180</u>	<u>15,285,913</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>2,095,316</u>	<u>11,762,574</u>	<u>50,919</u>
TEMPORARILY RESTRICTED NET ASSETS			
Contributions and grants, net	-	139,957	-
Net assets released from restrictions	-	(207,930)	-
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>-</u>	<u>(67,973)</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>2,095,316</u>	<u>11,694,601</u>	<u>50,919</u>
NET ASSETS, BEGINNING OF YEAR	<u>549,457</u>	<u>31,275,577</u>	<u>2,032,610</u>
NET ASSETS, END OF YEAR	<u>\$ 2,644,773</u>	<u>\$ 42,970,178</u>	<u>\$ 2,083,529</u>

See accompanying note to supplementary information.

GDPS WA	Eliminations	Total
\$ 427,152	\$ -	\$ 113,117,722
465,065	-	16,919,906
-	-	18,924,773
-	-	53,671
1,087,918	-	8,261,717
-	-	652,811
2,912,092	(17,242,419)	8,207,519
-	-	207,930
<u>4,892,227</u>	<u>(17,242,419)</u>	<u>166,346,049</u>
1,740,377	-	87,170,472
903,067	-	19,354,800
121,967	-	3,047,699
-	-	3,709,325
649,247	-	12,658,907
-	-	4,558,903
374,133	-	10,218,696
-	-	53,671
-	-	4,759,796
<u>3,788,791</u>	<u>-</u>	<u>145,532,269</u>
-	-	745,358
477,879	-	3,479,702
-	-	72,862
450,000	(16,525,941)	-
10,700	-	251,306
151,213	(716,478)	2,342,099
<u>1,089,792</u>	<u>(17,242,419)</u>	<u>6,145,969</u>
<u>4,878,583</u>	<u>(17,242,419)</u>	<u>152,423,596</u>
<u>13,644</u>	<u>-</u>	<u>13,922,453</u>
-	-	139,957
-	-	(207,930)
-	-	(67,973)
13,644	-	13,854,480
15,101	-	33,872,745
<u>\$ 28,745</u>	<u>\$ -</u>	<u>\$ 47,727,225</u>

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

	GDPSN	GDPS CA	GDPS TN
CASH FLOWS FROM OPERATING ACTIVITIES			
Changes in net assets	\$ 2,095,316	\$ 11,694,601	\$ 50,919
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation expense	103,362	4,290,790	119,404
Amortization expense (including bond discount)	-	118,209	-
Cash restricted for interest/ Debt Obligation Stipulations	-	(7,965,192)	-
Changes in operating assets and liabilities:			
(Increase) Decrease in assets			
Accounts receivable	(24,893)	1,562,088	(749,580)
Accounts receivable - related party	726,090	984,891	-
Intra-company receivable	-	-	-
Prepaid expenses and other current assets	(63,876)	(38,771)	62,261
Security deposits	(36,034)	100	-
Noncurrent receivable	-	(6,386,496)	-
Increase (Decrease) in liabilities			
Accounts payable and accruals	403,191	854,329	646,174
Accounts payable - related party	(1,349,488)	-	(726,090)
Interest payable	-	705,376	-
Deferred revenue	(21,573)	3,776,398	1,850,000
Loan forgiveness	-	-	(1,000,000)
Net Cash Provided by Operating Activities	<u>1,832,095</u>	<u>9,596,323</u>	<u>253,088</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Restricted cash (received) used for construction	-	208,338	-
Capital expenditures	<u>(1,456,396)</u>	<u>(1,078,553)</u>	<u>(581,083)</u>
Net Cash Used by Investing Activities	<u>(1,456,396)</u>	<u>(870,215)</u>	<u>(581,083)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts incurred for debt issuance	-	(436,716)	-
Loan proceeds, net	-	28,946,461	585,000
Loan principal payments	-	(21,133,720)	-
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>7,376,025</u>	<u>585,000</u>
NET CHANGE IN CASH	<u>375,699</u>	<u>16,102,133</u>	<u>257,005</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,151,974</u>	<u>17,275,495</u>	<u>3,154,540</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,527,673</u>	<u>\$ 33,377,628</u>	<u>\$ 3,411,545</u>
Supplemental cash flow disclosure:			
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ 4,046,504</u>	<u>\$ -</u>

See accompanying note to supplementary information.

GDPS WA	Elimination	Total
\$ 13,644	\$ -	\$ 13,854,480
-	-	4,513,556
-	-	118,209
-	-	(7,965,192)
(290,148)	-	497,467
62,262	(1,773,243)	-
-	-	-
-	-	(40,386)
(36,850)	-	(72,784)
-	-	(6,386,496)
159,267	-	2,062,961
302,335	1,773,243	-
-	-	705,376
1,552,772	-	7,157,597
-	-	(1,000,000)
1,763,282	-	13,444,788
-	-	208,338
-	-	(3,116,032)
-	-	(2,907,694)
-	-	(436,716)
-	-	29,531,461
-	-	(21,133,720)
-	-	7,961,025
1,763,282	-	18,498,119
1,198,496	-	25,780,505
\$ 2,961,778	\$ -	\$ 44,278,624
\$ -	\$ -	\$ 4,046,504

GREEN DOT PUBLIC SCHOOLS NATIONAL
(A California Nonprofit Public Benefit Corporation)

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2016

NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES

Supplementary Financial Statements by Region

These financial statements include an account of each regional office operated by GDPS National.

Consolidating Statements

The accompanying consolidating financial statements report the activities of GDPS National and are presented on the accrual basis of accounting. Eliminating entries in the consolidated financial statements are due to activities between GDPS National and its affiliates.