



NATIONAL

ANNUAL FINANCIAL REPORT

JUNE 30, 2017

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

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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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, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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, 2017, 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 National's 2016 consolidated financial statement, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 9, 2017. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited consolidated 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 as a whole. 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 financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the consolidated 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 December 18, 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 solely 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 the effectiveness of GDPS National's 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
December 18, 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, 2016)

JUNE 30, 2017

	2017	2016
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 46,018,673	\$ 44,278,624
Restricted cash and investments	6,209,366	6,115,008
Accounts receivable	15,416,658	18,965,783
Prepaid expenses and other current assets	743,878	896,503
Total Current Assets	68,388,575	70,255,918
Non-Current Assets:		
Restricted cash and investments	36,684,504	36,380,264
Debt issue costs, net	2,626,520	2,964,268
Security deposits	671,267	648,267
Note receivable	100,000	6,786,929
Fixed assets	127,763,488	116,637,880
Less: accumulated depreciation	29,303,531	24,524,136
Total Non-Current Assets	138,542,248	138,893,472
Total Assets	\$ 206,930,823	\$ 209,149,390
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 16,712,759	\$ 14,263,985
Interest payable	1,081,343	1,086,793
Deferred revenue	12,071,275	10,102,094
Current portion of long-term obligations	3,082,739	8,474,269
Total Current Liabilities	32,948,116	33,927,141
Other Liabilities:		
Deferred revenue - proposition funding	31,917,860	31,848,446
Total Other Liabilities	31,917,860	31,848,446
Long-Term Obligations:		
Non-current portion of long-term obligations	90,557,712	95,646,578
Total Liabilities	155,423,688	161,422,165
NET ASSETS		
Unrestricted	51,057,694	47,325,784
Temporarily restricted	449,441	401,441
Total Net Assets	51,507,135	47,727,225
Total Liabilities and Net Assets	\$ 206,930,823	\$ 209,149,390

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
(With comparative financial information for the year ended June 30, 2016)

FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 131,548,258	\$ 113,117,722
Federal revenue	16,416,286	16,919,906
Other State revenue	17,560,267	18,924,773
Proposition construction revenue	50,493	53,671
Contributions and grants	11,315,946	6,332,876
Donated services and property	-	652,811
Local revenue	5,169,812	10,136,336
Net assets released from restrictions	360,858	207,930
Total Revenues	<u>182,421,920</u>	<u>166,346,025</u>
EXPENSES		
Program services:		
Salaries and benefits	104,143,734	87,170,472
Student services	23,349,808	19,354,776
Materials and supplies	5,159,046	3,047,699
Student nutrition	3,865,121	3,709,325
Other expenses	10,194,667	12,658,907
Depreciation and amortization	4,772,157	4,558,903
Occupancy	12,672,986	10,218,696
Proposition construction expense	50,493	53,671
Interest	4,105,819	4,759,796
Subtotal	<u>168,313,831</u>	<u>145,532,245</u>
Fund development:	<u>800,579</u>	<u>745,358</u>
Management and general:		
Salaries and benefits	5,768,152	3,479,702
Depreciation	112,654	72,862
Occupancy	439,349	251,306
Operating expenses	3,255,445	2,342,099
Subtotal	<u>9,575,600</u>	<u>6,145,969</u>
Total Unrestricted Expenses	<u>178,690,010</u>	<u>152,423,572</u>
CHANGE IN UNRESTRICTED NET ASSETS	3,731,910	13,922,453
TEMPORARILY RESTRICTED NET ASSETS		
Contributions and grants, net	408,858	139,957
Net assets released from restrictions	(360,858)	(207,930)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>48,000</u>	<u>(67,973)</u>
CHANGE IN NET ASSETS	3,779,910	13,854,480
NET ASSETS, BEGINNING OF YEAR	<u>47,727,225</u>	<u>33,872,745</u>
NET ASSETS, END OF YEAR	<u>\$ 51,507,135</u>	<u>\$ 47,727,225</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 for the year ended June 30, 2016)

FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,779,910	\$ 13,854,480
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	4,779,395	4,513,556
Amortization expense (including bond discount)	105,416	118,209
Cash restricted for interest/ Debt Obligation Stipulations	(465,577)	(7,965,192)
Changes in operating assets and liabilities:		
(Increase) Decrease in assets		
Accounts receivable	3,549,125	497,467
Prepaid expenses and other current assets	152,625	(40,386)
Security deposits	(23,000)	(72,784)
Note receivable - related party	(100,000)	(6,386,496)
Note receivable	6,786,929	-
Increase (Decrease) in liabilities		
Accounts payable and accruals	2,448,774	2,062,961
Interest payable	(5,450)	705,376
Deferred revenue	2,038,595	7,157,597
Loan forgiveness	-	(1,000,000)
Net Cash Provided by Operating Activities	<u>23,046,742</u>	<u>13,444,788</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash (received) used for construction	66,979	208,338
Capital expenditures	<u>(11,125,608)</u>	<u>(3,116,032)</u>
Net Cash Used by Investing Activities	<u>(11,058,629)</u>	<u>(2,907,694)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts incurred for debt issuance	232,332	(436,716)
Loan proceeds, net	870,492	29,531,461
Loan principal payments	<u>(11,350,888)</u>	<u>(21,133,720)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(10,248,064)</u>	<u>7,961,025</u>
NET CHANGE IN CASH	1,740,049	18,498,119
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>44,278,624</u>	<u>25,780,505</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 46,018,673</u></u>	<u><u>\$ 44,278,624</u></u>
Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u><u>\$ 4,103,353</u></u>	<u><u>\$ 4,046,504</u></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, 2017

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 in July 2014. GDPS National was created to provide services to Green Dot Public Schools California (GDPS CA), Green Dot Public Schools Tennessee (GDPS TN), Green Dot Public Schools Washington State (GDPS WA), collectively referred to as Green Dot Regions, and United Parents and Students (UP&S). Related party transactions between GDPS National, GDPS CA, GDPS TN, GDPS WA, and UP&S 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. During the fiscal year ended June 30, 2017, GDPS CA operated nineteen 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 future.

Delta Properties, Inc. (Delta) (A California Nonprofit Public Benefit Corporation) was formed in 2008 to support GDPS CA. 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, approved by GDPS CA Board of Directors. GDPS CA represent a related party and transactions between GDPS CA and Delta have been identified on the face of the financial statements.

GDPS TN (A Tennessee Nonprofit Public Benefit Organization) was organized on May 29, 2014. During the fiscal year ended June 30, 2017, GDPS TN operated four charter schools. The charter schools operate under the approval of the Tennessee Department of Education (TDOE) and are part of the Achievement School District. The charter schools receive 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. During the fiscal year ended June 30, 2017, 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.

United Parents and Students (UP&S) was formed in July 2016 as a nonprofit public benefit corporation. Financial activity began in December 2016. UP&S received services from GDPS National. Members of UP&S currently serve schools in California and are planning to serve schools in Washington and Tennessee in the future.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - ORGANIZATION AND MISSION, continued

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

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 its 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 nonprofit 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 and expenditures are recognized in the accounting period in which the liability is incurred.

Related Parties

Transactions between GDPS National, GDPS CA, GDPS TN, GDPS WA, and UP&S have been identified on the face of the financial statements.

GDPS National is a national organization providing services to GDPS schools in California, Tennessee, Washington State, and UP&S. These services include, but are not limited to, Human Resources, Legal, Finance and Accounting, Information Technology, Knowledge Management, Development, Communication, Strategic Planning, and National Expansion. In exchange, the schools pay a service fee to GDPS National. Each of the regional offices operates their schools and oversees educational services in their region. In addition, GDPS National reserves the right to determine whether separate fees associated with a 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 brand, 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

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 as of June 30, 2017:

	Accounts Receivable - Related Party	Contracted Service Revenue	Contracted Service Expense	Shared Service Fee Revenue - National	Shared Service Fee Expense - Regional
GDPS National	\$ 237,467	\$ 1,166,100	\$ 623,172	\$ 13,752,266	\$ -
	Accounts Receivable (Payable) - Related Party	Contracted Service Revenue	Contracted Service Expense	Shared Service Fee Expense - National	Shared Service Fee Revenue (Expense) -Regional
GDPS CA Regional Office	\$ (128,473)	\$ 434,754	\$ 1,841,100	\$ 11,821,109	\$ 18,910,981
GDPS CA Schools	-	-	-	-	(18,910,981)
GDPS TN Regional Office	(116,632)	47,381	-	1,721,146	2,772,958
GDPS TN Schools	-	-	-	-	(2,772,958)
GDPS WA Regional Office	9,107	141,037	-	210,011	338,352
GDPS WA Schools	-	-	-	-	(338,352)
UP&S	(1,469)	700,000	25,000	-	-
Total	<u>\$ (237,467)</u>	<u>\$ 1,323,172</u>	<u>\$ 1,866,100</u>	<u>\$ 13,752,266</u>	<u>\$ -</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 \$449,441 at June 30, 2017.

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. As of June 30, 2017, Consolidated GDPS received in-kind contributions of services valued at \$79,385.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

Income Taxes

Consolidated GDPS 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, Consolidated GDPS 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, 2017, 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, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fixed Assets

It is Consolidated GDPS' 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 three to 30 years. Consolidated GDPS depreciation expense for the year ended June 30, 2017, was \$4,779,395.

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

Consolidated GDPS 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 2016 fiscal year.

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 \$449,441 at June 30, 2017.

Prior Year Comparative Financial Information

The consolidated financial statements include certain prior year comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with GDPS NA's consolidated financial statements for the year ended June 30, 2016, from which the comparative information was derived.

Consolidation

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash at June 30, 2017, consisted of the following:

	GDPS National	GDPS CA	GDPS TN	GDPS WA	UP&S	Consolidated Reported Amount	Bank Balance
Deposits							
Cash on hand and in banks	\$ 2,619,846	\$ 33,551,336	\$ 4,390,371	\$ 5,307,414	\$ 149,706	\$ 46,018,673	\$ 48,248,805

The majority of Consolidated GDPS' cash is held in non-interest bearing accounts, which are subject to federally insured limits. Consolidated GDPS has not experienced any losses in such accounts. At June 30, 2017, consolidated GDPS had \$46,502,212 in excess of FDIC insured limits in non-interest bearing accounts.

NOTE 4 - RESTRICTED CASH AND INVESTMENTS

At June 30, 2017, cash held for restricted purposes consisted of the following:

	Reported Amount	Bank Balance
GDPS CA Current Restricted Cash and Investments	\$ 6,209,366	\$ 6,209,366
GDPS CA Non-Current Restricted Cash and Investments	\$ 36,684,504	\$ 36,684,504

GDPS CA's restricted cash and investments balance held in interest bearing accounts are insured up to \$250,000. At June 30, 2017, GDPS CA had \$41,643,870 in excess of FDIC insured limits and has a restricted cash and investments balance held in money market accounts that are not protected against loss, however; GDPS CA's money market accounts are held in AAA rated investments. At June 30, 2017, Delta held \$9,797,294 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 \$37,426,038 in excess of FDIC insured limits includes the \$9,797,294 in Delta money market funds.

Proposition 47, 55, and 1D

Restricted cash and investments in the amount of \$32,216,672 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, 2017

NOTE 4 - RESTRICTED CASH AND INVESTMENTS, continued

Delta Restricted Cash and Cash Equivalents

Delta's restricted cash and investments in the amount of \$10,677,198 arise from conditions required by various financing arrangements, with \$6,209,366 held to satisfy current obligations and \$4,467,832 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, 2017, consisted of the following:

	GDPS National	GDPS CA	GDPS TN	GDPS WA	Total
Apportionment	\$ -	\$ 8,056,005	\$ 415,168	\$ 366,443	\$ 8,837,616
Federal receivable	-	1,687,590	1,070,586	382,654	3,140,830
Other State receivable	-	2,550,863	-	62,084	2,612,947
Other receivable	5,441	771,118	12,539	36,167	825,265
Total Accounts Receivable	<u>\$ 5,441</u>	<u>\$ 13,065,576</u>	<u>\$ 1,498,293</u>	<u>\$ 847,348</u>	<u>\$ 15,416,658</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, 2017, GDPS CA may receive \$750,000 over the next three years.

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 in the amount of \$3,900,000. GDPS TN may receive the remaining balance of \$155,000 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. The promise was amended once again on October 31, 2016 to include additional funds. GDPS WA may receive up to \$3,000,000 over the next year upon completion of all milestones outlined in the amended agreement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

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 were due and payable December 15, 2016. Proceeds from the agreement were used to pay existing debt, which matured on or about the same time. The note was paid in full on December 31, 2016.

NOTE 8 - FIXED ASSETS

Fixed assets at June 30, 2017, consisted of the following:

	GDPS National	GDPS CA	GDPS TN	UP&S	Total
Land	\$ -	\$ 18,414,560	\$ -	\$ -	\$ 18,414,560
Building and improvements	-	37,490,788	341,890	-	37,832,678
Leasehold improvements	792,972	52,351,695	1,189,872	-	54,334,539
Computer and equipment	1,546,328	4,627,577	-	59,424	6,233,329
Work in progress	17,398	10,257,364	673,620	-	10,948,382
Subtotal	2,356,698	123,141,984	2,205,382	59,424	127,763,488
Less: accumulated depreciation	(374,131)	(28,515,934)	(408,836)	(4,630)	(29,303,531)
Total Fixed Assets	<u>\$ 1,982,567</u>	<u>\$ 94,626,050</u>	<u>\$ 1,796,546</u>	<u>\$ 54,794</u>	<u>\$ 98,459,957</u>

During the year ended June 30, 2017, \$4,779,395 was charged to depreciation expense. Certain properties financed by new market tax credit transactions are restricted for use as outlined in the finance agreements.

NOTE 9 - ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable at June 30, 2017, consisted of the following:

	GDPS National	GDPS CA	GDPS TN	GDPS WA	UP&S	Total
Salaries and benefits	\$ 525,549	\$ 6,042,191	\$ 1,211,730	\$ 166,943	\$ 145,731	\$ 8,092,144
Compensated absences	363,006	-	88,959	-	-	451,965
Other accounts payable	406,323	6,186,579	1,415,417	6,744	-	8,015,063
Accrued expenses	-	-	-	150,324	3,263	153,587
Total	<u>\$ 1,294,878</u>	<u>\$ 12,228,770</u>	<u>\$ 2,716,106</u>	<u>\$ 324,011</u>	<u>\$ 148,994</u>	<u>\$ 16,712,759</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 - DEFERRED REVENUE

Deferred revenue at June 30, 2017, consisted of the following:

	<u>GDPS CA</u>	<u>GDPS TN</u>	<u>GDPS WA</u>	<u>Total</u>
Proposition 47, 55 and 1D	\$ 31,917,860	\$ -	\$ -	\$ 31,917,860
Other	4,784,145	1,378,931	5,908,199	12,071,275
Total Deferred Revenue	<u>\$ 36,702,005</u>	<u>\$ 1,378,931</u>	<u>\$ 5,908,199</u>	<u>\$ 43,989,135</u>

NOTE 11 - LONG-TERM OBLIGATIONS

At June 30, 2017, long-term obligations are summarized as follows:

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due in One Year
GDPS CA	\$ 103,535,847	\$ 50,492	\$ 11,350,888	\$ 92,235,451	\$ 3,082,739
GDPS TN	585,000	820,000	-	1,405,000	-
Total	<u>\$ 104,120,847</u>	<u>\$ 870,492</u>	<u>\$ 11,350,888</u>	<u>\$ 93,640,451</u>	<u>\$ 3,082,739</u>

GDPS CA

At June 30, 2017, GDPS CA's long-term obligations summary is as follows:

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due in One Year
Proposition construction loans	\$ 31,156,317	\$ 50,492	\$ 1,080,767	\$ 30,126,042	\$ 1,105,318
Notes payable	32,418,283	-	9,681,980	22,736,303	1,289,787
Bonds payable	39,606,088	-	531,778	39,074,310	620,000
Settlement agreements	355,159	-	56,363	298,796	67,634
Total	<u>\$ 103,535,847</u>	<u>\$ 50,492</u>	<u>\$ 11,350,888</u>	<u>\$ 92,235,451</u>	<u>\$ 3,082,739</u>

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 were due and payable January 15, 2017. Proceeds from the agreement were 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. The note was paid off in full on December 15, 2016.

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 accrue interest on the principal sum outstanding with a maturity date on August 1, 2022. Monthly principal payment of approximately \$45,000 is payable to DPI commencing on October 25, 2015. As of June 30, 2017, the outstanding loan balance is \$2,411,667. Inter-company loans have been eliminated in the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - LONG-TERM OBLIGATIONS, continued

Proposition Construction Loans

At June 30, 2017, GDPS CA's proposition construction loans summary is as follows:

	Balance			Balance		Due in
	July 1, 2016	Additions	Deductions	June 30, 2017	One Year	
Ánimo Leadership CHS	\$ 11,240,078	\$ 5,642	\$ 415,474	\$ 10,830,246	\$ 422,580	
Ánimo Oscar De La Hoya CHS	11,945,970	-	419,797	11,526,173	431,006	
Ánimo Venice CHS	7,117,576	-	245,496	6,872,080	251,732	
Ánimo Pat Brown CHS	852,693	44,850	-	897,543	-	
Total	<u>\$ 31,156,317</u>	<u>\$ 50,492</u>	<u>\$ 1,080,767</u>	<u>\$ 30,126,042</u>	<u>\$ 1,105,318</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). 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, 2017, the proposition construction loan obligation is \$10,830,246.

Future payments are as follows:

Repayment Year	Principal *	Interest to Maturity	Total
2018	\$ 422,580	\$ 257,113	\$ 679,693
2019	431,031	248,662	679,693
2020	439,653	240,041	679,694
2021	448,446	231,248	679,694
2022	457,414	222,279	679,693
2023-2027	1,922,987	795,787	2,718,774
2028-2032	2,628,156	770,311	3,398,467
2033-2037	2,901,695	496,770	3,398,465
2038-2041	3,203,706	194,759	3,398,465
Total	<u>\$ 12,855,668</u>	<u>\$ 3,456,970</u>	<u>\$ 16,312,638</u>

* Total principal payment will be reduced by cash proceeds that are not utilized by the end of construction. As of June 30, 2017, \$2,025,422 was not utilized.

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

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, 2017, the proposition construction loan obligation is \$11,526,173.

Future payments are as follows:

Repayment Year	Principal *	Interest to Maturity	Total
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	478,913	290,644	769,557
2023-2027	2,046,984	1,031,247	3,078,231
2028-2032	2,881,599	966,190	3,847,789
2033-2037	3,287,391	560,397	3,847,788
2038-2039	2,190,664	118,009	2,308,673
Total	\$ 12,679,947	\$ 4,250,411	\$ 16,930,358

* 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - LONG-TERM OBLIGATIONS, continued

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). 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, 2017, the capital lease obligation is \$6,872,080.

Future payments are as follows:

Repayment Year	Principal	Interest to Maturity	Total
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	278,299	147,984	426,283
2023-2027	1,185,701	519,428	1,705,129
2028-2032	1,659,616	471,797	2,131,413
2033-2037	1,881,371	250,043	2,131,414
2038	821,148	31,417	852,565
Total	\$ 6,872,080	\$ 2,079,855	\$ 8,951,935

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, 2017, capital lease obligation of \$897,543 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, 2017, the project is incomplete. A payment schedule will not be provided until the project is complete.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - LONG-TERM OBLIGATIONS, continued

Notes Payable

At June 30, 2017, GDPS CA's and Delta's notes payable summary is as follows:

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due in One Year
Delta	\$ 32,418,283	\$ -	\$ 9,681,980	\$ 22,736,303	\$ 1,289,787

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, 2017, are as follows:

Loan	Description	Interest Rate	Maturity Date	Callable Date	Payment Terms	Balance June 30, 2017
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	<u>21,200,000</u>
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. Prepayment of principal permitted.	1,536,303
					Subtotal Delta Properties, Inc.	<u>1,536,303</u>
					Total Notes Payable	<u>\$ 22,736,303</u>

** 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
JUNE 30, 2017

NOTE 11 - LONG-TERM OBLIGATIONS, continued

Future maturities of notes payable are as follows:

For the year Ending June 30,	27th Street	Delta	Total
2018	\$ -	\$ 1,289,787	\$ 1,289,787
2019	16,683,745	-	16,683,745
2020	117,448	-	117,448
2021	123,572	-	123,572
2022	129,416	-	129,416
Thereafter	4,145,819	246,516	4,392,335
Total	<u>\$ 21,200,000</u>	<u>\$ 1,536,303</u>	<u>\$ 22,736,303</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, 2017, amounted to \$44,124.

Bonds Payable

At June 30, 2017, Delta's bonds payable summary is as follows:

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Due in One Year
Delta - bonds payable	\$ 39,010,000	\$ -	\$ 515,000	\$ 38,495,000	\$ 620,000
Delta - bonds discount	(126,271)	-	(7,917)	(118,354)	-
Delta - premium	722,359	-	24,695	697,664	-
Total	<u>\$ 39,606,088</u>	<u>\$ -</u>	<u>\$ 531,778</u>	<u>\$ 39,074,310</u>	<u>\$ 620,000</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, 2017
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.	\$ 165,000
					Subtotal Series 2011 B	165,000
					Less: unamortized discount	(118,354)
					Subtotal Series 2011	\$ 7,676,646

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, 2017, the reserve requirement amounted to \$762,160 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 \$118,354 bond discount and \$697,664 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, 2017, was \$7,917 and \$24,695, respectively.

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.

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

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.

Issuance	Description	Interest Rate	Maturity Date	Optional Redemption	Payment Terms	Balance June 30, 2017
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.	\$ 3,990,000
					Subtotal Series 2015 B	3,990,000
					Plus: Premium	697,664
					Subtotal Series 2015	\$ 31,397,664
					Total Bonds Payable	\$ 39,074,310

Costs associated with the issuance of these bonds payable have been capitalized as debt issuance costs. These costs are amortized over the term of the notes. Amortization of the issuance costs for the year ended June 30, 2017, amounted to \$61,292.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - LONG-TERM OBLIGATIONS, continued

Future maturities of bonds payable are as follows:

Fiscal Year Ending June 30,		
2018		\$ 620,000
2019		655,000
2020		695,000
2021		730,000
2022		770,000
Thereafter		<u>35,025,000</u>
	Total future maturities	38,495,000
	Plus: unamortized premium	697,664
	Less: unamortized discount	(118,354)
	Total	<u><u>\$ 39,074,310</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 2009-1 for the fiscal year 2008-2009 and determined that the questioned costs were \$338,181. At June 30, 2017, the balance was \$67,634. 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:

<u>Repayment Year</u>	<u>Settlement Payments</u>
2018	<u><u>\$ 67,634</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, 2017

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 2010-1. 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, 2017, 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 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, 2017, the balance was \$585,000.

On October 5, 2016, GDPS TN entered into a loan agreement with CSGF Memphis, LLC. CSGF Memphis agreed to lend the principal sum of \$820,000 with an interest rate of 2.00 percent per annum on the principal sum outstanding. \$420,000 of the principal was to be used by Hillcrest High School and \$400,000 by Kirby Middle School. The first principal payment of \$136,667 is due on August 1, 2018, and the entire unpaid principal amount of the note, together with all accrued unpaid interest is due on August 1, 2023. At June 30, 2017, the balance was \$820,000.

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 March 15, 2018. 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 March 15, 2018. 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 March 15, 2018. GDPS WA has not drawn on this line of credit.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 - FAIR VALUE FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of Consolidated GDPS financial instruments as of June 30, 2017 are as follows:

	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 46,018,673	\$ 46,018,673
Restricted cash and cash equivalents	\$ 42,893,870	\$ 42,893,870
Proposition construction loans	\$ 30,126,042	\$ 30,849,072
Notes payable	\$ 24,141,303	\$ 28,184,429
Bonds payable	\$ 39,074,310	\$ 39,074,310
Settlement agreements	\$ 298,796	\$ 298,796

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.

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2024.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2018	\$ 994,116
2019	1,023,940
2020	1,054,658
2021	1,089,134
2022	1,133,488
Thereafter	1,767,288
Total	<u>\$ 7,062,624</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>
2018	\$ 676,797
2019	677,108
2020	677,488
2021	677,098
2022	681,058
Thereafter	2,715,504
Total	<u>\$ 6,105,053</u>

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 - OPERATING LEASES, continued

Ánimo Ellen Ochoa CMS

GDPS CA entered into a lease agreement on behalf of Ánimo Ellen Ochoa CMS on August 1, 2016, with 1st & Roman Apartments, L.P., to lease the land on 3561 E. 1st Street, Los Angeles, California. The term of the lease commenced August 1, 2016, and ends on June 30, 2017, with a monthly rate of \$10,000.

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.

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>
2018	\$ 583,550
2019	574,773
2020	565,494
2021	528,597
2022	683,398
Thereafter	17,410,299
Total	<u>\$ 20,346,111</u>

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

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>
2018	\$ 675,534
2019	692,422
2020	709,732
2021	727,476
2022	745,663
Thereafter	5,779,087
Total	<u>\$ 9,329,914</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>
2018	\$ 1,280,700
2019	1,560,233
2020	1,700,000
2021	1,700,000
2022	425,000
Total	<u>\$ 6,665,933</u>

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

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>
2018	\$ 504,700
2019	495,923
2020	486,644
2021	449,747
2022	604,548
Thereafter	14,695,549
Total	<u>\$ 17,237,111</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>
2018	\$ 674,000
2019	674,000
2020	674,000
2021	674,000
2022	674,000
Thereafter	1,348,000
Total	<u>\$ 4,718,000</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

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>
2018	\$ 504,700
2019	495,923
2020	486,644
2021	449,747
2022	604,548
Thereafter	14,695,549
Total	<u>\$ 17,237,111</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>
2018	\$ 274,687
2019	282,928
2020	291,416
2021	300,158
2022	309,163
Thereafter	291,174
Total	<u>\$ 1,749,526</u>

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

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.

Ánimo Florence-Firestone CMS

On April 1, 2016, GDPS CA entered into a lease agreement with LAUSD on behalf of Ánimo Florence-Firestone CMS for the use of one of LAUSD's school sites for its main campus location. The location is at Mary McLeod Bethune 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 operations 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.

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 - OPERATING LEASES, continued

GDPS WA

Regional Office and Destiny Middle School

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>
2018	\$ 500,604
2019	541,216
2020	605,604
2021	617,716
2022	630,070
Thereafter	18,537,845
Total	<u>\$ 21,433,055</u>

NOTE 15 - CONTINGENCIES

Consolidated GDPS has 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

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 4.00 percent of the participant's compensation. Total expense for the year ended June 30, 2017, was \$151,577.

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 December 18, 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 2018 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 were 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 in 2015. 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 2018.

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. Reconstruction of *Ánimo South Los Angeles CHS* will be completed in December 2018.

GREEN DOT PUBLIC SCHOOLS NATIONAL
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 17 - SUBSEQUENT EVENTS, continued

In August 2017, GDPS CA will open *Ánimo City of Champions High School* serving grade nine, and will expand to a full ninth through twelfth grade over the following three years. *Ánimo City of Champions High School* was approved by Los Angeles, County Office of Education for a three-year term from July 1, 2017 to June 30, 2020.

GDPS TN

Starting in fall 2017, GDPS TN will open *Bluff City High School* serving grades nine to twelve. *Bluff City High School* is approved by Tennessee Board of Education and entered into a charter agreement with an expiration date of June 30, 2027.

GDPS WA

Effective July 2017, GDPS WA will assume the operations of *Excel Public Charter School* in Kent Washington. Washington State Charter School Commission approved the charter contract transfer of *Excel Public Charter School* to GDPS WA.

Effective August 2017, GDPS WA will open *Rainier Valley Leadership Academy* in Seattle, Washington. The *Rainier Valley Leadership Academy* was authorized by the Washington State Charter School Commission and will serve its first 6th grade student in 2017-18 school year.

SUPPLEMENTARY INFORMATION

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

GREEN DOT PUBLIC SCHOOLS NATIONAL
STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2016)

JUNE 30, 2017

	2017	2016
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,619,846	\$ 4,527,673
Accounts receivable	5,441	30,474
Accounts receivable - related party	237,467	336,871
Prepaid expenses and other current assets	458,457	303,743
Total Current Assets	<u>3,321,211</u>	<u>5,198,761</u>
Non-Current Assets:		
Security deposits	36,034	36,034
Note receivable - related party	100,000	-
Fixed assets	2,356,698	1,516,182
Less: accumulated depreciation	374,131	103,362
Total Non-Current Assets	<u>2,118,601</u>	<u>1,448,854</u>
Total Assets	<u>\$ 5,439,812</u>	<u>\$ 6,647,615</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 1,294,878	\$ 1,570,838
Accounts payable - related party	-	2,296,298
Deferred revenue	-	135,706
Total Liabilities	<u>1,294,878</u>	<u>4,002,842</u>
NET ASSETS		
Unrestricted	<u>4,144,934</u>	<u>2,644,773</u>
Total Net Assets	<u>4,144,934</u>	<u>2,644,773</u>
Total Liabilities and Net Assets	<u>\$ 5,439,812</u>	<u>\$ 6,647,615</u>

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

GREEN DOT PUBLIC SCHOOLS NATIONAL
STATEMENT OF ACTIVITIES

(With comparative financial information for the year ended June 30, 2016)

FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
Contributions and grants	\$ 468,127	\$ 171,388
Local revenue	15,312,048	18,540,267
Total Revenues	<u>15,780,175</u>	<u>18,711,655</u>
EXPENSES		
Program services:		
Salaries and benefits	7,596,864	10,630,795
Student services	670,872	696,674
Materials and supplies	68,638	88,335
Other expenses	3,239,292	2,475,905
Depreciation and amortization	270,769	103,362
Occupancy	497,055	519,894
Subtotal	<u>12,343,490</u>	<u>14,514,965</u>
Fund development	<u>800,579</u>	<u>745,358</u>
Management and general:		
Salaries and benefits	714,803	1,000,272
Operating expenses	421,142	355,744
Subtotal	<u>1,135,945</u>	<u>1,356,016</u>
Total Expenses	<u>14,280,014</u>	<u>16,616,339</u>
CHANGE IN UNRESTRICTED NET ASSETS	1,500,161	2,095,316
NET ASSETS, BEGINNING OF YEAR	<u>2,644,773</u>	<u>549,457</u>
NET ASSETS, END OF YEAR	<u><u>\$ 4,144,934</u></u>	<u><u>\$ 2,644,773</u></u>

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

GREEN DOT PUBLIC SCHOOLS NATIONAL
STATEMENT OF CASH FLOWS

(With comparative financial information for the year ended June 30, 2016)

FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 1,500,161	\$ 2,095,316
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	270,769	103,362
Changes in operating assets and liabilities:		
(Increase) Decrease in assets		
Accounts receivable	25,033	(24,893)
Accounts receivable - related party	99,404	726,090
Prepaid expenses and other current assets	(154,714)	(63,876)
Security deposits	-	(36,034)
Note receivable - related party	(100,000)	-
Increase (Decrease) in liabilities		
Accounts payable and accruals	(275,960)	403,191
Accounts payable - related party	(2,296,298)	(1,349,488)
Deferred revenue	(135,706)	(21,573)
Net Cash Provided by Operating Activities	(1,067,311)	1,832,095
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(840,516)	(1,456,396)
NET CHANGE IN CASH	(1,907,827)	375,699
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,527,673	4,151,974
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,619,846	\$ 4,527,673
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, 2016)

JUNE 30, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 33,551,336	\$ 33,377,628
Restricted cash and investments	6,209,366	6,115,008
Accounts receivable	13,065,576	16,796,235
Accounts receivable - related party	-	2,598,633
Prepaid expenses and other current assets	225,395	497,022
Total Current Assets	<u>53,051,673</u>	<u>59,384,526</u>
Non-Current Assets:		
Restricted cash and investments	36,684,504	36,380,264
Debt issue costs, net	2,626,520	2,964,268
Security deposits	583,183	573,183
Note receivable	-	6,786,929
Fixed assets	123,141,984	114,241,948
Less: accumulated depreciation	28,515,934	24,275,927
Total Non-Current Assets	<u>134,520,257</u>	<u>136,670,665</u>
Total Assets	<u>\$ 187,571,930</u>	<u>\$ 196,055,191</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 12,228,770	\$ 11,268,049
Accounts payable - related party	128,473	-
Interest payable	1,081,343	1,086,793
Deferred revenue	4,784,145	5,345,878
Current portion of long-term obligations	3,082,739	8,474,269
Total Current Liabilities	<u>21,305,470</u>	<u>26,174,989</u>
Other Liabilities:		
Deferred revenue - proposition funding	31,917,860	31,848,446
Total Other Liabilities	<u>31,917,860</u>	<u>31,848,446</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	89,152,712	95,061,578
Total Liabilities	<u>142,376,042</u>	<u>153,085,013</u>
NET ASSETS		
Unrestricted	44,746,447	42,568,737
Temporarily restricted	449,441	401,441
Total Net Assets	<u>45,195,888</u>	<u>42,970,178</u>
Total Liabilities and Net Assets	<u>\$ 187,571,930</u>	<u>\$ 196,055,191</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

(With comparative financial information for the year ended June 30, 2016)

FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 113,129,233	\$ 102,753,610
Federal revenue	12,527,125	13,628,262
Other State revenue	17,251,096	18,907,420
Proposition construction revenues	50,493	53,671
Contributions and grants	2,350,651	2,578,716
Donated services and property	79,385	652,811
Local revenue	4,576,680	5,865,310
Net assets released from restrictions	360,858	207,930
Total Revenues	<u>150,325,521</u>	<u>144,647,730</u>
EXPENSES		
Program services:		
Salaries and benefits	78,626,432	67,618,542
Student services	18,639,101	15,893,644
Materials and supplies	3,871,679	2,521,084
Student nutrition	3,859,538	3,700,595
Other expenses	6,085,222	7,972,459
Depreciation and amortization	4,232,769	4,336,137
Occupancy	9,469,538	7,995,667
Proposition construction expense	50,493	53,671
Interest	4,096,423	4,759,796
Subtotal	<u>128,931,195</u>	<u>114,851,595</u>
Management and general:		
Salaries and benefits	3,219,769	1,311,847
Depreciation	112,654	72,862
Shared services and start-up fees – related party	11,821,109	14,108,495
Occupancy	435,923	236,483
Operating expenses	3,627,161	2,303,874
Subtotal	<u>19,216,616</u>	<u>18,033,561</u>
Total Expenses	<u>148,147,811</u>	<u>132,885,156</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>2,177,710</u>	<u>11,762,574</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions and grants, net	408,858	139,957
Net assets released from restrictions	(360,858)	(207,930)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>48,000</u>	<u>(67,973)</u>
CHANGE IN NET ASSETS	2,225,710	11,694,601
NET ASSETS, BEGINNING OF YEAR	42,970,178	31,275,577
NET ASSETS, END OF YEAR	<u>\$ 45,195,888</u>	<u>\$ 42,970,178</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, 2016)

FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,225,710	\$ 11,694,601
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	4,240,007	4,290,790
Amortization expense (including bond discount)	105,416	118,209
Cash restricted for interest/ Debt Obligation Stipulations	(465,577)	(7,965,192)
Changes in operating assets and liabilities:		
(Increase) Decrease in assets		
Accounts receivable	3,730,659	1,562,088
Accounts receivable - related party	2,598,633	984,891
Prepaid expenses and other current assets	271,627	(38,771)
Security deposits	(10,000)	100
Note receivable - related party	-	(6,386,496)
Note receivable	6,786,929	-
Increase (Decrease) in liabilities		
Accounts payable and accruals	960,721	854,329
Accounts payable - related party	128,473	-
Interest payable	(5,450)	705,376
Deferred revenue	(492,319)	3,776,398
Net Cash Provided by Operating Activities	<u>20,074,829</u>	<u>9,596,323</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash (received) used for construction	66,979	208,338
Capital expenditures, net	(8,900,036)	(1,078,553)
Net Cash Used by Investing Activities	<u>(8,833,057)</u>	<u>(870,215)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts incurred for debt issuance	232,332	(436,716)
Loan proceeds, net	50,492	28,946,461
Loan principal payments	(11,350,888)	(21,133,720)
Net Cash Provided (Used) by Financing Activities	<u>(11,068,064)</u>	<u>7,376,025</u>
NET CHANGE IN CASH	173,708	16,102,133
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>33,377,628</u>	<u>17,275,495</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 33,551,336</u>	<u>\$ 33,377,628</u>
Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u>\$ 4,093,957</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, 2016)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

	2017	2016
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,390,371	\$ 3,411,545
Accounts receivable	1,498,293	1,798,532
Prepaid expenses and other current assets	989	95,738
Total Current Assets	5,889,653	5,305,815
Non-Current Assets:		
Security deposits	14,000	-
Fixed assets	2,205,382	879,750
Less: accumulated depreciation	408,836	144,847
Total Non-Current Assets	1,810,546	734,903
Total Assets	\$ 7,700,199	\$ 6,040,718
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 2,716,106	\$ 1,185,318
Accounts payable - related party	116,632	336,871
Deferred revenue	1,378,931	1,850,000
Total Current Liabilities	4,211,669	3,372,189
Long-Term Obligations:		
Non-current portion of long-term obligations	1,405,000	585,000
Total Liabilities	5,616,669	3,957,189
NET ASSETS		
Unrestricted	2,083,530	2,083,529
Total Net Assets	2,083,530	2,083,529
Total Liabilities and Net Assets	\$ 7,700,199	\$ 6,040,718

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 for the year ended June 30, 2016)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>	<u>2016</u>
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 16,988,514	\$ 9,936,960
Federal revenue	3,258,371	2,826,579
Other State revenue	-	17,353
Contributions and grants	5,203,053	2,494,854
Local revenue	277,451	61,086
Total Revenues	<u>25,727,389</u>	<u>15,336,832</u>
EXPENSES		
Program services:		
Salaries and benefits	14,755,223	7,180,582
Student services	2,968,060	1,861,567
Materials and supplies	1,042,512	316,313
Student nutrition	5,583	8,730
Other expenses	990,242	1,326,905
Depreciation and amortization	263,989	119,404
Occupancy	2,177,567	1,329,002
Interest	9,396	-
Subtotal	<u>22,212,572</u>	<u>12,142,503</u>
Management and general:		
Salaries and benefits	1,108,464	689,704
Occupancy	3,366	4,123
Operating expenses	681,840	482,137
Shared services and start-up fees – related party	1,721,146	1,967,446
Subtotal	<u>3,514,816</u>	<u>3,143,410</u>
Total Expenses	<u>25,727,388</u>	<u>15,285,913</u>
CHANGE IN UNRESTRICTED NET ASSETS	1	50,919
NET ASSETS, BEGINNING OF YEAR	2,083,529	2,032,610
NET ASSETS, END OF YEAR	<u>\$ 2,083,530</u>	<u>\$ 2,083,529</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 for the year ended June 30, 2016)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Unrestricted Net Assets	\$ 1	\$ 50,919
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	263,989	119,404
Changes in operating assets and liabilities:		
(Increase) Decrease in assets		
Accounts receivable	300,239	(749,580)
Prepaid expenses and other current assets	94,749	62,261
Cash received (paid) for security deposits - net	(14,000)	-
Increase (Decrease) in liabilities		
Accounts payable and accruals	1,530,788	646,174
Accounts payable - related party	(220,239)	(726,090)
Deferred revenue	(471,069)	1,850,000
Loan forgiveness	-	(1,000,000)
Net Cash Provided by Operating Activities	1,484,458	253,088
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,325,632)	(581,083)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds, net	820,000	585,000
NET CHANGE IN CASH	978,826	257,005
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,411,545	3,154,540
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,390,371	\$ 3,411,545
Supplemental cash flow disclosure:		
Cash paid during the period for interest	\$ 9,396	\$ -

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, 2016)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 5,307,414	\$ 2,961,778
Accounts receivable	847,348	340,542
Accounts receivable - related party	9,107	-
Prepaid expenses and other current assets	59,037	-
Total Current Assets	<u>6,222,906</u>	<u>3,302,320</u>
Non-Current Assets:		
Security deposits	38,050	39,050
Total Assets	<u>\$ 6,260,956</u>	<u>\$ 3,341,370</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 324,011	\$ 239,780
Accounts payable - related party	-	302,335
Deferred revenue	5,908,199	2,770,510
Total Liabilities	<u>6,232,210</u>	<u>3,312,625</u>
NET ASSETS		
Unrestricted	28,746	28,745
Total Net Assets	<u>28,746</u>	<u>28,745</u>
Total Liabilities and Net Assets	<u>\$ 6,260,956</u>	<u>\$ 3,341,370</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 for the year ended June 30, 2016)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 1,430,511	\$ 427,152
Federal revenue	630,790	465,065
Other State revenue	309,171	-
Contributions and grants	3,235,552	1,087,918
Local revenue	545,171	2,912,092
Total Revenues	<u>6,151,195</u>	<u>4,892,227</u>
EXPENSES		
Program services:		
Salaries and benefits	2,546,334	1,740,377
Student services	1,029,204	903,067
Materials and supplies	173,346	121,967
Other expenses	524,825	649,247
Occupancy	522,303	374,133
Subtotal	<u>4,796,012</u>	<u>3,788,791</u>
Management and general:		
Salaries and benefits	725,116	477,879
Shared services and start-up fees – related party	210,011	450,000
Occupancy	60	10,700
Operating expenses	419,995	151,213
Subtotal	<u>1,355,182</u>	<u>1,089,792</u>
Total Expenses	<u>6,151,194</u>	<u>4,878,583</u>
CHANGE IN UNRESTRICTED NET ASSETS	1	13,644
NET ASSETS, BEGINNING OF YEAR	28,745	15,101
NET ASSETS, END OF YEAR	<u>\$ 28,746</u>	<u>\$ 28,745</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 for the year ended June 30, 2016)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 1	\$ 13,644
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	(506,806)	(290,148)
Accounts receivable - related party	(9,107)	62,262
Prepaid expenses and other current assets	(59,037)	-
Security deposits	1,000	(36,850)
Increase (Decrease) in liabilities		
Accounts payable and accruals	84,231	159,267
Accounts payable - related party	(302,335)	302,335
Deferred revenue	3,137,689	1,552,772
Net Cash Provided by Operating Activities	2,345,636	1,763,282
NET CHANGE IN CASH	2,345,636	1,763,282
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,961,778	1,198,496
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,307,414	\$ 2,961,778
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)

UNITED PARENTS AND STUDENTS

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

	<u>2017</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 149,706
Total Current Assets	<u>149,706</u>
Non-Current Assets:	
Fixed assets	59,424
Less: accumulated depreciation	4,630
Total Non-Current Assets	<u>54,794</u>
Total Assets	<u>\$ 204,500</u>
LIABILITIES	
Current Liabilities:	
Accounts payable and accruals	\$ 148,994
Accounts payable - related party	1,469
Total Liabilities	<u>150,463</u>
NET ASSETS	
Unrestricted	<u>54,037</u>
Total Net Assets	<u>54,037</u>
Total Liabilities and Net Assets	<u>\$ 204,500</u>

NOTE: The year ended June 30, 2017, was the first year of operation; therefore, there is no 2016 information presented.

See accompanying note to supplementary information.

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

UNITED PARENTS AND STUDENTS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>
CHANGES IN UNRESTRICTED NET ASSETS	
REVENUES	
Contributions and grants	\$ 58,563
Local revenue	700,000
Total Revenues	<u>758,563</u>
EXPENSES	
Program services:	
Salaries and benefits	618,881
Student services	42,571
Materials and supplies	2,871
Other expenses	4,050
Depreciation and amortization	4,630
Occupancy	6,523
Subtotal	<u>679,526</u>
Management and general:	
Operating expenses	25,000
Subtotal	<u>25,000</u>
Total Expenses	<u>704,526</u>
CHANGE IN UNRESTRICTED NET ASSETS	54,037
NET ASSETS, BEGINNING OF YEAR	-
NET ASSETS, END OF YEAR	<u>\$ 54,037</u>

NOTE: The year ended June 30, 2017, was the first year of operation; therefore, there is no 2016 information presented.

See accompanying note to supplementary information.

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

UNITED PARENTS AND STUDENTS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in unrestricted net assets	\$ 54,037
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	4,630
Changes in operating assets and liabilities:	
Increase in liabilities	
Accounts payable and accruals	148,994
Accounts payable - related party	<u>1,469</u>
Net Cash Provided by Operating Activities	<u>209,130</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures	<u>(59,424)</u>
NET CHANGE IN CASH	149,706
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 149,706</u></u>
Supplemental cash flow disclosure:	
Cash paid during the period for interest	<u><u>\$ -</u></u>

NOTE: The year ended June 30, 2017, was the first year of operation; therefore, there is no 2016 information presented.

See accompanying note to supplementary information.

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

	GDPS National	GDPS CA	GDPS TN	GDPS WA
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 2,619,846	\$ 33,551,336	\$ 4,390,371	\$ 5,307,414
Restricted cash and investments	-	6,209,366	-	-
Accounts receivable	5,441	13,065,576	1,498,293	847,348
Accounts receivable - related party	237,467	-	-	9,107
Prepaid expenses and other current assets	458,457	225,395	989	59,037
Total Current Assets	<u>3,321,211</u>	<u>53,051,673</u>	<u>5,889,653</u>	<u>6,222,906</u>
Non-Current Assets:				
Restricted cash and cash equivalents	-	36,684,504	-	-
Debt issue cost, net	-	2,626,520	-	-
Security deposits	36,034	583,183	14,000	38,050
Note receivable	100,000	-	-	-
Fixed assets	2,356,698	123,141,984	2,205,382	-
Less: accumulated depreciation	374,131	28,515,934	408,836	-
Total Non-Current Assets	<u>2,118,601</u>	<u>134,520,257</u>	<u>1,810,546</u>	<u>38,050</u>
Total Assets	<u>\$ 5,439,812</u>	<u>\$ 187,571,930</u>	<u>\$ 7,700,199</u>	<u>\$ 6,260,956</u>
LIABILITIES				
Current Liabilities:				
Accounts payable and accruals	\$ 1,294,878	\$ 12,228,770	\$ 2,716,106	\$ 324,011
Accounts payable - related party	-	128,473	116,632	-
Interest payable	-	1,081,343	-	-
Deferred revenue	-	4,784,145	1,378,931	5,908,199
Current portion of long-term obligations	-	3,082,739	-	-
Total Current Liabilities	<u>1,294,878</u>	<u>21,305,470</u>	<u>4,211,669</u>	<u>6,232,210</u>
Other Liabilities:				
Deferred revenue - proposition funding	-	31,917,860	-	-
Total Other Liabilities	<u>-</u>	<u>31,917,860</u>	<u>-</u>	<u>-</u>
Long-Term Obligations:				
Non-current portion of long-term obligations	-	89,152,712	1,405,000	-
Total Liabilities	<u>1,294,878</u>	<u>142,376,042</u>	<u>5,616,669</u>	<u>6,232,210</u>
NET ASSETS				
Unrestricted	4,144,934	44,746,447	2,083,530	28,746
Temporarily restricted	-	449,441	-	-
Total Net Assets	<u>4,144,934</u>	<u>45,195,888</u>	<u>2,083,530</u>	<u>28,746</u>
Total Liabilities and Net Assets	<u>\$ 5,439,812</u>	<u>\$ 187,571,930</u>	<u>\$ 7,700,199</u>	<u>\$ 6,260,956</u>

See accompanying note to supplementary information.

UP&S	Eliminations	Total
\$ 149,706	\$ -	\$ 46,018,673
-	-	6,209,366
-	-	15,416,658
-	(246,574)	-
-	-	743,878
<u>149,706</u>	<u>(246,574)</u>	<u>68,388,575</u>
-	-	36,684,504
-	-	2,626,520
-	-	671,267
-	-	100,000
59,424	-	127,763,488
4,630	-	29,303,531
<u>54,794</u>	<u>-</u>	<u>138,542,248</u>
<u>\$ 204,500</u>	<u>\$ (246,574)</u>	<u>\$ 206,930,823</u>
\$ 148,994	\$ -	\$ 16,712,759
1,469	(246,574)	-
-	-	1,081,343
-	-	12,071,275
-	-	3,082,739
<u>150,463</u>	<u>(246,574)</u>	<u>32,948,116</u>
-	-	31,917,860
-	-	31,917,860
-	-	90,557,712
<u>150,463</u>	<u>(246,574)</u>	<u>155,423,688</u>
54,037	-	51,057,694
-	-	449,441
<u>54,037</u>	<u>-</u>	<u>51,507,135</u>
<u>\$ 204,500</u>	<u>\$ (246,574)</u>	<u>\$ 206,930,823</u>

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

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	GDPS National	GDPS CA	GDPS TN
CHANGES IN UNRESTRICTED NET ASSETS			
REVENUES			
State apportionments	\$ -	\$ 113,129,233	\$ 16,988,514
Federal revenue	-	12,527,125	3,258,371
Other State revenue	-	17,251,096	-
Proposition construction revenue	-	50,493	-
Contributions and grants	468,127	2,350,651	5,203,053
Donated services and property	-	79,385	-
Local revenue	15,312,048	4,576,680	277,451
Net assets released from restrictions	-	360,858	-
Total Revenues	<u>15,780,175</u>	<u>150,325,521</u>	<u>25,727,389</u>
EXPENSES			
Program services:			
Salaries and benefits	7,596,864	78,626,432	14,755,223
Student services	670,872	18,639,101	2,968,060
Materials and supplies	68,638	3,871,679	1,042,512
Student nutrition	-	3,859,538	5,583
Other expenses	3,239,292	6,085,222	990,242
Depreciation and amortization	270,769	4,232,769	263,989
Occupancy	497,055	9,469,538	2,177,567
Proposition construction expense	-	50,493	-
Interest	-	4,096,423	9,396
Subtotal	<u>12,343,490</u>	<u>128,931,195</u>	<u>22,212,572</u>
Fund development	<u>800,579</u>	<u>-</u>	<u>-</u>
Management and general:			
Salaries and benefits	714,803	3,219,769	1,108,464
Depreciation	-	112,654	-
Shared services and start-up fees – related party	-	11,821,109	1,721,146
Occupancy	-	435,923	3,366
Operating expenses	421,142	3,627,161	681,840
Subtotal	<u>1,135,945</u>	<u>19,216,616</u>	<u>3,514,816</u>
Total Expenses	<u>14,280,014</u>	<u>148,147,811</u>	<u>25,727,388</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>1,500,161</u>	<u>2,177,710</u>	<u>1</u>
TEMPORARILY RESTRICTED NET ASSETS			
Contributions and grants, net	-	408,858	-
Net assets released from restrictions	-	(360,858)	-
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>-</u>	<u>48,000</u>	<u>-</u>
CHANGE IN NET ASSETS	1,500,161	2,225,710	1
NET ASSETS, BEGINNING OF YEAR	2,644,773	42,970,178	2,083,529
NET ASSETS, END OF YEAR	<u>\$ 4,144,934</u>	<u>\$ 45,195,888</u>	<u>\$ 2,083,530</u>

See accompanying note to supplementary information.

	GDPS WA	UP&S	Eliminations	Total
\$	1,430,511	\$ -	\$ -	\$ 131,548,258
	630,790	-	-	16,416,286
	309,171	-	-	17,560,267
	-	-	-	50,493
	3,235,552	58,563	-	11,315,946
	-	-	(79,385)	-
	545,171	700,000	(16,241,538)	5,169,812
	-	-	-	360,858
	<u>6,151,195</u>	<u>758,563</u>	<u>(16,320,923)</u>	<u>182,421,920</u>
	2,546,334	618,881	-	104,143,734
	1,029,204	42,571	-	23,349,808
	173,346	2,871	-	5,159,046
	-	-	-	3,865,121
	524,825	4,050	(648,964)	10,194,667
	-	4,630	-	4,772,157
	522,303	6,523	-	12,672,986
	-	-	-	50,493
	-	-	-	4,105,819
	<u>4,796,012</u>	<u>679,526</u>	<u>(648,964)</u>	<u>168,313,831</u>
	-	-	-	800,579
	725,116	-	-	5,768,152
	-	-	-	112,654
	210,011	-	(13,752,266)	-
	60	-	-	439,349
	419,995	25,000	(1,919,693)	3,255,445
	<u>1,355,182</u>	<u>25,000</u>	<u>(15,671,959)</u>	<u>9,575,600</u>
	<u>6,151,194</u>	<u>704,526</u>	<u>(16,320,923)</u>	<u>178,690,010</u>
	1	54,037	-	3,731,910
	-	-	-	408,858
	-	-	-	(360,858)
	-	-	-	48,000
	1	54,037	-	3,779,910
	28,745	-	-	47,727,225
\$	<u>28,746</u>	<u>\$ 54,037</u>	<u>\$ -</u>	<u>\$ 51,507,135</u>

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

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	GDPS National	GDPS CA	GDPS TN
CASH FLOWS FROM OPERATING ACTIVITIES			
Changes in net assets	\$ 1,500,161	\$ 2,225,710	\$ 1
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation expense	270,769	4,240,007	263,989
Amortization expense (including bond discount)	-	105,416	-
Cash restricted for interest/ Debt Obligation Stipulations	-	(465,577)	-
Changes in operating assets and liabilities:			
(Increase) Decrease in assets			
Accounts receivable	25,033	3,730,659	300,239
Accounts receivable - related party	99,404	2,598,633	-
Prepaid expenses and other current assets	(154,714)	271,627	94,749
Security deposits	-	(10,000)	(14,000)
Note receivable - related party	(100,000)	-	-
Note receivable	-	6,786,929	-
Increase (Decrease) in liabilities			
Accounts payable and accruals	(275,960)	960,721	1,530,788
Accounts payable - related party	(2,296,298)	128,473	(220,239)
Interest payable	-	(5,450)	-
Deferred revenue	(135,706)	(492,319)	(471,069)
Net Cash Provided by Operating Activities	<u>(1,067,311)</u>	<u>20,074,829</u>	<u>1,484,458</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Restricted cash (received) used for construction	-	66,979	-
Capital expenditures	(840,516)	(8,900,036)	(1,325,632)
Net Cash Used by Investing Activities	<u>(840,516)</u>	<u>(8,833,057)</u>	<u>(1,325,632)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts incurred for debt issuance	-	232,332	-
Loan proceeds, net	-	50,492	820,000
Loan principal payments	-	(11,350,888)	-
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>(11,068,064)</u>	<u>820,000</u>
NET CHANGE IN CASH	(1,907,827)	173,708	978,826
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,527,673	33,377,628	3,411,545
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,619,846</u>	<u>\$ 33,551,336</u>	<u>\$ 4,390,371</u>
Supplemental cash flow disclosure:			
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ 4,093,957</u>	<u>\$ 9,396</u>

See accompanying note to supplementary information.

GDPS WA		UP&S		Elimination		Total	
\$	1	\$	54,037	\$	-	\$	3,779,910
	-		4,630		-		4,779,395
	-		-		-		105,416
	-		-		-		(465,577)
	(506,806)		-		-		3,549,125
	(9,107)		-		(2,688,930)		-
	(59,037)		-		-		152,625
	1,000		-		-		(23,000)
	-		-		-		(100,000)
	-		-		-		6,786,929
	84,231		148,994		-		2,448,774
	(302,335)		1,469		2,688,930		-
	-		-		-		(5,450)
	3,137,689		-		-		2,038,595
	<u>2,345,636</u>		<u>209,130</u>		<u>-</u>		<u>23,046,742</u>
	-		-		-		66,979
	-		(59,424)		-		(11,125,608)
	-		(59,424)		-		(11,058,629)
	-		-		-		232,332
	-		-		-		870,492
	-		-		-		(11,350,888)
	-		-		-		(10,248,064)
	2,345,636		149,706		-		1,740,049
	2,961,778		-		-		44,278,624
\$	<u>5,307,414</u>	\$	<u>149,706</u>	\$	<u>-</u>	\$	<u>46,018,673</u>
\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>4,103,353</u>

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

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2017

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.