



WASHINGTON STATE

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

TABLE OF CONTENTS
August 31, 2018

<i>INDEPENDENT AUDITOR'S REPORT</i>	2
<i>FINANCIAL STATEMENTS</i>	
Combined Statement of Financial Position	5
Combined Statement of Activities	6
Combined Statement of Cash Flows	7
Notes to the Combined Financial Statements	8
<i>SUPPLEMENTARY INFORMATION</i>	
Schedule of Expenditures of Federal Awards	21
Regional Office Statement of Financial Position	22
Regional Office Statement of Activities	23
Regional Office Statement of Cash Flows	24
Destiny Middle School Statement of Financial Position	25
Destiny Middle School Statement of Activities	26
Destiny Middle School Statement of Cash Flows	27
Rainier Valley Leadership Academy Statement of Financial Position	28
Rainier Valley Leadership Academy Statement of Activities	29
Rainier Valley Leadership Academy Statement of Cash Flows	30
Excel Public Charter School Statement of Financial Position	31
Excel Public Charter School Statement of Activities	32
Excel Public Charter School Statement of Cash Flows	33
Combining Statement of Financial Position	34
Combining Statement of Activities	35
Combining Statement of Cash Flows	36
Note to Supplementary Information	37
<i>INDEPENDENT AUDITOR'S REPORTS</i>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government</i> <i>Auditing Standards</i>	39
<i>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</i>	
Summary of Auditor's Results	42
Financial Statement Findings	44
Summary Schedule of Prior Audit Findings	45



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

VALUE THE *difference*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Green Dot Public Schools Washington State
(A Washington State Nonprofit Public Benefit Corporation)
Tacoma, Washington

We have audited the accompanying combined financial statements of Green Dot Public Schools Washington State (GDPS WA) (A Washington Nonprofit Public Benefit Corporation), which are comprised of the combined statement of financial position as of August 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 and the Washington State Auditor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to GDPS WA's preparation and fair presentation of the combined 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 WA'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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of GDPS WA as of August 31, 2018, and the changes in its net assets and 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 WA's 2017 combined financial statement report dated December 18, 2017, in which we expressed an unmodified opinion. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined 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 combined financial statements.

The supplementary information is the responsibility of management, was derived from, and relates directly to the underlying accounting and other records used to prepare the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic combined financial statements, or to the combined 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 is fairly stated, in all material respects, in relation to the combined 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 February 20, 2019 on our consideration of GDPS WA'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 GDPS WA's internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GDPS WA'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 WA's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California
February 20, 2019

FINANCIAL STATEMENTS

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

COMBINED STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2017)

AUGUST 31, 2018

	<u>2018</u>	<u>2017</u>
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	<u>5,352,211</u>	<u>6,222,906</u>
Non-Current Assets:		
Security deposits	85,025	38,050
Capital assets	662,434	-
Less: accumulated depreciation	59,904	-
Total Non-Current Assets	<u>687,555</u>	<u>38,050</u>
Total Assets	<u>\$ 6,039,766</u>	<u>\$ 6,260,956</u>
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	<u>5,863,107</u>	<u>6,232,210</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	147,909	-
Total Liabilities	<u>6,011,016</u>	<u>6,232,210</u>
NET ASSETS		
Unrestricted	28,750	28,746
Total Net Assets	<u>28,750</u>	<u>28,746</u>
Total Liabilities and Net Assets	<u>\$ 6,039,766</u>	<u>\$ 6,260,956</u>

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

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

COMBINED STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED AUGUST 31, 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	909,631	545,171
Total Revenues	15,035,748	6,151,195
EXPENSES		
Program Services:		
Salaries and benefits	7,257,174	2,545,974
Student services	2,433,541	1,029,564
Materials and supplies	315,965	173,346
Other expenses	1,926,323	524,825
Depreciation and amortization	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
Occupancy	42,144	60
Operating expenses	449,680	419,995
Shared services - related party	452,303	210,011
Subtotal	2,130,960	1,355,182
Total Expenses	15,035,744	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

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

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

COMBINED STATEMENT OF CASH FLOWS
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED AUGUST 31, 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	404,354	-
Loan principal payments	(64,168)	-
Net Cash Provided by Financing Activities	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	\$ -

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

**GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 1 - ORGANIZATION AND MISSION

Green Dot Public Schools Washington State (GDPS WA) (A Washington Nonprofit Public Benefit Corporation) was organized on November 14, 2013. Financial activity began in July 2014. GDPS WA receives services from Green Dot Public Schools National (GDPS National). GDPS National represents a related party and transactions between GDPS WA and GDPS National have been identified on the face of the combined financial statements. See Note 2 for additional details regarding related party relationships and transactions.

During the fiscal year ended August 31, 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.

GDPS WA was founded upon the simple idea that every child in every community deserves to go to a great school. GDPS WA's mission is to transform public education so all students graduate prepared for college, leadership, and life. GDPS WA's academic model is designed to meet individual student needs and to provide students with a rigorous curriculum and the support they need to succeed. GDPS WA ensures that every student has a highly effective classroom experience by providing small, safe personalized schools, high expectations for all students, local control and accountability, parent participation, maximum funding in the classroom, and a longer school day and year. During the 2017-2018 fiscal year, GDPS WA served 759 students. GDPS WA's students mirror the socio-economic demographic of their communities and local traditional schools: 69% eligible for Free or Reduced Price Lunch, a federal indicator of poverty; 15% Latino; 42% African American; and 21.4% receiving Special Education due to disability.

Charter School Name	Charter Number	Authorizer	Grades Served	Number of Students Served	Charter Expiration
Destiny Middle School	5378	Washington State Charter School Commission	6-8	364	August 24, 2020
Rainier Valley Leadership Academy	5468	Washington State Charter School Commission	6-12	171	August 22, 2027
Excel Public Charter School	5377	Washington State Charter School Commission	7-9	224	August 20, 2021
				<u>759</u>	

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Financial Statement Presentation

GDPS WA 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 WA 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 WA.
- Temporarily restricted: These net assets are restricted by donors to be used for specific purposes. GDPS WA 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 WA. GDPS WA does not currently have any permanently restricted net assets.

Accounting Method - Basis of Accounting

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

Related Parties

Transactions between GDPS WA and GDPS National have been identified on the face of the combined financial statements.

GDPS National is a national organization providing services to schools in California, Tennessee, and Washington. These services include, but are not limited to, Human Resources, Legal, Finance and Accounting, Information Technology, Knowledge Management, Strategic Planning, and National Expansion. In exchange, GDPS WA pays service fees to GDPS National. Each of the regional offices operates the schools and oversees educational services in their region.

GDPS National grants 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 WA's oversight, support activities, and related educational activities of the schools in its region.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

	Accounts Payable Related Party - National	Shared Service Fee Expense - National
GDPS WA Regional Office	\$ 49,240	\$ 452,303
		Shared Service Fee Expense (Revenue) - Regional
GDPS WA Regional Office		\$ (806,232)
Destiny		\$ 311,563
Rainier		\$ 177,156
Excel		\$ 317,513

Revenue Recognition

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

All donor-restricted contributions are recorded as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, either by the passage of time or when the purpose is satisfied, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as "net assets released from restrictions". GDPS WA had no temporarily or permanently restricted net assets 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 WA would otherwise need to purchase.

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

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Income Taxes

The IRS has determined that GDPS WA is exempt from Federal income taxes under provisions of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and is not a private foundation. Accordingly, no provision for Federal income tax has been made in these combined financial statements. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

GDPS WA 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 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 WA 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.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited.

Combination

The combined financial statements include the accounts of GDPS WA regional office, Destiny, Rainier and Excel. All material intra-company transactions have been eliminated.

Prior Year Comparative Financial Information

The combined 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 WA's combined financial statements for the year ended June 30, 2017, from which the comparative information was derived.

Use of Estimates

The preparation of combined 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 combined 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 WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from the outstanding balance. Management provides an analysis of the probable collection of the accounts through a provision for bad debt expense and an adjustment to a valuation allowance. At August 31, 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 WA regional office to each charter school and reimbursement for those resources from each charter school to GDPS WA regional office.

Fixed Assets

It is GDPS WA'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. Depreciation expense for the year ended August 31, 2018, was \$59,904.

Deferred Revenue

Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the Charter School prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Charter School has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Certain grants received before the eligibility requirements are met are recorded as deferred revenue.

Unrestricted/Designated Net Assets

Designations of the ending net assets indicate tentative plans for financial resource utilization in a future period. GDPS WA had no temporarily restricted net assets at August 31, 2018.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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).

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash at August 31, 2018, consisted of the following:

	Reported Amount	Bank Balance
Deposits		
Cash on hand and in banks	\$ 4,677,458	\$ 4,847,584

The majority of GDPS WA's cash is held in non-interest bearing accounts, which are subject to federally insured limits. GDPS WA has not experienced any losses in such accounts. At August 31, 2018, GDPS WA had \$4,597,584 in excess of FDIC insured limits in non-interest bearing accounts.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at August 31, 2018, consisted of the following:

Federal receivable	\$	223,599
State receivable		62,109
Other receivable		7,435
Total Accounts Receivable	\$	<u>293,143</u>

NOTE 5 – FIXED ASSETS

Fixed assets at August 31, 2018, consisted of the following:

Leasehold improvements	\$	404,354
Work in progress		258,080
Subtotal		<u>662,434</u>
Less: accumulated depreciation		(59,904)
Total Fixed Assets	\$	<u>602,530</u>

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable at August 31, 2018, consisted of the following:

Salaries and benefits	\$	415,652
Other accounts payable		89,791
Accruals		335,906
Related party		49,240
Total Accounts Payable and Accruals	\$	<u>890,589</u>

NOTE 7 - DEFERRED REVENUE

Deferred revenue at August 31, 2018, consisted of the following:

Private sources	\$	<u>4,780,241</u>
-----------------	----	------------------

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 8 – LONG-TERM DEBT

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 \$17,450, 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 9 - FAIR VALUE FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of GDPS WA financial instruments as of August 31, 2018 are as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 4,677,458	\$ 4,677,458
Loan payable	340,186	344,825
	<u>5,017,644</u>	<u>5,022,283</u>

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.

Loan payable—The fair value of loan 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.

**GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 10 - OPERATING LEASES

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.

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	\$ 541,216
2020	605,604
2021	617,716
2022	630,070
2023	642,672
Thereafter	17,895,173
Total	<u>\$ 20,932,451</u>

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 10 - OPERATING LEASES, continued

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.

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><u>\$ 20,268,560</u></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><u>\$ 218,070</u></u>

**GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018**

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS

Plan Description

GDPS WA employees participate in the Washington State's public retirement systems: School Employees' Retirement System (SERS), and Teachers' Retirement System (TRS), which are cost-sharing, multiple-employer retirement systems composed of defined benefit plans (SERS 2, TRS 1, and TRS 2) and defined contribution plans (SERS 3 and TRS 3). As established in the Revised Code of Washington (RCW) Chapter 41.50, the Department of Retirement Systems (DRS) administers these retirement systems covering eligible employees of the state and local governments.

A full description of the retirement plans regarding benefit provisions, assumptions, and membership information are in the audited financial report and are publically available on the DRS website at: <http://www.drs.wa.gov/administration/annual-report>.

Provisions and benefits in effect at August 31, 2018, are summarized as follows:

	<u>SERS 2</u>	<u>SERS 3</u>	<u>TERS 2</u>	<u>TERS 3</u>
Benefit vesting schedule	5 years of service	10 years of service	5 years of service	5 years of service
Retirement age	65	65	65	65
Monthly benefit as a percentage of eligible compensation	2%	1%	2%	1%
Required employee contribution rate	7.27%	0%	7.06%	0%
Required employer contribution rate	13.48%	13.48%	15.2%	15.2%

The employer's contribution to DRS for the fiscal year ending August 31, 2018, were as shown below and equals the required contributions for the fiscal year:

SERS 2/3	\$ 178,312
TERS 2/3	309,139
Total	<u>\$ 487,451</u>

GDPS WA was required to contribute \$110,821 and \$284,151, respectively, to PERS 1 and TERS 1, however there are no current employees that are participating in the pension plans.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 11 - CONTINGENCIES

GDPS WA has received 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 WA 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 WA's financial position or result of operations.

NOTE 12 - SUBSEQUENT EVENTS

GDPS WA's management has evaluated events or transactions that may occur for potential recognition or disclosure in the combined financial statements from the balance sheet date through December 13, 2018, which is the date the combined financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year combined financial statements.

SUPPLEMENTARY INFORMATION

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AUGUST 31, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through Office of Superintendent of Public Instruction:			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	[1]	\$ 205,750
Title II, Part A, Improving Teacher Quality	84.367	[1]	24,110
Title IV Part A - Student Support and Academic Enrichment	84.287	[1]	32,681
Basic Local Assistance Entitlement, Part B, Section 611	84.027	[1]	132,861
Replication & Expansion	84.282M	[1]	787,006
Total U.S. Department of Education			<u>1,182,408</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Office of Superintendent of Public Instruction:			
Child Nutrition Cluster:			
Basic School Breakfast Program	10.553	[1]	39,691
National School Lunch	10.555	[1]	102,451
Meals Supplements	10.555	[1]	15,585
Total Child Nutrition Cluster			<u>157,727</u>
Total U.S. Department of Agriculture			<u>157,727</u>
Total Expenditures of Federal Awards			<u>\$ 1,340,135</u>

[1] Pass-Through Entity Identifying Number not available

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

REGIONAL OFFICE STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2017)

AUGUST 31, 2018

	2018	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,677,458	\$ 4,907,541
Accounts receivable	17,793	88,838
Accounts receivable - related party	-	9,107
Intra-company receivable	507,735	1,055,029
Prepaid expenses and other current assets	364,110	59,037
Total Current Assets	5,567,096	6,119,552
Non-Current Assets:		
Security deposits	3,725	-
Total Assets	\$ 5,570,821	\$ 6,119,552
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 712,593	\$ 182,607
Accounts payable - related party	49,240	-
Deferred revenue	4,780,241	5,908,199
Total Liabilities	5,542,074	6,090,806
NET ASSETS		
Unrestricted	28,747	28,746
Total Net Assets	28,747	28,746
Total Liabilities and Net Assets	\$ 5,570,821	\$ 6,119,552

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

REGIONAL OFFICE STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED AUGUST 31, 2018

	<u>2018</u>	<u>2017</u>
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
Federal revenue	\$ 68,943	\$ 52,671
Contributions and grants	1,544,023	1,036,231
Local revenue	976,784	479,388
Total Revenues	<u>2,589,750</u>	<u>1,568,290</u>
EXPENSES		
Program Services:		
Salaries and benefits	415,461	203,903
Student services	9,428	165
Materials and supplies	1,611	-
Other expenses	32,289	9,039
Subtotal	<u>458,789</u>	<u>213,107</u>
Management and General:		
Salaries and benefits	1,186,833	725,116
Occupancy	42,144	60
Operating expenses	449,680	419,995
Shared services - related party	452,303	210,011
Subtotal	<u>2,130,960</u>	<u>1,355,182</u>
Total Expenses	<u>2,589,749</u>	<u>1,568,289</u>
CHANGE IN UNRESTRICTED NET ASSETS	1	1
NET ASSETS, BEGINNING OF YEAR	28,746	28,745
NET ASSETS, END OF YEAR	<u>\$ 28,747</u>	<u>\$ 28,746</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

REGIONAL OFFICE STATEMENT OF CASH FLOWS
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED AUGUST 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Unrestricted Net Assets	\$ 1	\$ 1
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	71,045	(81,659)
Accounts receivable - related party	9,107	(9,107)
Intra-company receivable	547,294	(633,044)
Prepaid expenses and other current assets	(305,073)	(59,037)
Cash received for security deposits - net	(3,725)	1,000
Increase (decrease) in liabilities:		
Accounts payable and accruals	529,986	(31,365)
Accounts payable - related party	49,240	(302,335)
Deferred revenue	<u>(1,127,958)</u>	<u>3,137,689</u>
Net Cash Provided (Used) by Operating Activities	<u>(230,083)</u>	<u>2,022,143</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(230,083)	2,022,143
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,907,541	2,885,398
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,677,458</u>	<u>\$ 4,907,541</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 WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

DESTINY MIDDLE SCHOOL STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2017)

AUGUST 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ -	\$ 399,873
Accounts receivable	46,919	697,412
Intra-company receivable	22,750	-
Total Current Assets	<u>69,669</u>	<u>1,097,285</u>
Non-Current Assets:		
Security deposits	38,050	38,050
Total Assets	<u>\$ 107,719</u>	<u>\$ 1,135,335</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 107,718	\$ 138,092
Intra-company payable	-	997,243
Total Liabilities	<u>107,718</u>	<u>1,135,335</u>
NET ASSETS		
Unrestricted	<u>1</u>	<u>-</u>
Total Net Assets	<u>1</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 107,719</u>	<u>\$ 1,135,335</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

DESTINY MIDDLE SCHOOL STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED AUGUST 31, 2018

	<u>2018</u>	<u>2017</u>
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 1,547,954	\$ 1,430,511
Federal revenue	301,699	517,021
Other State revenue	293,013	309,171
Contributions and grants	3,206,247	2,035,982
Local revenue	405,998	398,982
Total Revenues	<u>5,754,911</u>	<u>4,691,667</u>
EXPENSES		
Program Services:		
Salaries and benefits	2,770,296	2,183,589
Student services	1,246,426	1,017,494
Materials and supplies	101,710	166,089
Other expenses	597,429	478,678
Occupancy	727,486	507,465
Subtotal	<u>5,443,347</u>	<u>4,353,315</u>
Management and General:		
Shared services - related party	311,563	338,352
Total Expenses	<u>5,754,910</u>	<u>4,691,667</u>
CHANGE IN UNRESTRICTED NET ASSETS	1	-
NET ASSETS, BEGINNING OF YEAR	-	-
NET ASSETS, END OF YEAR	<u>\$ 1</u>	<u>\$ -</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

DESTINY MIDDLE SCHOOL STATEMENT OF CASH FLOWS
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED AUGUST 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 1	\$ -
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	650,493	(364,049)
Intra-company receivable	(22,750)	-
Increase (decrease) in liabilities:		
Accounts payable and accruals	(30,374)	112,284
Intra-company payable	(997,243)	575,258
Net Cash Provided (Used) by Operating Activities	<u>(399,873)</u>	<u>323,493</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(399,873)	323,493
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>399,873</u>	<u>76,380</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 399,873</u></u>
Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

RAINIER VALLEY LEADERSHIP ACADEMY STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2017)

AUGUST 31, 2018

	2018	2017
ASSETS		
Current Assets:		
Accounts receivable	\$ 210,549	\$ 61,098
Intra-company receivable	12,016	-
Total Current Assets	222,565	61,098
Non-Current Assets:		
Security deposits	43,250	-
Capital assets	258,080	-
Less: accumulated depreciation	-	-
Total Non-Current Assets	301,330	-
Total Assets	\$ 523,895	\$ 61,098
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 11,291	\$ 3,105
Intra-company payable	512,603	57,993
Total Current Liabilities	523,894	61,098
NET ASSETS		
Unrestricted	1	-
Total Net Assets	1	-
Total Liabilities and Net Assets	\$ 523,895	\$ 61,098

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

RAINIER VALLEY LEADERSHIP ACADEMY STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED AUGUST 31, 2018

	2018	2017
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 1,007,403	\$ -
Federal revenue	658,262	61,098
Other State revenue	168,428	-
Contributions and grants	1,610,103	163,339
Local revenue	165,727	-
Total Revenues	<u>3,609,923</u>	<u>224,437</u>
EXPENSES		
Program Services:		
Salaries and benefits	1,908,699	157,341
Student services	597,147	11,905
Materials and supplies	136,692	7,257
Other expenses	762,592	33,096
Occupancy	27,636	14,838
Subtotal	<u>3,432,766</u>	<u>224,437</u>
Management and General:		
Shared services - related party	177,156	-
Subtotal	<u>177,156</u>	<u>-</u>
Total Expenses	<u>3,609,922</u>	<u>224,437</u>
CHANGE IN UNRESTRICTED NET ASSETS	1	-
NET ASSETS, BEGINNING OF YEAR	-	-
NET ASSETS, END OF YEAR	<u>\$ 1</u>	<u>\$ -</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

RAINIER VALLEY LEADERSHIP ACADEMY STATEMENT OF CASH FLOWS
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED AUGUST 31, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 1	\$ -
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Increase in assets:		
Accounts receivable	(149,451)	(61,098)
Intra-company receivable	(12,016)	-
Cash received (paid) for security deposits - net	(43,250)	-
Increase in liabilities:		
Accounts payable and accruals	8,186	3,105
Intra-company payable	454,610	57,993
Net Cash Provided by Operating Activities	258,080	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(258,080)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ -	\$ -
Supplemental cash flow disclosure:		
Cash paid during the period for interest	\$ -	\$ -

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

EXCEL PUBLIC CHARTER SCHOOL STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2017)

AUGUST 31, 2018

	2018	2017
ASSETS		
Current Assets:		
Accounts receivable	\$ 17,882	\$ -
Intra-company receivable	-	207
Prepaid expenses and other current assets	17,500	-
Total Current Assets	<u>35,382</u>	<u>207</u>
Non-Current Assets:		
Capital assets	404,354	-
Less: accumulated depreciation	59,904	-
Total Non-Current Assets	<u>344,450</u>	<u>-</u>
Total Assets	<u>\$ 379,832</u>	<u>\$ 207</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 9,747	\$ 207
Intra-company payable	29,898	-
Current portion of long-term obligations	192,277	-
Total Current Liabilities	<u>231,922</u>	<u>207</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	147,909	-
Total Liabilities	<u>379,831</u>	<u>207</u>
NET ASSETS		
Unrestricted	1	-
Total Net Assets	<u>1</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 379,832</u>	<u>\$ 207</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

EXCEL PUBLIC CHARTER SCHOOL STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED AUGUST 31, 2018

	2018	2017
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ 1,866,738	\$ -
Federal revenue	311,231	-
Other State revenue	166,338	-
Contributions and grants	1,375,735	-
Local revenue	167,354	5,153
Total Revenues	<u>3,887,396</u>	<u>5,153</u>
EXPENSES		
Program Services:		
Salaries and benefits	\$ 2,162,718	\$ 1,141
Student services	580,540	-
Materials and supplies	75,952	-
Other expenses	534,013	4,012
Depreciation and amortization	59,904	-
Occupancy	148,006	-
Interest	8,749	-
Subtotal	<u>3,569,882</u>	<u>5,153</u>
Management and General:		
Shared services - related party	317,513	-
Total Expenses	<u>3,887,395</u>	<u>5,153</u>
CHANGE IN UNRESTRICTED NET ASSETS	1	-
NET ASSETS, BEGINNING OF YEAR	-	-
NET ASSETS, END OF YEAR	<u>\$ 1</u>	<u>\$ -</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

EXCEL PUBLIC CHARTER SCHOOL STATEMENT OF CASH FLOWS
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED AUGUST 31, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ 1	\$ -
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation expense	59,904	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(17,882)	-
Intra-company receivable	207	(207)
Prepaid expenses and other current assets	(17,500)	-
Increase in liabilities:		
Accounts payable and accruals	9,540	207
Intra-company payable	29,898	-
Net Cash Provided by Operating Activities	64,168	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(404,354)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds, net	404,354	-
Loan principal payments	(64,168)	-
Net Cash Provided by Investing Activities	340,186	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ -	\$ -
Supplemental cash flow disclosure:		
Cash paid during the period for interest	\$ 8,749	\$ -

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

COMBINING STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2018

	<u>Regional Office</u>	<u>Destiny</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,677,458	\$ -
Accounts receivable	17,793	46,919
Intra-company receivable	507,735	22,750
Prepaid expenses and other current assets	364,110	-
Total Current Assets	<u>5,567,096</u>	<u>69,669</u>
Non-Current Assets:		
Security deposits	3,725	38,050
Capital assets	-	-
Less: accumulated depreciation	-	-
Total Non-Current Assets	<u>3,725</u>	<u>38,050</u>
Total Assets	<u>\$ 5,570,821</u>	<u>\$ 107,719</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 712,593	\$ 107,718
Accounts payable - related party	49,240	-
Intra-company payable	-	-
Deferred revenue	4,780,241	-
Current portion of long-term obligations	-	-
Total Current Liabilities	<u>5,542,074</u>	<u>107,718</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	-	-
Total Liabilities	<u>5,542,074</u>	<u>107,718</u>
NET ASSETS		
Unrestricted	28,747	1
Total Net Assets	<u>28,747</u>	<u>1</u>
Total Liabilities and Net Assets	<u>\$ 5,570,821</u>	<u>\$ 107,719</u>

See accompanying note to supplementary information.

Rainier	Excel	Elimination	Total
\$ -	\$ -	\$ -	\$ 4,677,458
210,549	17,882	-	293,143
12,016	-	(542,501)	-
-	17,500	-	381,610
<u>222,565</u>	<u>35,382</u>	<u>(542,501)</u>	<u>5,352,211</u>
43,250	-	-	85,025
258,080	404,354	-	662,434
-	59,904	-	59,904
<u>301,330</u>	<u>344,450</u>	<u>-</u>	<u>687,555</u>
<u>\$ 523,895</u>	<u>\$ 379,832</u>	<u>\$ (542,501)</u>	<u>\$ 6,039,766</u>
\$ 11,291	\$ 9,747	\$ -	\$ 841,349
-	-	-	49,240
512,603	29,898	(542,501)	-
-	-	-	4,780,241
-	192,277	-	192,277
<u>523,894</u>	<u>231,922</u>	<u>(542,501)</u>	<u>5,863,107</u>
-	147,909	-	147,909
<u>523,894</u>	<u>379,831</u>	<u>(542,501)</u>	<u>6,011,016</u>
<u>1</u>	<u>1</u>	<u>-</u>	<u>28,750</u>
<u>1</u>	<u>1</u>	<u>-</u>	<u>28,750</u>
<u>\$ 523,895</u>	<u>\$ 379,832</u>	<u>\$ (542,501)</u>	<u>\$ 6,039,766</u>

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

COMBINING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2018

	<u>Regional Office</u>	<u>Destiny</u>
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUES		
State apportionments	\$ -	\$ 1,547,954
Federal revenue	68,943	301,699
Other State revenue	-	293,013
Contributions and grants	1,544,023	3,206,247
Local revenue	976,784	405,998
Total Revenues	<u>2,589,750</u>	<u>5,754,911</u>
EXPENSES		
Program Services:		
Salaries and benefits	415,461	2,770,296
Student services	9,428	1,246,426
Materials and supplies	1,611	101,710
Other expenses	32,289	597,429
Depreciation and amortization	-	-
Occupancy	-	727,486
Interest	-	-
Subtotal	<u>458,789</u>	<u>5,443,347</u>
Management and General:		
Salaries and benefits	1,186,833	-
Occupancy	42,144	-
Operating expenses	449,680	-
Shared services - related party	452,303	311,563
Subtotal	<u>2,130,960</u>	<u>311,563</u>
Total Expenses	<u>2,589,749</u>	<u>5,754,910</u>
CHANGE IN UNRESTRICTED NET ASSETS	1	1
NET ASSETS, BEGINNING OF YEAR	28,746	-
NET ASSETS, END OF YEAR	<u>\$ 28,747</u>	<u>\$ 1</u>

See accompanying note to supplementary information.

	<u>Rainier</u>	<u>Excel</u>	<u>Elimination</u>	<u>Total</u>
\$	1,007,403	\$ 1,866,738	\$ -	\$ 4,422,095
	658,262	311,231	-	1,340,135
	168,428	166,338	-	627,779
	1,610,103	1,375,735	-	7,736,108
	165,727	167,354	(806,232)	909,631
	<u>3,609,923</u>	<u>3,887,396</u>	<u>(806,232)</u>	<u>15,035,748</u>
	1,908,699	2,162,718	-	7,257,174
	597,147	580,540	-	2,433,541
	136,692	75,952	-	315,965
	762,592	534,013	-	1,926,323
	-	59,904	-	59,904
	27,636	148,006	-	903,128
	-	8,749	-	8,749
	<u>3,432,766</u>	<u>3,569,882</u>	<u>-</u>	<u>12,904,784</u>
	-	-	-	1,186,833
	-	-	-	42,144
	-	-	-	449,680
	177,156	317,513	(806,232)	452,303
	<u>177,156</u>	<u>317,513</u>	<u>(806,232)</u>	<u>2,130,960</u>
	<u>3,609,922</u>	<u>3,887,395</u>	<u>(806,232)</u>	<u>15,035,744</u>
	1	1	-	4
	-	-	-	28,746
\$	<u>1</u>	<u>1</u>	<u>-</u>	<u>28,750</u>

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2018

	<u>Regional Office</u>	<u>Destiny</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in unrestricted net assets	\$ 1	\$ 1
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activities:		
Depreciation expense	-	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets		
Accounts receivable	71,045	650,493
Accounts receivable - related party	9,107	-
Intra-company receivable	547,294	(22,750)
Prepaid expenses and other current assets	(305,073)	-
Cash paid for security deposits - net	(3,725)	-
Increase (decrease) in liabilities		
Accounts payable and accruals	529,986	(30,374)
Accounts payable - related party	49,240	-
Intra-company payable	-	(997,243)
Deferred revenue	(1,127,958)	-
Net Cash Provided (Used) by Operating Activities	<u>(230,083)</u>	<u>(399,873)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds, net	-	-
Loan principal payments	<u>-</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(230,083)	(399,873)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,907,541	399,873
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,677,458</u>	<u>\$ -</u>
Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to supplementary information.

<u>Rainier</u>	<u>Excel</u>	<u>Elimination</u>	<u>Total</u>
\$ 1	\$ 1	\$ -	\$ 4
-	59,904	-	59,904
(149,451)	(17,882)	-	554,205
-	-	-	9,107
(12,016)	207	(512,735)	-
-	(17,500)	-	(322,573)
(43,250)	-	-	(46,975)
8,186	9,540	-	517,338
-	-	-	49,240
454,610	29,898	512,735	-
-	-	-	(1,127,958)
<u>258,080</u>	<u>64,168</u>	<u>-</u>	<u>(307,708)</u>
<u>(258,080)</u>	<u>(404,354)</u>	<u>-</u>	<u>(662,434)</u>
-	404,354	-	404,354
-	(64,168)	-	(64,168)
<u>-</u>	<u>340,186</u>	<u>-</u>	<u>340,186</u>
-	-	-	(629,956)
-	-	-	5,307,414
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,677,458</u>
<u>\$ -</u>	<u>\$ 8,749</u>	<u>\$ -</u>	<u>\$ 8,749</u>

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

NOTE TO SUPPLEMENTARY INFORMATION

AUGUST 31, 2018

NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of GDPS WA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. GDPS WA has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

Supplementary Financial Statements by Entity

These combined financial statements include an account of the regional office and charter school operated by GDPS WA.

Combining Statements

The accompanying combined financial statements report the individual programs of GDPS WA and are presented on the accrual basis of accounting. Eliminating entries in the combined financial statements are due to shared expenses between GDPS WA regional office and the charter school.

INDEPENDENT AUDITOR'S REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Green Dot Public Schools Washington
(A Washington Nonprofit Public Benefit Corporation)
Tacoma, Washington

We have audited, in accordance with the 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, the financial statements of Green Dot Public Schools Washington (GDPS WA) (A Washington nonprofit Public Benefit Corporation), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 20, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered GDPS WA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GDPS WA's internal control. Accordingly, we do not express an opinion on the effectiveness of GDPS WA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of GDPS WA's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether GDPS WA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GDPS WA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GDPS WA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California
February 20, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)**

**SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED AUGUST 31, 2018**

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None Reported</u>
Type of auditor's report issued on compliance for major Federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<u>No</u>
Identification of major Federal programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.282M</u>	<u>Replication & Expansion</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2018

None reported.

**GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)**

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2018**

None Reported

GREEN DOT PUBLIC SCHOOLS WASHINGTON STATE
(A Washington State Nonprofit Public Benefit Corporation)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2018

There were no audit findings reported in the prior year.