



NATIONAL

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

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

TABLE OF CONTENTS
JUNE 30, 2018

<i>INDEPENDENT AUDITOR'S REPORT</i>	1
<i>FINANCIAL STATEMENTS</i>	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7
<i>SUPPLEMENTARY INFORMATION</i>	
Green Dot Public Schools National – Statement of Financial Position	39
Green Dot Public Schools National – Statement of Activities	40
Green Dot Public Schools National – Statement of Cash Flows	41
Green Dot Public Schools California – Statement of Financial Position	42
Green Dot Public Schools California – Statement of Activities	43
Green Dot Public Schools California – Statement of Cash Flows	44
Green Dot Public Schools Tennessee – Statement of Financial Position	45
Green Dot Public Schools Tennessee – Statement of Activities	46
Green Dot Public Schools Tennessee – Statement of Cash Flows	47
Green Dot Public Schools Washington State – Statement of Financial Position	47
Green Dot Public Schools Washington State – Statement of Activities	48
Green Dot Public Schools Washington State – Statement of Cash Flows	52
United Parents and Students – Statement of Financial Position	50
United Parents and Students – Statement of Activities	51
United Parents and Students – Statement of Cash Flows	52
Green Dot Public Schools Consolidating Statement of Financial Position	53
Green Dot Public Schools Consolidating Statement of Activities	54
Green Dot Public Schools Consolidating Statement of Cash Flows	55
Note to Supplementary Information	56



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

VALUE THE *difference*

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, 2018, 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, 2018, 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 2017 consolidated financial statement, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 18, 2017. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2018, 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 January 11, 2019, 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
January 11, 2019

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, 2017)

JUNE 30, 2018

	2018	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 47,795,480	\$ 46,018,673
Restricted cash and investments	4,234,896	6,209,366
Accounts receivable	16,060,976	15,416,658
Prepaid expenses and other current assets	1,450,999	743,878
Total Current Assets	<u>69,542,351</u>	<u>68,388,575</u>
Non-Current Assets:		
Restricted cash and investments	33,613,645	36,684,504
Debt issue costs, net	2,833,967	2,626,520
Security deposits	704,351	671,267
Note receivable	-	100,000
Fixed assets	135,940,827	127,763,488
Less: accumulated depreciation	34,600,429	29,303,531
Total Non-Current Assets	<u>138,492,361</u>	<u>138,542,248</u>
Total Assets	<u>\$ 208,034,712</u>	<u>\$ 206,930,823</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 16,753,636	\$ 16,712,759
Accounts payable - related party	6,445	-
Interest payable	1,068,828	1,081,343
Deferred revenue	9,765,876	12,071,275
Current portion of long-term obligations	19,056,919	8,474,269
Total Current Liabilities	<u>46,651,704</u>	<u>38,339,646</u>
Other Liabilities:		
Deferred revenue - proposition funding	29,610,492	31,917,860
Total Other Liabilities	<u>29,610,492</u>	<u>31,917,860</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	73,549,149	85,166,182
Total Liabilities	<u>149,811,345</u>	<u>155,423,688</u>
NET ASSETS		
Unrestricted	57,918,256	51,105,694
Temporarily restricted	305,111	401,441
Total Net Assets	<u>58,223,367</u>	<u>51,507,135</u>
Total Liabilities and Net Assets	<u>\$ 208,034,712</u>	<u>\$ 206,930,823</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 ACTIVITIES
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED JUNE 30, 2018

	<u>2018</u>	<u>2017</u>
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 141,527,928	\$ 131,548,258
Federal revenue	18,974,489	16,416,286
Other State revenue	18,470,542	17,560,267
Proposition construction revenue	-	50,493
Contributions and grants	13,169,248	11,315,946
Donated services and property	79,385	-
Local revenue	4,479,421	5,169,812
Net assets released from restrictions	350,575	207,930
Total Revenues	<u>197,051,588</u>	<u>182,268,992</u>
EXPENSES		
Program Services:		
Salaries and benefits	114,081,407	104,143,284
Student services	24,531,551	23,349,808
Materials and supplies	4,943,250	5,159,046
Student nutrition	3,907,279	3,865,121
Other expenses	11,166,185	10,194,667
Depreciation and amortization	5,001,322	4,772,157
Occupancy	13,785,839	12,672,986
Proposition construction expense	-	50,493
Interest	4,026,541	4,105,819
Subtotal	<u>181,443,374</u>	<u>168,313,381</u>
Fund Development:	<u>743,865</u>	<u>801,029</u>
Management and General:		
Salaries and benefits	3,642,415	5,768,152
Depreciation	156,966	112,654
Occupancy	651,808	439,349
Operating expenses	3,552,598	3,230,445
Subtotal	<u>8,003,787</u>	<u>9,575,600</u>
Total Unrestricted Expenses	<u>190,191,026</u>	<u>178,690,010</u>
CHANGE IN UNRESTRICTED NET ASSETS	6,860,562	3,578,982
TEMPORARILY RESTRICTED NET ASSETS		
Contributions and grants, net	206,245	408,858
Net assets released from restrictions	(350,575)	(207,930)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(144,330)</u>	<u>200,928</u>
CHANGE IN NET ASSETS	6,716,232	3,779,910
NET ASSETS, BEGINNING OF YEAR	<u>51,507,135</u>	<u>47,727,225</u>
NET ASSETS, END OF YEAR	<u>\$ 58,223,367</u>	<u>\$ 51,507,135</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, 2017)

FOR THE YEAR ENDED JUNE 30, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,716,232	\$ 3,779,910
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	5,057,067	4,779,395
Amortization expense (including bond discount)	109,139	105,416
Cash restricted for interest/ Debt Obligation Stipulations	2,672,659	(465,577)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(644,318)	3,549,125
Prepaid expenses and other current assets	(707,121)	152,625
Security deposits	(33,084)	(23,000)
Note receivable - related party	100,000	(100,000)
Note receivable	-	6,786,929
Increase (decrease) in liabilities:		
Accounts payable and accruals	40,877	2,448,774
Accounts payable - related party	6,445	-
Interest payable	(12,515)	(5,450)
Deferred revenue	(4,612,767)	2,038,595
Loan forgiveness	-	-
Net Cash Provided by Operating Activities	<u>8,692,614</u>	<u>23,046,742</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash (received) used for construction	2,372,670	66,979
Capital expenditures	(8,179,320)	(11,125,608)
Net Cash Used by Investing Activities	<u>(5,806,650)</u>	<u>(11,058,629)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts incurred for debt issuance	-	232,332
Loan proceeds, net	1,998,971	870,492
Loan principal payments	(3,108,128)	(11,350,888)
Net Cash Used By Financing Activities	<u>(1,109,157)</u>	<u>(10,248,064)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,776,807	1,740,049
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	46,018,673	44,278,624
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 47,795,480</u>	<u>\$ 46,018,673</u>
Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u>\$ 4,201,431</u>	<u>\$ 4,103,353</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, 2018

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, 2018, GDPS CA operated twenty (20) charter schools. The charter schools operate under the approval of the California State Board of Education and the Inglewood Unified School District, Lennox School District, Los Angeles County office of Education, 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), 8205 Beach, LLC (8205 LLC) 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 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.

During the fiscal year ended June 30, 2018, GDPS TN operated five charters, Fairley High School (Fairley HS), Wooddale Middle School (Wooddale MS), Kirby Middle School (Kirby MS) and Hillcrest High School were opened during the fiscal year ended June 30, 2017. Fairley High School, Hillcrest High School, Kirby Middle School, and Wooddale Middle School operate under the approval of the Tennessee Department of Education (TDOE) and are part of the Achievement School District. During the fiscal year ended June 30, 2018, Bluff City High School was opened under the approval of the TDOE. Fairley High School, Hillcrest High School, Kirby Middle School, Wooddale Middle School, and Bluff City High School 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, 2018, GDPS WA operated three charters, Destiny Charter Middle School (Destiny). Destiny operates under the authorization of the Washington State Charter School Commission. In 2017-18 School year, GDPS WA assumed 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 (Excel) to GDPS WA. GDPS WA opened Rainier Valley Leadership Academy (Rainier) in July 2017, which was authorized by the Washington State Charter School Commission. GDPS WA plans to open other charter schools in the future.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - ORGANIZATION AND MISSION, continued

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 receives 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.

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.

- Unrestricted: All resources over which the governing board has discretionary control to use in carrying on the general operations of GDPS National.
- Temporarily restricted: These net assets are restricted by donors to be used for specific purposes. GDPS National does not currently have any temporarily restricted net assets.
- Permanently restricted: These net assets are permanently restricted by donors and cannot be used by GDPS National. GDPS National does not currently have any permanently restricted net assets.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

Refer to the table below for related party transactions between GDPS National and GDPS CA, GDPS TN, and GDPS WA as of June 30, 2018:

	Accounts Receivable - Related Party	Contracted Service Revenue	Contracted Service Expense	Shared Service Fee Revenue - National	Shared Service Fee Expense - Regional
GDPS National	\$ 1,521,048	\$ -	\$ 611,061	\$ 13,897,020	\$ -

	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	\$ (1,362,500)	\$ 108,729	\$ 1,250,753	\$ 11,854,664	\$ 20,118,418
GDPS CA Schools	-	-	-	-	(20,118,418)
GDPS TN Regional Office	(103,281)	356,209	-	1,540,053	(2,791,345)
GDPS TN Schools	-	-	-	-	2,791,345
GDPS WA Regional Office	42,797	146,123	-	452,303	806,232
GDPS WA Schools	-	-	-	-	(806,232)
UP&S	(12,470)	1,250,753	-	50,000	-
Total	<u>\$ (1,435,454)</u>	<u>\$ 1,861,814</u>	<u>\$ 1,250,753</u>	<u>\$ 13,897,020</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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 \$305,111 at June 30, 2018.

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, 2018, 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.

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

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

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

Cash and Cash Equivalents

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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, 2018, 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.

Fixed Assets

It is GDPS National's policy to capitalize individual property and equipment purchases over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Building and leasehold improvements, furniture, and equipment are depreciated using the straight-line method, from three to 30 years. GDPS National's depreciation expense for the year ended June 30, 2018, was \$5,057,067.

Reclassification of Comparative Statements

GDPS National reclassified certain expenses as program service or management and general as well as certain assets and liabilities on the Statement of Financial Position for the 2018 fiscal year. Accordingly, these reclassifications have been revised for the presentation of 2017 fiscal year.

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, 2017, from which the comparative information was derived.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 \$305,111 at June 30, 2018.

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. The accounts of GDPS WA are included in the June 30, 2018 consolidated financial statements of GDPS National as of its fiscal year end of August 31, 2018. On July 30, 2018, GDPS WA received a private grant of \$3,400,000. The purpose of the grant is to cover future operating costs. The grant was recorded as deferred revenue and revenue recognition is expected to occur over the next two years.

New Accounting Pronouncements

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, Leases (ASU 2016-02). ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its statement of financial position for all operating leases greater than 12 months. ASU 2016-02 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Although the full impact of this Update on the Organization's financial statements has not yet been determined, the future adoption of this guidance will require the Organization to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases.

In August 2016, the FASB issued ASU No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). ASU 2016-14 change presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include qualitative and quantitative requirements in the following areas: (1) net asset classes; (2) investment return; (3) expenses; (4) liquidity and availability of resources; and (5) presentation of operating cash flows. ASU 2016-14 will be effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application of the amendments is permitted. The Organization has not yet completed its assessment of the impact of this guidance on its financial statements. Under this guidance, the Organization will be required to present two classes of net assets (net assets with donor restrictions and net assets without donor restrictions) and changes in each of these two classes, on the face of the statement of financial position and statement of activities, respectively, rather than the current required three classes (unrestricted, temporarily restricted, and permanently restricted).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash at June 30, 2018, consisted of the following:

	<u>GDPS National</u>	<u>GDPS CA</u>	<u>GDPS TN</u>	<u>GDPS WA</u>	<u>UP&S</u>	<u>Consolidated Reported Amount</u>	<u>Bank Balance</u>
Deposits							
Cash on hand and in banks	\$ 1,895,833	\$ 38,949,755	\$ 1,793,438	\$ 4,677,458	\$ 478,996	\$ 47,795,480	\$ 48,869,077

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, 2018, consolidated GDPS had \$49,738,184 in excess of FDIC insured limits in non-interest bearing accounts.

NOTE 4 - RESTRICTED CASH AND INVESTMENTS

At June 30, 2018, cash held for restricted purposes consisted of the following:

	<u>Reported Amount</u>	<u>Bank Balance</u>
GDPS CA Current Restricted Cash and Investments	\$ 4,234,896	\$ 4,234,896
GDPS CA Non-Current Restricted Cash and Investments	\$ 33,613,645	\$ 33,613,645

GDPS CA and Delta's restricted cash and investments balance held in interest bearing accounts are insured up to \$250,000. At June 30, 2018, GDPS CA and Delta had \$36,848,542 in excess of FDIC insured limits. Delta has restricted cash and investments balance held in money market accounts that are not protected against loss, however; Delta's money market accounts are held in AAA rated investments. At June 30, 2018, Delta held \$6,745,424 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 \$7,504,540 in excess of FDIC insured limits includes the \$759,116 in Delta money market funds.

Proposition 47, 55, and 1D

Restricted cash and investments in the amount of \$29,844,002 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 Charter High School ("CHS"), *Ánimo* Oscar De La Hoya CHS, and *Ánimo* Pat Brown Charter Middle School ("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, 2018

NOTE 4 - RESTRICTED CASH AND INVESTMENTS, continued

Delta Restricted Cash and Investments

Delta's restricted cash and investments in the amount of \$8,004,540 arise from conditions required by various financing arrangements, with \$4,234,897 held to satisfy current obligations and \$3,769,643 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, 2018, consisted of the following:

	GDPS National	GDPS CA	GDPS TN	GDPS WA	UP&S	Total
Apportionment	\$ -	\$ 6,322,436	\$ 489,762	\$ -	\$ -	\$ 6,812,198
Federal receivable	29,863	3,206,609	727,461	223,599	-	4,187,532
Other State receivable	-	3,504,482	516,871	62,109	-	4,083,462
Other receivable	268,890	347,360	153,199	7,435	200,900	977,784
Total Accounts Receivable	<u>\$ 298,753</u>	<u>\$ 13,380,887</u>	<u>\$ 1,887,293</u>	<u>\$ 293,143</u>	<u>\$ 200,900</u>	<u>\$ 16,060,976</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, 2020. 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, 2018, GDPS CA may receive \$825,000 over the next two years.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 - FIXED ASSETS

Fixed assets at June 30, 2018, consisted of the following:

	GDPS National	GDPS CA	GDPS TN	GDPS WA	UP&S	Total
Land	\$ -	\$ 18,414,559	\$ -	\$ -	\$ -	\$ 18,414,559
Building and improvements	-	37,842,490	341,890	-	-	38,184,380
Leasehold improvements	831,519	60,691,173	2,525,145	404,354	-	64,452,191
Computer and equipment	1,689,587	4,658,493	-	-	59,424	6,407,504
Work in progress	-	7,490,900	733,213	258,080	-	8,482,193
Subtotal	2,521,106	129,097,615	3,600,248	662,434	59,424	135,940,827
Less: accumulated depreciation	(742,762)	(33,201,889)	(581,983)	(59,904)	(13,891)	(34,600,429)
Total Fixed Assets	\$ 1,778,344	\$ 95,895,726	\$ 3,018,265	\$ 602,530	\$ 45,533	\$ 101,340,398

During the year ended June 30, 2018, \$5,057,067 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 8 - ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable at June 30, 2018, consisted of the following:

	GDPS National	GDPS CA	GDPS TN	GDPS WA	UP&S	Total
Salaries and benefits	\$ 1,091,526	\$ 8,076,512	\$ 1,316,777	\$ 415,652	\$ 106,480	\$ 11,006,947
Other accounts payable	308,149	3,944,048	1,060,331	89,791	-	5,402,319
Accrued expenses	-	-	-	335,906	8,464	344,370
Total	\$ 1,399,675	\$ 12,020,560	\$ 2,377,108	\$ 841,349	\$ 114,944	\$ 16,753,636

NOTE 9 - DEFERRED REVENUE

Deferred revenue at June 30, 2018, consisted of the following:

	GDPS CA	GDPS WA	UP&S	Total
Proposition 47, 55 and 1D	\$ 29,610,492	\$ -	\$ -	\$ 29,610,492
Other	4,873,796	4,780,241	111,839	9,765,876
Total Deferred Revenue	\$ 34,484,288	\$ 4,780,241	\$ 111,839	\$ 39,376,368

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS

At June 30, 2018, long-term obligations are summarized as follows:

	Balance			Balance	Due in
	July 1, 2017	Additions	Deductions	June 30, 2018	One Year
GDPS CA	\$ 92,235,451	\$ -	\$ 3,033,354	\$ 89,202,097	\$ 18,727,975
GDPS TN	1,405,000	1,658,785	-	3,063,785	136,667
GDPS WA	-	404,354	64,168	340,186	192,277
Total	<u>\$ 93,640,451</u>	<u>\$ 2,063,139</u>	<u>\$ 3,097,522</u>	<u>\$ 92,606,068</u>	<u>\$ 19,056,919</u>

GDPS CA

At June 30, 2018, GDPS CA's long-term obligations summary is as follows:

	Balance			Balance	Due in
	July 1, 2017	Additions	Deductions	June 30, 2018	One Year
Proposition construction loans	\$ 30,126,042	\$ -	\$ 1,050,425	\$ 29,075,617	\$ 1,142,714
Notes payable	22,736,303	-	1,289,787	21,446,516	16,930,261
Bonds payable	39,074,310	-	636,779	38,437,531	655,000
Settlement agreements	298,796	-	56,363	242,433	-
Total	<u>\$ 92,235,451</u>	<u>\$ -</u>	<u>\$ 3,033,354</u>	<u>\$ 89,202,097</u>	<u>\$ 18,727,975</u>

On September 29, 2015, GDPS CA entered into a loan agreement with DPI for the benefit of *Ánimo James B. Taylor Charter Middle School*. DPI agreed to lend the principal sum of \$3,320,000 with no accrued interest on the principal sum outstanding with a maturity date of August 1, 2022. Monthly principal payments of approximately \$45,000 are payable to DPI commencing on October 25, 2015. As of June 30, 2018, the outstanding loan balance is \$1,886,667. Inter-company loans have been eliminated in the consolidated financial statements.

Proposition Construction Loans

At June 30, 2018, GDPS CA's proposition construction loans summary is as follows:

	Balance			Balance	Due in
	July 1, 2017	Additions	Deductions	June 30, 2018	One Year
<i>Ánimo Leadership CHS</i>	\$ 10,830,246	\$ -	\$ 423,783	\$ 10,406,463	\$ 432,259
<i>Ánimo Oscar De La Hoya CHS</i>	11,526,173	-	374,910	11,151,263	452,329
<i>Ánimo Venice CHS</i>	6,872,080	-	251,732	6,620,348	258,126
<i>Ánimo Pat Brown CHS</i>	897,543	-	-	897,543	-
Total	<u>\$ 30,126,042</u>	<u>\$ -</u>	<u>\$ 1,050,425</u>	<u>\$ 29,075,617</u>	<u>\$ 1,142,714</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS, continued

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, 2018, the proposition construction loan obligation is \$10,406,463.

Future payments are as follows:

Repayment Year	Principal *	Interest to Maturity	Total
2019	\$ 432,259	\$ 249,370	\$ 681,629
2020	440,904	240,725	681,629
2021	449,722	231,907	681,629
2022	458,717	222,912	681,629
2023	467,891	213,738	681,629
2024-2028	2,483,622	924,522	3,408,144
2029-2033	2,742,120	666,025	3,408,145
2034-2038	3,027,522	380,623	3,408,145
2039-2041	1,965,738	79,149	2,044,887
Total	<u>\$ 12,468,495</u>	<u>\$ 3,208,971</u>	<u>\$ 15,677,466</u>

* Total principal payment will be reduced by cash proceeds that are not utilized by the end of construction. As of June 30, 2018, \$2,062,032 was not utilized.

Ánimo Oscar De La Hoya CHS

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS, continued

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, 2018, the proposition construction loan obligation is \$11,151,263.

Future payments are as follows:

Repayment Year	Principal	Interest to Maturity	Total
2019	\$ 452,329	\$ 296,368	\$ 748,697
2020	411,714	285,662	697,376
2021	422,706	274,669	697,375
2022	433,993	263,383	697,376
2023	445,580	251,795	697,375
2024-2028	2,412,838	1,074,038	3,486,876
2029-2033	2,752,618	734,258	3,486,876
2034-2038	3,140,246	346,629	3,486,875
2039	679,239	18,136	697,375
Total	\$ 11,151,263	\$ 3,544,938	\$ 14,696,201

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, 2018, the capital lease obligation is \$6,620,348.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS, continued

Future payments are as follows:

Repayment Year	Principal	Interest to Maturity	Total
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	285,367	140,915	426,282
2024-2028	1,539,316	592,096	2,131,412
2029-2033	1,744,996	386,418	2,131,414
2034-2038	1,978,157	153,256	2,131,413
Total	\$ 6,620,348	\$ 1,905,304	\$ 8,525,652

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, 2018, 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, 2018, the project is incomplete. A payment schedule will not be provided until the project is complete.

Notes Payable

At June 30, 2018, GDPS CA's and Delta's notes payable summary is as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Due in One Year
Delta	\$ 22,736,303	\$ -	\$ 1,289,787	\$ 21,446,516	\$ 16,930,261

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS, continued

Delta

The terms and balances of notes payable as of June 30, 2018, are as follows:

Loan	Description	Interest Rate	Maturity Date	Callable Date	Payment Terms	Balance June 30, 2018
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.	246,516
Subtotal Delta Properties, Inc.						<u>246,516</u>
Total Notes Payable						<u>\$ 21,446,516</u>

** Municipal Market Data (MMD) interest rate on 30-year municipal bonds with a rating of AAA plus 4.5-5.00% per annum through maturity. Adjusting factor increasing to 7.00% after maturity date of note.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS, continued

Future maturities of notes payable are as follows:

For the year Ending June 30,	27th Street	Delta	Total
2019	\$ 16,683,745	\$ 246,516	\$ 16,930,261
2020	117,448	-	117,448
2021	123,572	-	123,572
2022	129,416	-	129,416
2023	135,537	-	135,537
Thereafter	4,010,282	-	4,010,282
Total	<u>\$ 21,200,000</u>	<u>\$ 246,516</u>	<u>\$ 21,446,516</u>

Costs associated with the issuance of these notes 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, 2018, amounted to \$39,928.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS, continued

Bonds Payable

At June 30, 2018, Delta's bonds payable summary is as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Due in One Year
Delta - bonds payable	\$ 38,495,000	\$ -	\$ 620,000	\$ 37,875,000	\$ 655,000
Delta - bonds discount	(118,354)	-	(7,918)	(110,436)	-
Delta - premium	697,664	-	24,697	672,967	-
Total	<u>\$ 39,074,310</u>	<u>\$ -</u>	<u>\$ 636,779</u>	<u>\$ 38,437,531</u>	<u>\$ 655,000</u>

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, 2018
Series 2011 A-1 & Series 2011 A-2	Tax exempt bond issued at an underwriter's discount utilized to acquire school facilities for use by Green Dot. 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	<u>\$ 7,630,000</u>
Series 2011 B	Taxable bond issued at an underwriter's discount utilized to acquire school facilities for use by Green Dot. 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.	45,000
					Subtotal Series 2011 B	<u>45,000</u>
					Less: unamortized discount	<u>(110,436)</u>
					Total Bonds Payable	<u>\$ 7,564,564</u>

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, 2018, the reserve requirement amounted to \$762,160 and is reported as restricted cash and investments on the statement of financial position.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS, continued

Bonds payable are reported on the balance sheet net of a \$110,436 bond discount. The discount is being amortized to interest expense over the life of the bonds. The amortized bond discount charged to interest expense for the year ended June 30, 2018, was \$7,918.

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

The debt refinanced 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 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, 2018
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.	\$ 3,490,000
					Subtotal Series 2015 B	3,490,000
					Plus: Premium	672,967
					Subtotal Series 2015	\$ 30,872,967
					Subtotal Series 2011	7,564,564
					Total Bonds Payable	\$ 38,437,531

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS, continued

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, 2018, amounted to \$61,292.

Bonds payable are reported on the balance sheet net of a \$672,967 bond premium. The premium is being amortized to interest expense over the life of the bonds. The amortized premium charged to interest expense for the year ended June 30, 2018, was \$24,697.

Future maturities of bonds payable are as follows:

For the year		
<u>Ending June 30,</u>		
2019	\$	655,000
2020		695,000
2021		730,000
2020		770,000
2021		815,000
Thereafter		<u>34,210,000</u>
Total future maturities		37,875,000
Plus: unamortized premium		672,967
Less: unamortized discount		(110,436)
Total	\$	<u><u>38,437,531</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, 2018, 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.

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, 2018, GDPS CA has not settled with

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS, continued

EAAP but has accrued the potential liability in accordance with the settlement calculation used on Case No. 11-7. At June 30, 2018, the estimated accrued balance was \$174,799.

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 amounts due under the loan may be forgiven and treated as a charitable grant. At June 30, 2018, 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, 2018, the balance was \$820,000.

Future payments are as follows:

Repayment year	Hillcrest HS	Kirby MS	Total
2019	\$ 70,000	\$ 66,667	\$ 136,667
2020	70,000	66,667	136,667
2021	70,000	66,667	136,667
2022	70,000	66,667	136,667
2023	70,000	66,666	136,666
2024	70,000	66,666	136,666
Total	\$ 420,000	\$ 400,000	\$ 820,000

On April 4, 2018, GDPS TN entered into a constructional loan agreement with Nonprofit Finance Fund. Nonprofit Finance Fund agreed to lend the principal sum of \$3,000,000 with an interest rate of 5.75 percent per annum on the principal sum outstanding. GDPS TN will be drawing down on the principal amount until April 1, 2020 and paying the interest. As of June 30, 2018, GDPS TN has drawn down \$1,658,784 and has paid \$20,303 in interest. The first repayment of \$27,478 will commence on May 1, 2020, and the loan will be paid in full by April 1, 2025.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM OBLIGATIONS, continued

GDPS WA

On March 29, 2018, GDPS WA assumed a loan from Excel in the amount of \$404,354. The loan was initially contracted between Excel and Raza Development Fund, Inc., a District of Columbia nonprofit corporation on May 20, 2015 before GDPS WA's operation of Excel began in 2017-18 year. Monthly payments total \$17,500, including principal and interest, and the loan will be paid off by May 2020. At August 31, 2018, the outstanding amount was \$340,186.

Future payments are as follows:

<u>Repayment year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2019	\$ 192,277	\$ 17,722	\$ 209,999
2020	147,909	4,223	152,132
Total	<u>\$ 340,186</u>	<u>\$ 21,945</u>	<u>\$ 362,131</u>

NOTE 11 - FAIR VALUE FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of Consolidated GDPS financial instruments as of June 30, 2018 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 47,795,480	\$ 47,795,480
Restricted cash and cash equivalents	\$ 37,848,541	\$ 37,848,541
Proposition construction loans	\$ 29,075,617	\$ 24,345,321
Notes payable	\$ 24,850,487	\$ 22,760,457
Bonds payable	\$ 37,875,000	\$ 39,449,122
Settlement agreements	\$ 242,433	\$ 242,433

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - FAIR VALUE FINANCIAL INSTRUMENTS, Continued

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
(A California Nonprofit Public Benefit Corporation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - 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:

Fiscal Year	Payment
2019	\$ 1,023,940
2020	1,054,658
2021	1,089,134
2022	1,133,488
2023	1,167,492
Thereafter	599,796
Total	<u>\$ 6,068,508</u>

NOTE 12 - OPERATING LEASES, continued

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:

Fiscal Year	Payment
2019	\$ 677,108
2020	677,488
2021	677,097
2022	681,057
2023	678,983
Thereafter	12,222,698
Total	<u>\$ 15,614,431</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - OPERATING LEASES, continued

Ánimo Ellen Ochoa CMS

On April 1, 2018, 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, with a monthly rate of \$17,338.

GDPS CA entered into a lease agreement on behalf of Ánimo Ellen Ochoa CMS on July 1, 2017, with 1st & Roman Apartments, L.P., to lease the land on 3561 E. 1st Street, Los Angeles, California. The term of the lease commenced July 1, 2017, and ends on June 30, 2018, with a monthly rate of \$17,633.

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>
2019	\$ 574,773
2020	565,494
2021	528,597
2022	683,398
2023	757,698
Thereafter	16,652,601
Total	<u>\$ 19,762,561</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - 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	\$ 703,920
2019	721,518
2020	739,556
2021	758,045
2022	776,996
Thereafter	4,186,250
Total	<u>\$ 7,886,285</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	\$ 1,560,233
2019	1,700,000
2020	1,700,000
2021	425,000
Total	<u>\$ 5,385,233</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - 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>
2019	\$ 495,923
2020	486,644
2021	449,747
2022	604,548
2023	638,848
Thereafter	14,056,701
Total	<u>\$ 16,732,411</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>
2019	\$ 674,000
2020	674,000
2021	674,000
2022	674,000
2023	674,000
Thereafter	674,000
Total	<u>\$ 4,044,000</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - 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>
2019	\$ 495,923
2020	486,644
2021	449,747
2022	604,548
2023	638,848
Thereafter	14,056,701
Total	<u>\$ 16,732,411</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>
2019	\$ 282,928
2020	291,416
2021	300,158
2022	309,163
2023	291,174
Total	<u>\$ 1,474,839</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - 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.

GDPS WA

Green Dot Public Schools Washington (Home Office)

GDPS WA entered into an agreement on August 9, 2017 with the City of SeaTac to lease the premises at 4800 South 188th Street, Suite 250, SeaTac, Washington. The term of the lease commences on September 1, 2017, and ends on August 31, 2020.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - OPERATING LEASES, continued

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2019	\$ 43,404
2020	44,700
Total	<u>\$ 88,104</u>

Destiny

GDPS WA entered into a lease agreement on behalf of Destiny on January 15, 2015 with PCSD Tacoma Facilities II LLC to lease the premises at 1301 East 34th Street, Tacoma, Washington. The term of the lease commences on August 1, 2015, and ends on June 30, 2045.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2019	\$ 551,947
2020	607,623
2021	619,775
2022	632,171
2023	644,814
Thereafter	17,785,919
Total	<u>\$ 20,842,249</u>

Rainier

GDPS WA entered into a lease agreement in March 2017 with WCSD MLK & Othello LLC to lease the premises at 3900 South Holly Park Drive, Seattle, Washington. The term of the lease commences on August 15, 2017 and ends on October 31, 2018.

GDPS WA entered into a lease agreement on February 21, 2017 with WCSD 6020 Rainier Ave S LLC to lease the premises at 6020 Rainier Avenue South, Seattle, Washington. The term of the lease commences on July 1, 2017, and ends on June 30, 2048.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - OPERATING LEASES, continued

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2019	\$ 484,520
2020	510,000
2021	520,200
2022	530,604
2023	541,216
Thereafter	17,682,020
Total	<u>\$ 20,268,560</u>

Excel

GDPS WA entered into a lease agreement on March 12, 2015 with New Beginnings Christian Fellowship to lease the premises at 19300 108th Avenue, Kent, Washington. The term of the lease commences on July 1, 2015, end on July 31, 2020.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2019	\$ 107,689
2020	110,381
Total	<u>\$ 218,070</u>

NOTE 13 - 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, 2018

NOTE 14 - 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, 2018, was \$191,547.

NOTE 15 - SUBSEQUENT EVENTS

GDPS National's management has evaluated events or transactions that may occur for potential recognition or disclosure in the consolidated financial statements from the balance sheet date through January 11, 2019, 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 National

On September 13, 2018, the President and Chief Executive Officer of Green Dot Public Schools National, Marco Petruzzi, shared his intention to resign from his position. He has dedicated twelve years for the Organization; in his first couple of years, he helped build a foundation for Green Dot's school network – taking its vision, and building the practices, systems and organizational habits necessary to scale its work and impact. With his leadership, Green Dot kept budget cuts from affecting programs and students negatively during a crisis; expanded nationally by forging a pathway for providing a high quality public education that works for all students; and built a new model to empower parents and communities by establishing United Parents and Students. Green Dot is in process to find a new leader. His resignation date is October 31, 2018.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 - SUBSEQUENT EVENTS, continued

GDPS CA

In August 2018, GDPS CA will open Animo Compton Charter School serving grade six and seven and will expand to a full sixth through twelfth grade over the following five years. Animo Compton Charter School was approved by Compton Unified School District for a six-year term from July 1, 2018 to June 30, 2023.

On October 11, 2018, GDPS CA and DELTA closed on the 2018 Series A (tax-exempt) and Series B bond (taxable) offering for \$56,155,000. Proceeds from the bond will be used to refinance, purchase and improve various school properties for the benefit of GDPS CA schools. The bonds have maturity dates ranging from 2020 to 2048. If all bonds are held to maturity the combined yield would be 4.45%.

The following projects are financed with the 2018 bonds:

Acquisition of the existing James B. Taylor facility	\$6,900,000
Tenant improvements to the additional James B. Taylor facility	\$2,000,000
Acquisition of the Animo Mae Jemison facility	\$8,531,607
Construction of the new gym at the Animo Leadership facility	\$4,616,000
Construction of the new Animo Pat Brown facility	\$16,943,566
New Market Tax Credit Loan refinancing for the Animo Jefferson and Animo Ralph Bunch facility	\$16,644,765

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, 2017)

JUNE 30, 2018

	2018	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,895,833	\$ 2,619,846
Accounts receivable	298,753	5,441
Accounts receivable - related party	1,521,046	237,467
Intra-company receivable	1,645,628	-
Prepaid expenses and other current assets	791,926	458,457
Total Current Assets	6,153,186	3,321,211
Non-Current Assets:		
Security deposits	36,034	36,034
Note receivable - related party	-	100,000
Fixed assets	2,521,106	2,356,698
Less: accumulated depreciation	742,762	374,131
Total Non-Current Assets	1,814,378	2,118,601
Total Assets	\$ 7,967,564	\$ 5,439,812
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 1,399,675	\$ 1,294,878
Intra-company payable	1,645,628	-
Total Current Liabilities	3,045,303	1,294,878
NET ASSETS		
Unrestricted	4,922,261	4,144,934
Total Net Assets	4,922,261	4,144,934
Total Liabilities and Net Assets	\$ 7,967,564	\$ 5,439,812

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, 2017)

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
Contributions and grants	\$ 386,165	\$ 468,127
Local revenue	14,179,477	15,312,048
Total Revenues	<u>14,565,642</u>	<u>15,780,175</u>
EXPENSES		
Program Services:		
Salaries and benefits	8,554,919	7,596,414
Student services	735,116	670,872
Materials and supplies	46,706	68,638
Other expenses	2,170,102	3,239,292
Depreciation and amortization	368,631	270,769
Occupancy	557,915	497,055
Subtotal	<u>12,433,389</u>	<u>12,343,040</u>
Fund development	<u>743,865</u>	<u>801,029</u>
Management and General:		
Salaries and benefits	-	714,803
Shared services – related party	611,061	-
Operating expenses	-	421,142
Subtotal	<u>611,061</u>	<u>1,135,945</u>
Total Expenses	<u>13,788,315</u>	<u>14,280,014</u>
CHANGE IN UNRESTRICTED NET ASSETS	777,327	1,500,161
NET ASSETS, BEGINNING OF YEAR	<u>4,144,934</u>	<u>2,644,773</u>
NET ASSETS, END OF YEAR	<u>\$ 4,922,261</u>	<u>\$ 4,144,934</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, 2017)

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 777,327	\$ 1,500,161
Adjustments to reconcile change in unrestricted net assets to net cash used by operating activities:		
Depreciation expense	368,631	270,769
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(293,312)	25,033
Accounts receivable - related party	(1,283,579)	99,404
Prepaid expenses and other current assets	(333,469)	(154,714)
Note receivable - related party	100,000	(100,000)
Increase (decrease) in liabilities:		
Accounts payable and accruals	104,797	(275,960)
Accounts payable - related party	-	(2,296,298)
Deferred revenue	-	(135,706)
Net Cash Used by Operating Activities	(559,605)	(1,067,311)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(164,408)	(840,516)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(724,013)	(1,907,827)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,619,846	4,527,673
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,895,833	\$ 2,619,846
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, 2017)

JUNE 30, 2018

	2018	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 38,949,755	\$ 33,551,336
Restricted cash and investments	4,234,896	6,209,366
Accounts receivable	13,380,887	13,065,576
Prepaid expenses and other current assets	277,463	225,395
Total Current Assets	56,843,001	53,051,673
Non-Current Assets:		
Restricted cash and investments	33,613,645	36,684,504
Debt issue costs, net	2,767,111	2,626,520
Security deposits	569,292	583,183
Fixed assets	129,097,615	123,141,984
Less: accumulated depreciation	33,201,889	28,515,934
Total Non-Current Assets	132,845,774	134,520,257
Total Assets	\$ 189,688,775	\$ 187,571,930
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 12,020,560	\$ 12,228,770
Accounts payable - related party	1,362,500	128,473
Interest payable	1,068,828	1,081,343
Deferred revenue	4,873,796	4,784,145
Current portion of long-term obligations	18,727,975	8,474,269
Total Current Liabilities	38,053,659	26,697,000
Other Liabilities:		
Deferred revenue - proposition funding	29,610,492	31,917,860
Total Other Liabilities	29,610,492	31,917,860
Long-Term Obligations:		
Non-current portion of long-term obligations	70,474,122	83,761,182
Total Liabilities	138,138,273	142,376,042
NET ASSETS		
Unrestricted	51,445,391	44,746,447
Temporarily restricted	105,111	449,441
Total Net Assets	51,550,502	45,195,888
Total Liabilities and Net Assets	\$ 189,688,775	\$ 187,571,930

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, 2017)

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 119,054,291	\$ 113,129,233
Federal revenue	14,910,262	12,527,125
Other State revenue	17,421,781	17,251,096
Proposition construction revenues	-	50,493
Contributions and grants	2,109,374	2,350,651
Donated services and property	79,385	79,385
Local revenue	3,274,213	4,576,680
Net assets released from restrictions	350,575	207,930
Total Revenues	157,199,881	150,172,593
EXPENSES		
Program Services:		
Salaries and benefits	82,369,358	78,626,432
Student services	18,389,287	18,639,101
Materials and supplies	4,023,726	3,871,679
Student nutrition	3,907,279	3,859,538
Other expenses	6,036,811	6,085,222
Depreciation and amortization	4,390,379	4,232,769
Occupancy	9,877,103	9,469,538
Proposition construction expense	-	50,493
Interest	3,919,067	4,096,423
Subtotal	132,913,010	128,931,195
Management and General:		
Salaries and benefits	1,324,065	3,219,769
Depreciation	156,966	112,654
Shared services – related party	13,105,417	11,821,109
Occupancy	607,274	435,923
Operating expenses	2,394,205	3,627,161
Subtotal	17,587,927	19,216,616
Total Expenses	150,500,937	148,147,811
CHANGE IN UNRESTRICTED NET ASSETS	6,698,944	2,024,782
TEMPORARILY RESTRICTED NET ASSETS		
Contributions and grants, net	6,245	408,858
Net assets released from restrictions	(350,575)	(207,930)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	(344,330)	200,928
CHANGE IN NET ASSETS	6,354,614	2,225,710
NET ASSETS, BEGINNING OF YEAR	45,195,888	42,970,178
NET ASSETS, END OF YEAR	\$ 51,550,502	\$ 45,195,888

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, 2017)

FOR THE YEAR ENDED JUNE 30, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,354,614	\$ 2,225,710
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	4,446,124	4,240,007
Amortization expense (including bond discount)	109,139	105,416
Cash restricted for interest/ Debt Obligation Stipulations	2,672,659	(465,577)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(315,311)	3,730,659
Accounts receivable - related party	-	2,598,633
Prepaid expenses and other current assets	(52,068)	271,627
Security deposits	13,891	(10,000)
Note receivable	-	6,786,929
Increase (decrease) in liabilities:		
Accounts payable and accruals	(208,210)	960,721
Accounts payable - related party	1,234,027	128,473
Interest payable	(12,515)	(5,450)
Deferred revenue	(2,217,717)	(492,319)
Net Cash Provided by Operating Activities	<u>12,024,633</u>	<u>20,074,829</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted cash (received) used for construction	2,372,670	66,979
Capital expenditures, net	(5,957,612)	(8,900,036)
Net Cash Used by Investing Activities	<u>(3,584,942)</u>	<u>(8,833,057)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts incurred for debt issuance	-	232,332
Loan proceeds, net	-	50,492
Loan principal payments	(3,041,272)	(11,350,888)
Net Cash Used by Financing Activities	<u>(3,041,272)</u>	<u>(11,068,064)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,398,419	173,708
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>33,551,336</u>	<u>33,377,628</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 38,949,755</u>	<u>\$ 33,551,336</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, 2017)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,793,438	\$ 4,390,371
Accounts receivable	1,887,293	1,498,293
Prepaid expenses and other current assets	-	989
Total Current Assets	<u>3,680,731</u>	<u>5,889,653</u>
Non-Current Assets:		
Debt issue costs, net	66,856	-
Security deposits	14,000	14,000
Fixed assets	3,600,248	2,205,382
Less: accumulated depreciation	581,983	408,836
Total Non-Current Assets	<u>3,099,121</u>	<u>1,810,546</u>
Total Assets	<u>\$ 6,779,852</u>	<u>\$ 7,700,199</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 2,377,108	\$ 2,716,106
Accounts payable - related party	103,281	116,632
Deferred revenue	-	1,378,931
Current portion of long-term obligations	136,667	-
Total Current Liabilities	<u>2,617,056</u>	<u>4,211,669</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	2,927,118	1,405,000
Total Liabilities	<u>5,544,174</u>	<u>5,616,669</u>
NET ASSETS		
Unrestricted	<u>1,235,678</u>	<u>2,083,530</u>
Total Net Assets	<u>1,235,678</u>	<u>2,083,530</u>
Total Liabilities and Net Assets	<u>\$ 6,779,852</u>	<u>\$ 7,700,199</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, 2017)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 18,051,542	\$ 16,988,514
Federal revenue	2,724,092	3,258,371
Other State revenue	420,982	-
Contributions and grants	2,740,718	5,203,053
Local revenue	604,296	277,451
Total Revenues	24,541,630	25,727,389
EXPENSES		
Program Services:		
Salaries and benefits	14,876,035	14,755,223
Student services	2,883,893	2,968,060
Materials and supplies	548,337	1,042,512
Student nutrition	-	5,583
Other expenses	989,042	990,242
Depreciation and amortization	173,147	263,989
Occupancy	2,437,630	2,177,567
Interest	98,725	9,396
Subtotal	22,006,809	22,212,572
Management and General:		
Salaries and benefits	1,131,517	1,108,464
Occupancy	2,390	3,366
Operating expenses	708,713	681,840
Shared services – related party	1,540,053	1,721,146
Subtotal	3,382,673	3,514,816
Total Expenses	25,389,482	25,727,388
CHANGE IN UNRESTRICTED NET ASSETS	(847,852)	1
NET ASSETS, BEGINNING OF YEAR	2,083,530	2,083,529
NET ASSETS, END OF YEAR	\$ 1,235,678	\$ 2,083,530

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, 2017)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

	2018	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,677,458	\$ 5,307,414
Accounts receivable	293,143	847,348
Accounts receivable - related party	-	9,107
Prepaid expenses and other current assets	381,610	59,037
Total Current Assets	5,352,211	6,222,906
Non-Current Assets:		
Security deposits	85,025	38,050
Fixed assets	662,434	-
Less: accumulated depreciation	59,904	-
Total Non-Current Assets	687,555	38,050
Total Assets	\$ 6,039,766	\$ 6,260,956
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 841,349	\$ 324,011
Accounts payable - related party	49,240	-
Deferred revenue	4,780,241	5,908,199
Current portion of long-term obligations	192,277	-
Total Current Liabilities	5,863,107	6,232,210
Long-Term Obligation		
Non-current portion of long-term obligations	147,909	-
Total Liabilities	6,011,016	6,232,210
NET ASSETS		
Unrestricted	28,750	28,746
Total Net Assets	28,750	28,746
Total Liabilities and Net Assets	\$ 6,039,766	\$ 6,260,956

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, 2017)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 4,422,095	\$ 1,430,511
Federal revenue	1,340,135	630,790
Other State revenue	627,779	309,171
Contributions and grants	7,736,108	3,235,552
Local revenue	893,198	545,171
Total Revenues	15,019,315	6,151,195
EXPENSES		
Program Services:		
Salaries and benefits	7,265,354	2,546,334
Student services	2,425,361	1,029,204
Materials and supplies	315,965	173,346
Other expenses	1,926,323	524,825
Depreciation	59,904	-
Occupancy	903,128	522,303
Interest	8,749	-
Subtotal	12,904,784	4,796,012
Management and General:		
Salaries and benefits	1,186,833	725,116
Shared services – related party	435,870	210,011
Occupancy	42,144	60
Operating expenses	449,680	419,995
Subtotal	2,114,527	1,355,182
Total Expenses	15,019,311	6,151,194
CHANGE IN UNRESTRICTED NET ASSETS	4	1
NET ASSETS, BEGINNING OF YEAR	28,746	28,745
NET ASSETS, END OF YEAR	\$ 28,750	\$ 28,746

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, 2017)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 4	\$ 1
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activities:		
Depreciation expense	59,904	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	554,205	(506,806)
Accounts receivable - related party	9,107	(9,107)
Prepaid expenses and other current assets	(322,573)	(59,037)
Cash received (paid) for security deposits, net	(46,975)	1,000
Increase (decrease) in liabilities:		
Accounts payable and accruals	517,338	84,231
Accounts payable - related party	49,240	(302,335)
Deferred revenue	(1,127,958)	3,137,689
Net Cash Provided (Used) by Operating Activities	(307,708)	2,345,636
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(662,434)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds, net	340,186	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(629,956)	2,345,636
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,307,414	2,961,778
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,677,458	\$ 5,307,414
Supplemental cash flow disclosure:		
Cash paid during the period for interest	\$ 8,749	\$ -

See accompanying note to supplementary information.

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

UNITED PARENTS AND STUDENTS
(With comparative financial information at June 30, 2017)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

	2018	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 478,996	\$ 149,706
Accounts receivable	200,900	-
Total Current Assets	679,896	149,706
Non-Current Assets:		
Fixed assets	59,424	59,424
Less: accumulated depreciation	13,891	4,630
Total Non-Current Assets	45,533	54,794
Total Assets	\$ 725,429	\$ 204,500
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 114,944	\$ 148,994
Accounts payable - related party	12,470	1,469
Deferred revenue	111,839	-
Total Current Liabilities	239,253	150,463
NET ASSETS		
Unrestricted	286,176	54,037
Temporarily restricted	200,000	-
Total Net Assets	486,176	54,037
Total Liabilities and Net Assets	\$ 725,429	\$ 204,500

See accompanying note to supplementary information.

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

UNITED PARENTS AND STUDENTS

(With comparative financial information for the year ended June 30, 2017)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
Contributions and grants	\$ 196,883	58,563
Local revenue	1,270,638	700,000
Total Revenues	<u>1,467,521</u>	<u>758,563</u>
EXPENSES		
Program Services:		
Salaries and benefits	1,015,741	618,881
Student services	97,894	42,571
Materials and supplies	8,516	2,871
Other expenses	43,907	4,050
Depreciation	9,261	4,630
Occupancy	10,063	6,523
Subtotal	<u>1,185,382</u>	<u>679,526</u>
Management and General:		
Shared services – related party	50,000	25,000
Total Unrestricted Expenses	<u>1,235,382</u>	<u>704,526</u>
CHANGE IN UNRESTRICTED NET ASSETS	232,139	54,037
TEMPORARILY RESTRICTED NET ASSETS		
Contributions and grants, net	<u>200,000</u>	<u>-</u>
CHANGE IN NET ASSETS	432,139	54,037
NET ASSETS, BEGINNING OF YEAR	54,037	-
NET ASSETS, END OF YEAR	<u>\$ 486,176</u>	<u>\$ 54,037</u>

See accompanying note to supplementary information.

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

UNITED PARENTS AND STUDENTS

(With comparative financial information for the year ended June 30, 2017)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 432,139	\$ 54,037
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	9,261	4,630
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(200,900)	-
Increase (decrease) in liabilities:		
Accounts payable and accruals	(34,050)	148,994
Accounts payable - related party	11,001	1,469
Deferred revenue	111,839	-
Net Cash Provided by Operating Activities	<u>329,290</u>	<u>209,130</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	-	(59,424)
NET CHANGE IN CASH AND CASH EQUIVALENTS	329,290	149,706
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	149,706	-
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 478,996</u>	<u>\$ 149,706</u>
Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to supplementary information.

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

	GDPS National	GDPS CA	GDPS TN	GDPS WA
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,895,833	\$ 38,949,755	\$ 1,793,438	\$ 4,677,458
Restricted cash and investments	-	4,234,896	-	-
Accounts receivable	298,753	13,380,887	1,887,293	293,143
Accounts receivable - related party	1,521,046	-	-	-
Intra-company receivable	1,645,628	-	-	-
Prepaid expenses and other current assets	791,926	277,463	-	381,610
Total Current Assets	<u>6,153,186</u>	<u>56,843,001</u>	<u>3,680,731</u>	<u>5,352,211</u>
Non-Current Assets:				
Restricted cash and cash equivalents	-	33,613,645	-	-
Debt issue cost, net	-	2,767,111	66,856	-
Security deposits	36,034	569,292	14,000	85,025
Fixed assets	2,521,106	129,097,615	3,600,248	662,434
Less: accumulated depreciation	742,762	33,201,889	581,983	59,904
Total Non-Current Assets	<u>1,814,378</u>	<u>132,845,774</u>	<u>3,099,121</u>	<u>687,555</u>
Total Assets	<u>\$ 7,967,564</u>	<u>\$ 189,688,775</u>	<u>\$ 6,779,852</u>	<u>\$ 6,039,766</u>
LIABILITIES				
Current Liabilities:				
Accounts payable and accruals	\$ 1,399,675	\$ 12,020,560	\$ 2,377,108	\$ 841,349
Accounts payable - related party	-	1,362,500	103,281	49,240
Interest payable	-	1,068,828	-	-
Intra-company payable	1,645,628	-	-	-
Deferred revenue	-	4,873,796	-	4,780,241
Current portion of long-term obligations	-	18,727,975	136,667	192,277
Total Current Liabilities	<u>3,045,303</u>	<u>38,053,659</u>	<u>2,617,056</u>	<u>5,863,107</u>
Other Liabilities:				
Deferred revenue - proposition funding	-	29,610,492	-	-
Total Other Liabilities	<u>-</u>	<u>29,610,492</u>	<u>-</u>	<u>-</u>
Long-Term Obligations:				
Non-current portion of long-term obligations	-	70,474,122	2,927,118	147,909
Total Liabilities	<u>3,045,303</u>	<u>138,138,273</u>	<u>5,544,174</u>	<u>6,011,016</u>
NET ASSETS				
Unrestricted	4,922,261	51,445,391	1,235,678	28,750
Temporarily restricted	-	105,111	-	-
Total Net Assets	<u>4,922,261</u>	<u>51,550,502</u>	<u>1,235,678</u>	<u>28,750</u>
Total Liabilities and Net Assets	<u>\$ 7,967,564</u>	<u>\$ 189,688,775</u>	<u>\$ 6,779,852</u>	<u>\$ 6,039,766</u>

See accompanying note to supplementary information.

UP&S	Eliminations	Total
\$ 478,996	\$ -	\$ 47,795,480
-	-	4,234,896
200,900	-	16,060,976
-	(1,521,046)	-
-	(1,645,628)	-
-	-	1,450,999
<u>679,896</u>	<u>(3,166,674)</u>	<u>69,542,351</u>
-	-	33,613,645
-	-	2,833,967
-	-	704,351
59,424	-	135,940,827
13,891	-	34,600,429
<u>45,533</u>	<u>-</u>	<u>138,492,361</u>
<u>\$ 725,429</u>	<u>\$ (3,166,674)</u>	<u>\$ 208,034,712</u>
\$ 114,944	\$ -	\$ 16,753,636
12,470	(1,521,046)	6,445
-	-	1,068,828
-	(1,645,628)	-
111,839	-	9,765,876
-	-	19,056,919
<u>239,253</u>	<u>(3,166,674)</u>	<u>46,651,704</u>
-	-	29,610,492
-	-	29,610,492
-	-	73,549,149
<u>239,253</u>	<u>(3,166,674)</u>	<u>149,811,345</u>
286,176	-	57,918,256
200,000	-	305,111
486,176	-	58,223,367
<u>\$ 725,429</u>	<u>\$ (3,166,674)</u>	<u>\$ 208,034,712</u>

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

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	GDPS National	GDPS CA	GDPS TN
CHANGES IN UNRESTRICTED NET ASSETS			
REVENUES			
State apportionments	\$ -	\$ 119,054,291	\$ 18,051,542
Federal revenue	-	14,910,262	2,724,092
Other State revenue	-	17,421,781	420,982
Contributions and grants	386,165	2,109,374	2,740,718
Donated services and property	-	79,385	-
Local revenue	14,179,477	3,274,213	604,296
Net assets released from restrictions	-	350,575	-
Total Revenues	<u>14,565,642</u>	<u>157,199,881</u>	<u>24,541,630</u>
EXPENSES			
Program Services:			
Salaries and benefits	8,554,919	82,369,358	14,876,035
Student services	735,116	18,389,287	2,883,893
Materials and supplies	46,706	4,023,726	548,337
Student nutrition	-	3,907,279	-
Other expenses	2,170,102	6,036,811	989,042
Depreciation and amortization	368,631	4,390,379	173,147
Occupancy	557,915	9,877,103	2,437,630
Interest	-	3,919,067	98,725
Subtotal	<u>12,433,389</u>	<u>132,913,010</u>	<u>22,006,809</u>
Fund Development	<u>743,865</u>	<u>-</u>	<u>-</u>
Management and General:			
Salaries and benefits	-	1,324,065	1,131,517
Depreciation	-	156,966	-
Shared services – related party	611,061	13,105,417	1,540,053
Occupancy	-	607,274	2,390
Operating expenses	-	2,394,205	708,713
Subtotal	<u>611,061</u>	<u>17,587,927</u>	<u>3,382,673</u>
Total Expenses	<u>13,788,315</u>	<u>150,500,937</u>	<u>25,389,482</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>777,327</u>	<u>6,698,944</u>	<u>(847,852)</u>
TEMPORARILY RESTRICTED NET ASSETS			
Contributions and grants, net	-	6,245	-
Net assets released from restrictions	-	(350,575)	-
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>-</u>	<u>(344,330)</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>777,327</u>	<u>6,354,614</u>	<u>(847,852)</u>
NET ASSETS, BEGINNING OF YEAR	<u>4,144,934</u>	<u>45,195,888</u>	<u>2,083,530</u>
NET ASSETS, END OF YEAR	<u>\$ 4,922,261</u>	<u>\$ 51,550,502</u>	<u>\$ 1,235,678</u>

See accompanying note to supplementary information.

GDPS WA	UP&S	Eliminations	Total
\$ 4,422,095	\$ -	\$ -	\$ 141,527,928
1,340,135	-	-	18,974,489
627,779	-	-	18,470,542
7,736,108	196,883	-	13,169,248
-	-	-	79,385
893,198	1,270,638	(15,742,401)	4,479,421
-	-	-	350,575
<u>15,019,315</u>	<u>1,467,521</u>	<u>(15,742,401)</u>	<u>197,051,588</u>
7,265,354	1,015,741	-	114,081,407
2,425,361	97,894	-	24,531,551
315,965	8,516	-	4,943,250
-	-	-	3,907,279
1,926,323	43,907	-	11,166,185
59,904	9,261	-	5,001,322
903,128	10,063	-	13,785,839
8,749	-	-	4,026,541
<u>12,904,784</u>	<u>1,185,382</u>	<u>-</u>	<u>181,443,374</u>
-	-	-	743,865
1,186,833	-	-	3,642,415
-	-	-	156,966
435,870	50,000	(15,742,401)	-
42,144	-	-	651,808
449,680	-	-	3,552,598
<u>2,114,527</u>	<u>50,000</u>	<u>(15,742,401)</u>	<u>8,003,787</u>
<u>15,019,311</u>	<u>1,235,382</u>	<u>(15,742,401)</u>	<u>190,191,026</u>
<u>4</u>	<u>232,139</u>	<u>-</u>	<u>6,860,562</u>
-	200,000	-	206,245
-	-	-	(350,575)
-	200,000	-	(144,330)
4	432,139	-	6,716,232
28,746	54,037	-	51,507,135
<u>\$ 28,750</u>	<u>\$ 486,176</u>	<u>\$ -</u>	<u>\$ 58,223,367</u>

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

CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	GDPS National	GDPS CA	GDPS TN
CASH FLOWS FROM OPERATING ACTIVITIES			
Changes in net assets	\$ 777,327	\$ 6,354,614	\$ (847,852)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
Depreciation expense	368,631	4,446,124	173,147
Amortization expense (including bond discount)	-	109,139	-
Cash restricted for interest/ Debt Obligation Stipulations	-	2,672,659	-
Changes in operating assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(293,312)	(315,311)	(389,000)
Accounts receivable - related party	(1,283,579)	-	-
Intra-company receivable	(1,645,628)	-	-
Prepaid expenses and other current assets	(333,469)	(52,068)	989
Security deposits	-	13,891	-
Note receivable - related party	100,000	-	-
Increase (decrease) in liabilities:			
Accounts payable and accruals	104,797	(208,210)	(338,998)
Accounts payable - related party	-	1,234,027	(13,351)
Interest payable	-	(12,515)	-
Intra-company payable	1,645,628	-	-
Deferred revenue	-	(2,217,717)	(1,378,931)
Net Cash Provided (Used) by Operating Activities	<u>(559,605)</u>	<u>12,024,633</u>	<u>(2,793,996)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Restricted cash (received) used for construction	-	2,372,670	-
Capital expenditures	(164,408)	(5,957,612)	(1,394,866)
Net Cash Used by Investing Activities	<u>(164,408)</u>	<u>(3,584,942)</u>	<u>(1,394,866)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan proceeds, net	-	-	1,658,785
Loan principal payments	-	(3,041,272)	(66,856)
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>(3,041,272)</u>	<u>1,591,929</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(724,013)	5,398,419	(2,596,933)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,619,846	33,551,336	4,390,371
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,895,833</u>	<u>\$ 38,949,755</u>	<u>\$ 1,793,438</u>
Supplemental cash flow disclosure:			
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ 4,093,957</u>	<u>\$ 98,725</u>

See accompanying note to supplementary information.

GDPS WA	UP&S	Elimination	Total
\$ 4	\$ 432,139	\$ -	\$ 6,716,232
59,904	9,261	-	5,057,067
-	-	-	109,139
-	-	-	2,672,659
554,205	(200,900)	-	(644,318)
9,107	-	1,274,472	-
-	-	1,645,628	-
(322,573)	-	-	(707,121)
(46,975)	-	-	(33,084)
-	-	-	100,000
517,338	(34,050)	-	40,877
49,240	11,001	(1,274,472)	6,445
-	-	-	(12,515)
-	-	(1,645,628)	-
(1,127,958)	111,839	-	(4,612,767)
(307,708)	329,290	-	8,692,614
-	-	-	2,372,670
(662,434)	-	-	(8,179,320)
(662,434)	-	-	(5,806,650)
340,186	-	-	1,998,971
-	-	-	(3,108,128)
340,186	-	-	(1,109,157)
(629,956)	329,290	-	1,776,807
5,307,414	149,706	-	46,018,673
\$ 4,677,458	\$ 478,996	\$ -	\$ 47,795,480
\$ 8,749	\$ -	\$ -	\$ 4,201,431

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

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES

Supplementary Financial Statements by Region

These financial statements include an account of each regional offices 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 consolidating financial statements are due to activities between GDPS National and its affiliates.