



Consolidated Financial Statements
June 30, 2020

(with comparative totals for June 30, 2019)

Green Dot Public Schools National

Green Dot Public Schools National

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June 30, 2020 (with comparative totals for June 30, 2019)

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Independent Auditor's Report

Board of Directors
Green Dot Public Schools National
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of Green Dot Public Schools National (GDPS National) (a California Nonprofit Public Benefit Corporation), which are comprised of the consolidated statement of financial position as of June 30, 2020, and the related consolidated statement of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 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. 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 respective financial position of GDPS National, as of June 30, 2020, 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.

Emphasis of Matter

As discussed in Note 11 to the financial statements, GDPS National has early adopted the provisions of FASB ASU 2016-02, Leases (Topic 842), as of July 1, 2019. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the GDPS National 's 2019 consolidated financial statement, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated March 5, 2020. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying 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, Schedule of Expenditures of Federal Awards and the other accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 18, 2020

Green Dot Public Schools National
Consolidated Statement of Financial Position
June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|--|----------------|----------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 65,260,806 | \$ 56,391,901 |
| Restricted cash and investments | 7,089,007 | 16,746,804 |
| Accounts receivable | 24,651,875 | 18,609,174 |
| Accounts receivable - related party | - | 1,301 |
| Prepaid expenses and other current assets | 3,792,704 | 2,550,051 |
| Total current assets | 100,794,392 | 94,299,231 |
| Non-current assets | | |
| Restricted cash and investments | 41,004,985 | 41,358,582 |
| Security deposits | 586,610 | 559,573 |
| Operating lease right of use asset, net | 30,930,508 | - |
| Finance lease right of use asset, net | 9,943,420 | - |
| Property and equipment, net | 126,582,549 | 117,057,776 |
| Total non-current assets | 209,048,072 | 158,975,931 |
| | \$ 309,842,464 | \$ 253,275,162 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accruals | \$ 21,974,057 | \$ 15,950,083 |
| Interest payable | 1,989,945 | 2,050,303 |
| Deferred revenue | 6,362,715 | 6,652,166 |
| Refundable advance - Paycheck Protection Program (PPP) | 3,017,265 | - |
| Current portion of operating lease liability | 3,464,260 | - |
| Current portion of finance lease liability | 87,353 | - |
| Current portion of settlement agreement | 67,634 | 179,840 |
| Current portion of proposition construction loans | 1,176,359 | 1,168,622 |
| Current portion of loan payable | 133,129 | 375,658 |
| Current portion of bonds payable | 1,630,000 | 695,000 |
| Total current liabilities | 39,902,717 | 27,071,672 |
| Other liabilities | | |
| Deferred revenue - proposition funding | 25,640,067 | 29,706,102 |
| Long-term liabilities | | |
| Operating lease liability, less current portion | 27,930,883 | - |
| Finance lease liability, less current portion | 9,985,529 | - |
| Settlement agreement, less current portion | 163,528 | 51,322 |
| Proposition construction loans, less current portion | 25,690,566 | 26,815,603 |
| Loan payable, less current portion | 6,850,348 | 4,995,043 |
| Bonds payable, less current portion and net of unamortized bond issuance costs and bond premium | 92,831,699 | 94,499,124 |
| Total long-term liabilities | 163,452,553 | 126,361,092 |
| Total liabilities | 228,995,337 | 183,138,866 |
| Net Assets | | |
| Without donor restriction | 79,904,300 | 69,998,043 |
| With donor restriction | 942,827 | 138,253 |
| Total net assets | 80,847,127 | 70,136,296 |
| | \$ 309,842,464 | \$ 253,275,162 |

Green Dot Public Schools National

Consolidated Statement of Activities

Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|--|----------------|----------------|
| Net Assets Without Donor Restriction | | |
| Support and revenues | | |
| State apportionments | \$ 152,371,092 | \$ 153,023,564 |
| Federal revenue | 20,188,557 | 20,268,926 |
| Other state revenue | 17,011,989 | 20,408,734 |
| Contributions and grants | 2,752,952 | 6,802,407 |
| Local revenue | 3,639,241 | 9,632,829 |
| Interest income | 573,511 | - |
| Net assets released from restrictions | 831,580 | 341,677 |
| Total support and revenues | 197,368,922 | 210,478,137 |
| Expenses | | |
| Program services | | |
| Salaries and benefits | 111,049,371 | 116,445,516 |
| Student services | 21,483,784 | 25,593,160 |
| Materials and supplies | 5,004,222 | 4,956,130 |
| Student nutrition | 5,117,952 | 4,313,046 |
| Other expenses | 10,848,539 | 11,068,617 |
| Depreciation and amortization | 5,972,272 | 5,911,723 |
| Occupancy | 14,496,868 | 15,590,332 |
| Interest | 4,729,382 | 5,004,380 |
| Subtotal | 178,702,390 | 188,882,904 |
| Fund development | 829,209 | 931,802 |
| Management and general | | |
| Salaries and benefits | 3,771,595 | 5,057,417 |
| Depreciation | 162,264 | 174,350 |
| Occupancy | 609,363 | 632,939 |
| Operating expenses | 2,845,358 | 2,718,938 |
| Subtotal | 7,388,580 | 8,583,644 |
| Total expenses | 186,920,179 | 198,398,350 |
| Net Assets with Management Designations | | |
| Net assets released from restrictions | (249,996) | - |
| Change in Net Assets Without Donor Restriction | 10,198,747 | 12,079,787 |
| Net Assets with Donor Restriction | | |
| Contributions and grants, net | 1,386,158 | 174,819 |
| Net assets released from restrictions | (581,584) | (341,677) |
| Change in Net Assets with Donor Restriction | 804,574 | (166,858) |
| Change in Net Assets Before Deconsolidation | 11,003,321 | 11,912,929 |
| Deconsolidation - GDPS WA | (292,490) | - |
| Change in Net Assets | 10,710,831 | 11,912,929 |
| Net Assets, Beginning of Year | 70,136,296 | 58,223,367 |
| Net Assets, End of Year | \$ 80,847,127 | \$ 70,136,296 |

See Notes to Consolidated Financial Statements

Green Dot Public Schools National
Consolidated Statement of Cash Flows
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|--|---------------|---------------|
| Cash Flows from (used for) Operating Activities | | |
| Change in net assets | \$ 10,710,831 | \$ 11,912,929 |
| Adjustments to reconcile change in net assets to net cash from (used for) operating activities | | |
| Depreciation expense | 5,963,521 | 5,800,216 |
| Amortization expense (including bond discount) | (19,631) | 285,855 |
| Finance lease amortization | 171,017 | - |
| Cash restricted for interest/ Debt Obligation Stipulations | 9,911,777 | (15,588,189) |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (6,042,701) | (2,548,198) |
| Accounts receivable - related party | 1,301 | - |
| Prepaid expenses and other current assets | (1,288,825) | (1,099,052) |
| Security deposits | 19,135 | 144,778 |
| Accounts payable and accruals | 6,023,974 | (803,553) |
| Accounts payable - related party | - | (7,746) |
| Interest payable | (60,358) | 981,475 |
| Operating lease assets and liabilities | 686,256 | - |
| Deferred revenue | (4,577,107) | (3,018,100) |
| Refundable advance - PPP | 3,017,265 | - |
| Net Cash from (used for) Operating Activities | 24,516,455 | (3,939,585) |
| Cash Flows used for Investing Activities | | |
| Restricted cash (received) used for construction | 99,617 | (4,668,656) |
| Purchases of property and equipment | (15,506,088) | (20,102,031) |
| Net Cash used for Investing Activities | (15,406,471) | (24,770,687) |
| Cash Flows from (used for) Financing Activities | | |
| Debt issuance costs | - | (1,807,395) |
| Proceeds from loans | 1,835,685 | 2,152,819 |
| Loan principal payments | (1,340,209) | (23,540,902) |
| Proceeds from issuance of bonds | - | 60,502,171 |
| Principal payments on finance lease | (41,555) | - |
| Principal payments on bonds | (695,000) | - |
| Net Cash from (used for) Financing Activities | (241,079) | 37,306,693 |
| Net Change in Cash and Cash Equivalents | 8,868,905 | 8,596,421 |
| Cash and Cash Equivalents, Beginning of Year | 56,391,901 | 47,795,480 |
| Cash and Cash Equivalents, End of Year | \$ 65,260,806 | \$ 56,391,901 |
| Supplemental Cash Flow Disclosure | | |
| Cash paid during the period for interest | \$ 4,923,472 | \$ 5,860,631 |

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Green Dot Public Schools National (GDPS National or the Organization) (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), collectively referred to as Green Dot Regions, and United Parents and Students (UP&S). Related party transactions between GDPS National, GDPS CA, GDPS TN, and UP&S have been identified on the face of the financial statements. See Note 14 for additional details regarding related party relationships and transactions.

GDPS National's mission is to promote the advancement of education and to lessen the burdens of government by managing the development and operation of public charter schools by Green Dot Public Schools California, a California nonprofit public benefit corporation, and such other nonprofit organizations that hereafter: (i) operate public charter schools; (ii) are organizations described in Section 170(b)(1)(A) (other than in clauses vii and viii) of the Internal Revenue Code (the "Code"); (iii) are organizations described in Section 501(c)(3) of the Code; and (iv) are controlled by or are an integral part of the Organization, including by obtaining and distributing philanthropic support, providing charter school facilities, providing charter school financing, providing operational or other support, designing curriculum, training and developing charter school staff, and assisting the Organization in obtaining philanthropic support, charter school facilities and charter school financing. Additionally, the corporation may engage in any activities that are reasonably related to or in furtherance of its stated public and charitable purposes, or in any other charitable activities.

GDPS CA (A California Nonprofit Public Benefit Organization) was organized in 1999. During the fiscal year ended June 30, 2020, 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, Compton Unified School District, and Los Angeles Unified School District. The charter schools receive per-pupil funding to help support operations. GDPS CA plans to open other charter schools in the future.

Delta Properties, Inc. (Delta) (A California Nonprofit Public Benefit Corporation) was formed in 2008 to support GDPS CA. Together with its subsidiaries, 111th Place, LLC (111th), 8255 Beach, LLC (Beach), 12628 S. Avalon, LLC (Avalon), Manchester & 27th, LLC (Manchester), 1655 27th Street Facilities, LLC (27th Street), 8205 Beach, LLC (8205 LLC), 810 East 111th, LLC, 12700 S. Avalon, LLC, and 11044 S. Freeman, LLC, 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's Board of Directors.

Green Dot Public Schools Tennessee (GDPS TN) (A Tennessee Nonprofit Public Benefit Organization) was organized on May 29, 2014. Financial activity began on July 1, 2014. During the fiscal year ended June 30, 2020, GDPS TN operated five (5) charter schools. The charter schools operate under the approval of the Tennessee Department of Education (TDOE) and the Achievement School District. The charter schools receive per-pupil funding to help support operations.

United Parents and Students (UP&S) was formed in July 2016 as a nonprofit public benefit corporation. UP&S receives services from GDPS National. Members of UP&S currently serve schools in California, Washington, and Tennessee.

Basis of Accounting

The accompanying consolidated financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. Revenues are recognized as discussed below, and expenditures are recognized in the accounting period in which the liability is incurred.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of GDPS National, GDPS CA, GDPS TN, and UP&S. All material inter-company transactions have been eliminated. Unless otherwise noted, these consolidated entities are hereinafter referred to as Consolidated GDPS.

Deconsolidation

Starting July 1, 2020 GDPS National has no power to govern the financial and operating policies of Green Dot Public Schools Washington (GDPS WA) due to the loss of power to cast the majority of votes at meetings of the Board of Directors. GDPS National did not receive any consideration in the deconsolidation of GDPS WA. The deconsolidation of GDPS WA resulted in a loss of \$292,490 which is presented on the Statement of Activities.

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 Consolidated GDPS' consolidated financial statements for the year ended June 30, 2019, from which the comparative information was derived.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Management has designated, from net assets without donor restrictions, net assets for new school startup.

Net Assets with Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Consolidated GDPS reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Consolidated GDPS considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for educational programs. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2020, management has determined all accounts receivable are fully collectible and no allowance for bad debts has been established.

Property and Equipment

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Consolidated GDPS reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2020.

Revenue and Revenue Recognition

Revenue is recognized when earned. Operating funds for Consolidated GDPS are derived principally from state and federal sources. Consolidated GDPS receives state funding based on each of the enrolled student's average daily attendance (ADA) in its school. Contributions are recognized when cash or notification of an entitlement is received. Conditional contributions, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The majority of Consolidated GDPS' federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2020, conditional contributions approximating \$439,221 for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

Contributions of goods are recorded at fair value. Contributions of services are recorded at fair value as revenue at the time the service is rendered when specialized skills are required and when Consolidated GDPS would otherwise purchase the services. No amounts have been reflected in the accompanying financial statements for contributed goods or services during the year being reported because items did not meet the definition above. Contributions with donor restrictions received are recorded as increases in net assets with donor restrictions. Net assets with donor restrictions received are recognized as revenue without donor restrictions when the terms of the restrictions are met, which may be in the same period if the revenue is received and the restriction satisfied during the same period. All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor.

GDPS TN was granted a \$3,017,265 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. GDPS TN is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. GDPS TN has recorded the loan and any accrued interest as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan. Proceeds from the loan are eligible for forgiveness if they are used for certain payroll, rent, and utility expenses. No contribution revenue has been recorded for the year ended June 30, 2020. GDPS TN will be required to repay any remaining balance, plus interest accrued at 1 percent, in monthly payments commencing upon notification of forgiveness or partial forgiveness. At June 30, 2020, the refundable advance related to PPP consists of \$3,017,265 in loan proceeds.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which is a reasonable approximation of the effective interest method. Debt issuance costs are included within bonds payable in the statement of financial position. Amortization of debt issuance costs is included in interest expense in the accompanying financial statements.

Functional Allocation of Expenses

The financial statements report categories of expenses that are attributed to program service activities or supporting services activities. The statements of activities present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates. All expenses, excluding depreciation and grant disbursements are allocated on the basis of estimates of time and effort.

Income Taxes

GDPS National is a California nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and classified by the Internal Revenue Service (IRS) as other than a private foundation under Section 509(a)(3) and qualifies for deductible contributions as a public charity described in Section 170(b)(1)(A)(viii) 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 is organized as a California nonprofit public benefit corporation and has been recognized by the IRS as exempt from federal income taxes under Section 501(a) of the IRC as an organization described in Section 501(c)(3), and qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi). It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. GDPS National is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, GDPS National is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. GDPS National determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that GDPS National has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. GDPS National would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires Consolidated GDPS to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of the GDPS National's mission. Green Dot National does not have any money market or certificates of deposit accounts.

Reclassification of Comparative Statements

Consolidated GDPS reclassified certain expenses as program service or management and general as well as certain assets and liabilities on the Statement of Financial Position for the 2020 fiscal year. Accordingly, these reclassifications have been revised for the presentation of 2019 fiscal year.

Finance and Operating ROU

Right-of-Use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Finance and operating lease ROU assets and liabilities are recognized at the lease commencement date and are based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, a risk-free rate is utilized in lieu of determining an incremental borrowing rate at the commencement date in deciding the present value of lease payments. The finance and operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease expense is recognized on a straight-line basis over the lease term. Lease agreements with lease and non-lease components are generally accounted for separately.

Recent Accounting Pronouncements

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue.

Topic 606 is effective for the Consolidated GDPS for the year ended June 30, 2021. Management is evaluating the impact of the adoption of this standard.

Change in Accounting Principle

Consolidated GDPS early adopted the new lease accounting guidance in Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Consolidated GDPS elected to apply the guidance as of July 1, 2019, the beginning of the adoption period. The comparative financial information and disclosures presented are in accordance with the legacy standard, Accounting Standards Codification (ASC) 840. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the income statement as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. Consolidated GDPS has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, Consolidated GDPS accounted for its existing leases as an operating lease under the new guidance, without reassessing: (a) whether the contract contains a lease under ASC Topic 842; (b) whether classification of the operating lease would be different in accordance with ASC Topic 842; or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

As a result of the adoption of the new lease accounting guidance, Consolidated GDPS recognized on July 1, 2019, the beginning of the adoption period, an operating lease liability of \$28,148,724, and an operating lease right-of-use asset of \$28,172,018. There was no cumulative effect adjustment to net assets. The adoption of the new standard did not materially impact the Consolidated GDPS's Statements of Activities. See Note 11 for further disclosure of the Consolidated GDPS's lease contracts.

Consolidated GDPS has adopted the provisions of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08) applicable to contributions received and has early adopted the provisions of contributions made. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and contributions made. Management has adopted this standard because it assists Consolidated GDPS in evaluating whether transactions should be accounted for as contributions or exchange transactions and in determining whether a contribution is conditional. As of July 1, 2019, Consolidated GDPS has implemented the provisions of ASU 2018-08 on a modified prospective basis to agreements that were not completed as of the date of adoption or were entered after the date of adoption. Management has determined that the adoption of this standard did not have a significant impact on the Consolidated GDPS's financial statements.

On June 3, 2020, the FASB issued Accounting Standards Update (ASU) 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) Effective Dates for Certain Entities, as part of its efforts to support and assist stakeholders as they cope with the many challenges and hardships related to the COVID-19 pandemic.

ASU 2020-05 defers the effective date of FASB ASC 606, *Revenue from Contract with Customers*, for certain entities that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of FASB ASC 606. Those entities may elect to adopt FASB ASC 606 for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Those entities may elect to follow the original effective date of annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019.

The effective date for a public business entity, a nonprofit entity that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, and an employee benefit plan that files or furnishes financial statements with or to the Securities and Exchange Commission is not affected by the amendments in this ASU.

Consolidated GDPS has adopted this standard as management believes the standard improves the usefulness and understandability of the Consolidated GDPS's financial reporting. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2020-05.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

| | |
|--|----------------------|
| Financial Assets | |
| Cash and cash equivalents | \$ 65,260,806 |
| Accounts receivable | 24,651,875 |
| Prepaid and other assets | 3,792,704 |
| Financial Assets, at year-end | <u>93,705,385</u> |
| Less those unavaialbe for general expenditures without one year, due to | |
| Donor-imposed restriction | |
| Restrictions by donor with purpose restrictions | <u>(942,827)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 92,762,558</u> |

As part of the Consolidated GDPS's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, Consolidated GDPS invests cash in excess of daily requirements in short-term investments.

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents consist of the following at June 30, 2020, and 2019:

The majority of Consolidated GDPS's 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, 2020, consolidated GDPS had \$65,720,176 in excess of FDIC insured limits in non-interest bearing accounts.

| | | 2020 | | | | Consolidated Reported Amounts | Bank Balance |
|------------------------------|--|---------------------|----------------------|---------------------|---------------------|-------------------------------------|----------------------|
| | | GDPS National | GDPS CA | GDPS TN | UP&S | | |
| Cash on hand and in banks | | <u>\$ 5,604,555</u> | <u>\$ 52,405,934</u> | <u>\$ 5,981,086</u> | <u>\$ 1,269,231</u> | <u>\$ 65,260,806</u> | <u>\$ 65,970,176</u> |
| | | 2019 | | | | Consolidated Reported Amounts | Bank Balance |
| | | GDPS National | GDPS CA | GDPS TN | GDPS WA | UP&S | |
| Cash on hand and in banks | | <u>\$ 4,486,396</u> | <u>\$ 46,186,682</u> | <u>\$ 1,062,840</u> | <u>\$ 3,390,828</u> | <u>\$ 1,265,155</u> | <u>\$ 59,129,440</u> |

Note 4 - Restricted Cash and Investments

Restricted cash and investment consist of the following at June 30, 2020, and 2019:

| | | 2020 | | 2019 | |
|---|--|----------------------|----------------------|----------------------|----------------------|
| | | Reported Amount | Bank Balance | Reported Amount | Bank Balance |
| GDPS CA Current Restricted Cash and Investment | | <u>\$ 7,089,007</u> | <u>\$ 7,089,007</u> | <u>\$ 16,746,804</u> | <u>\$ 16,746,804</u> |
| GDPS CA Non-Current Restricted Cash and Investment | | <u>\$ 41,004,985</u> | <u>\$ 41,004,985</u> | <u>\$ 41,358,582</u> | <u>\$ 41,358,582</u> |

GDPS CA and Delta's restricted cash and investments balance held in interest bearing accounts are insured up to \$250,000. At June 30, 2020, GDPS CA and Delta had \$47,843,991 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, 2020, Delta held \$13,680,950 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 \$47,843,991 in excess of FDIC insured limits includes the \$13,680,950 in Delta money market funds.

Proposition 47, 55, and 1D

Restricted cash and investments in the amount of \$25,794,637 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), Oscar de la Hoya *Ánimo* CHS, and *Ánimo* Pat Brown Charter Middle School (CMS) were awarded funds under Proposition 47, Proposition 55, and Proposition 1D.

Restricted cash and investments in the amount of \$4,229,182 arise from conditions required by various financing arrangements, held to satisfy current obligations and long-term obligations. Financial statement classification is based on whether the restricted cash and investments are held to satisfy current or long-term obligations.

Delta's restricted cash and investments in the amount of \$13,680,951 arise from conditions required by various financing arrangements, with \$7,089,007 held to satisfy current obligations and \$6,591,944 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 consist of the following at June 30, 2020, and 2019:

| | 2020 | | | | |
|------------------------|-------------------|----------------------|---------------------|------------------|----------------------|
| | GDPS National | GDPS CA | GDPS TN | UP&S | Total |
| Apportionment | \$ - | \$ 15,583,701 | \$ 928,635 | \$ - | \$ 16,512,336 |
| Federal receivable | 145,057 | 2,421,203 | 418,155 | - | 2,984,415 |
| Other State receivable | - | 3,984,253 | - | - | 3,984,253 |
| Other receivable | 76,315 | 930,812 | 125,344 | 38,400 | 1,170,871 |
| | <u>\$ 221,372</u> | <u>\$ 22,919,969</u> | <u>\$ 1,472,134</u> | <u>\$ 38,400</u> | <u>\$ 24,651,875</u> |

| | 2019 | | | | | |
|------------------------|-------------------|----------------------|---------------------|-------------------|---------------|----------------------|
| | GDPS National | GDPS CA | GDPS TN | GDPS WA | UP&S | Total |
| Apportionment | \$ - | \$ 10,727,719 | \$ 490,312 | \$ - | \$ - | \$ 11,218,031 |
| Federal receivable | - | 1,360,916 | 576,602 | 90,912 | - | 2,028,430 |
| Other State receivable | - | 3,716,181 | 123,596 | 207,246 | - | 4,047,023 |
| Other receivable | 114,324 | 894,088 | 253,988 | 52,990 | 300 | 1,315,690 |
| | <u>\$ 114,324</u> | <u>\$ 16,698,904</u> | <u>\$ 1,444,498</u> | <u>\$ 351,148</u> | <u>\$ 300</u> | <u>\$ 18,609,174</u> |

Note 6 - Property and Equipment

Property and equipment consist of the following at June 30, 2020, and 2019:

| | 2020 | | | | |
|--------------------------------|---------------------|----------------------|---------------------|------------------|-----------------------|
| | GDPS National | GDPS CA | GDPS TN | UP&S | Total |
| Land | \$ - | \$ 25,700,881 | \$ - | \$ - | \$ 25,700,881 |
| Building and improvements | - | 73,770,844 | 341,890 | - | 74,112,734 |
| Leasehold improvements | 831,519 | 51,696,483 | 4,187,493 | - | 56,715,495 |
| Computer and equipment | 1,844,914 | 4,972,072 | - | 59,424 | 6,876,410 |
| Construction in progress | 594,334 | 2,286,836 | 3,294,062 | - | 6,175,232 |
| Subtotal | 3,270,767 | 158,427,116 | 7,823,445 | 59,424 | 169,580,752 |
| Less: accumulated depreciation | (1,567,200) | (40,290,241) | (1,108,349) | (32,413) | (42,998,203) |
| Total | <u>\$ 1,703,567</u> | <u>\$118,136,875</u> | <u>\$ 6,715,096</u> | <u>\$ 27,011</u> | <u>\$ 126,582,549</u> |

| | 2019 | | | | | |
|--------------------------------|---------------------|----------------------|---------------------|-------------------|------------------|-----------------------|
| | GDPS National | GDPS CA | GDPS TN | GDPS WA | UP&S | Total |
| Land | \$ - | \$ 21,500,881 | \$ - | \$ - | \$ - | \$ 21,500,881 |
| Building and improvements | - | 58,915,931 | 341,890 | 673,529 | - | 59,931,350 |
| Leasehold improvements | 831,519 | 51,719,254 | 4,025,054 | - | - | 56,575,827 |
| Computer and equipment | 1,844,914 | 4,787,700 | - | - | 59,424 | 6,692,038 |
| Construction in progress | - | 8,040,692 | 1,312,778 | - | - | 9,353,470 |
| Subtotal | 2,676,433 | 144,964,458 | 5,679,722 | 673,529 | 59,424 | 154,053,566 |
| Less: accumulated depreciation | (1,146,073) | (34,704,507) | (829,530) | (292,528) | (23,152) | (36,995,790) |
| Total | <u>\$ 1,530,360</u> | <u>\$110,259,951</u> | <u>\$ 4,850,192</u> | <u>\$ 381,001</u> | <u>\$ 36,272</u> | <u>\$ 117,057,776</u> |

Certain properties financed by new market tax credit transactions are restricted for use as outlined in the finance agreements. In connection with work in progress, Consolidated GDPS capitalized interest in the amount of \$470,650 and has entered into commitments for its construction projects. As of June 30, 2020, Consolidated GDPS has commitments \$6,707,806 of costs to incur to complete commitments on its projects.

Note 7 - Accounts Payable and Accruals

Accounts payable and accruals consist of the following at June 30, 2020, and 2019:

| | 2020 | | | | |
|------------------------|---------------------|----------------------|---------------------|-------------------|----------------------|
| | GDPS National | GDPS CA | GDPS TN | UP&S | Total |
| Salaries and benefits | \$ 939,102 | \$ 4,364,004 | \$ 848,664 | \$ 103,152 | \$ 6,254,922 |
| Other accounts payable | 394,628 | 14,676,356 | 612,298 | 35,853 | 15,719,135 |
| Total | <u>\$ 1,333,730</u> | <u>\$ 19,040,360</u> | <u>\$ 1,460,962</u> | <u>\$ 139,005</u> | <u>\$ 21,974,057</u> |

Green Dot Public Schools National
Notes to Consolidated Financial Statements
June 30, 2020

| | 2019 | | | | | |
|------------------------|---------------------|----------------------|---------------------|-------------------|------------------|----------------------|
| | GDPS National | GDPS CA | GDPS TN | GDPS WA | UP&S | Total |
| Salaries and benefits | \$ 918,961 | \$ 4,019,221 | \$ 880,305 | \$ 295,254 | \$ 85,801 | \$ 6,199,542 |
| Other accounts payable | 557,652 | 8,047,221 | 642,612 | 498,469 | 4,587 | 9,750,541 |
| | <u>\$ 1,476,613</u> | <u>\$ 12,066,442</u> | <u>\$ 1,522,917</u> | <u>\$ 793,723</u> | <u>\$ 90,388</u> | <u>\$ 15,950,083</u> |

Note 8 - Deferred Revenue

Deferred revenue consists of the following at June 30, 2020, and 2019:

| | 2020 | | | | |
|----------------------------|------------------|----------------------|------------------|-------------------|----------------------|
| | GDPS National | GDPS CA | GDPS TN | UP&S | Total |
| Proposition 47, 55, and 1D | \$ - | \$ 25,640,067 | \$ - | \$ - | \$ 25,640,067 |
| Federal sources | - | - | - | - | - |
| State sources | - | 5,023,439 | - | - | 5,023,439 |
| Other | 38,500 | 858,863 | 10,697 | 431,216 | 1,339,276 |
| | <u>\$ 38,500</u> | <u>\$ 31,522,369</u> | <u>\$ 10,697</u> | <u>\$ 431,216</u> | <u>\$ 32,002,782</u> |

| | 2019 | | | | |
|----------------------------|----------------------|-----------------|---------------------|-------------------|----------------------|
| | GDPS CA | GDPS TN | GDPS WA | UP&S | Total |
| Proposition 47, 55, and 1D | \$ 29,706,102 | \$ - | \$ - | \$ - | \$ 29,706,102 |
| Federal sources | 82,231 | 3,344 | - | - | 85,575 |
| State sources | 2,339,749 | - | - | - | 2,339,749 |
| Other | 538,821 | - | 3,399,166 | 288,855 | 4,226,842 |
| | <u>\$ 32,666,903</u> | <u>\$ 3,344</u> | <u>\$ 3,399,166</u> | <u>\$ 288,855</u> | <u>\$ 36,358,268</u> |

Note 9 - Long-Term Liabilities

At June 30, 2020, long-term liabilities excluding operating and financing leases are summarized as follows:

| | Balance July 01, 2019 | Additions | Deductions | Balance June 30, 2020 | Due in One Year |
|---------|--------------------------|---------------------|---------------------|--------------------------|---------------------|
| GDPS CA | \$ 123,409,511 | \$ - | \$ 1,849,725 | \$ 121,559,786 | \$ 2,873,993 |
| GDPS TN | 5,222,792 | 1,835,685 | 75,000 | 6,983,477 | 133,129 |
| | <u>\$ 128,632,303</u> | <u>\$ 1,835,685</u> | <u>\$ 1,924,725</u> | <u>\$ 128,543,263</u> | <u>\$ 3,007,122</u> |

GDPS CA

Loan Payable

On October 1, 2018, GDPS CA entered into a loan agreement with 11044 S. Freeman LLC for the purpose of building a gym for Ánimo Leadership CHS. 11044 S. Freeman LLC agreed to lend the principal sum of \$4,760,475 with accrued interest on the principal sum outstanding with a maturity date of June 25, 2048. A portion of the principal was used to pay an allocated share of all costs of issuance of the bonds and other expenses. Interest only payments were made through June 30, 2019. Principal payments for the loan commence July 25, 2019, and change annually, but are approximately \$26,195 per month. As of June 30, 2020, the remaining balance outstanding was \$4,690,536. Inter-company loans have been eliminated in the consolidated financial statements.

Proposition Construction Loans

At June 30, 2020, GDPS CA's proposition construction loans summary is as follows:

| | Balance July 1, 2019 | Additions | Deductions | Balance June 30, 2020 | Due in One Year |
|----------------------------|-------------------------|-------------|---------------------|--------------------------|---------------------|
| Ánimo Leadership CHS | \$ 9,974,204 | \$ - | \$ 440,905 | \$ 9,533,299 | \$ 482,248 |
| Oscar De La Hoya Ánimo CHS | 10,750,256 | - | 411,713 | 10,338,543 | 422,706 |
| Ánimo Venice CHS | 6,362,222 | - | 264,682 | 6,097,540 | 271,405 |
| Ánimo Pat Brown CHS | 897,543 | - | - | 897,543 | - |
| | <u>\$ 27,984,225</u> | <u>\$ -</u> | <u>\$ 1,117,300</u> | <u>\$ 26,866,925</u> | <u>\$ 1,176,359</u> |

Ánimo Leadership CHS

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

The original proposition construction loan obligation of \$12,071,778 for building improvements represents one-half of the costs incurred for Ánimo Leadership CHS' approved Proposition 47 and 1D project. At June 30, 2020, the proposition construction loan obligation is \$9,533,299.

* Total principal payment will be reduced by cash proceeds that are not utilized by the end of construction. As of June 30, 2020, \$4,229,182 was not utilized.

Future payments are as follows:

| Repayment Year | Principal * | Interest to Maturity | Total |
|-------------------|----------------------|-------------------------|----------------------|
| 2021 | \$ 482,248 | \$ 231,907 | \$ 714,155 |
| 2022 | 458,717 | 222,912 | 681,629 |
| 2023 | 467,891 | 213,738 | 681,629 |
| 2024 | 477,249 | 204,380 | 681,629 |
| 2025 | 486,794 | 195,432 | 682,226 |
| 2026-2030 | 2,393,908 | 757,112 | 3,151,020 |
| 2031-2035 | 2,833,120 | 575,022 | 3,408,142 |
| 2036-2040 | 3,366,219 | 298,455 | 3,664,674 |
| 2041 | 629,186 | 19,917 | 649,103 |
| Total | <u>\$ 11,595,332</u> | <u>\$ 2,718,875</u> | <u>\$ 14,314,207</u> |

Ánimo Oscar De La Hoya CHS

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

The original proposition construction loan obligation of \$13,892,600 for building improvements represents one-half of the costs incurred for Ánimo Oscar De La Hoya CHS' approved Proposition 55 project. At June 30, 2020, the proposition construction loan obligation is \$10,338,543.

Future payments are as follows:

| Repayment Year | Principal | Interest to Maturity | Total |
|-------------------|----------------------|-------------------------|----------------------|
| 2021 | \$ 422,706 | \$ 285,662 | \$ 708,368 |
| 2022 | 433,993 | 274,669 | 708,662 |
| 2023 | 445,580 | 263,383 | 708,963 |
| 2024 | 457,477 | 251,795 | 709,272 |
| 2025 | 469,692 | 262,873 | 732,565 |
| 2026-2030 | 2,427,152 | 530,310 | 2,957,462 |
| 2031-2035 | 2,768,949 | 779,956 | 3,548,905 |
| 2036-2039 | 2,912,994 | 314,259 | 3,227,253 |
| Total | <u>\$ 10,338,543</u> | <u>\$ 2,962,907</u> | <u>\$ 13,301,450</u> |

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. At June 30, 2020, the capital lease obligation is \$6,097,540.

Future payments are as follows:

| Repayment Year | Principal | Interest to Maturity | Total |
|-------------------|---------------------|-------------------------|---------------------|
| 2021 | \$ 271,405 | \$ 158,239 | \$ 429,644 |
| 2022 | 278,299 | 151,431 | 429,730 |
| 2023 | 285,367 | 144,449 | 429,816 |
| 2024 | 292,616 | 137,291 | 429,907 |
| 2025 | 300,048 | 129,950 | 429,998 |
| 2026-2030 | 1,618,506 | 512,907 | 2,131,413 |
| 2031-2035 | 1,834,768 | 296,646 | 2,131,414 |
| 2036-2038 | 1,216,531 | 62,316 | 1,278,847 |
| Total | <u>\$ 6,097,540</u> | <u>\$ 1,593,229</u> | <u>\$ 7,690,769</u> |

Ánimo Pat Brown CHS

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

The June 30, 2020, 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. At June 30, 2020, the project is incomplete. A payment schedule will not be provided until the project is complete.

Bonds Payable

At June 30, 2020, Delta's bonds payable summary is as follows:

Charter Revenue Bonds, Series 2011A-1 and 2011A-2

In July 2011, 3425 Manchester LLC obtained bond financing through the California Statewide Community Development Authority in the amount of \$8,260,000 secured by deed of trust by GDPS CA school facilities. The bonds mature on August 1, 2031 and August 1, 2041, with interest rates of 6.90-7.25 percent, respectively. Proceeds of the bonds were used to acquire school facilities for use by GDPS CA. Starting February 1, 2012, interest coupon payments are due semi-annually on February 1 and August 1. Bond principal payments are due annually beginning August 1, 2018 for series 2011A-1 and August 1, 2032 for series 2011A-2. Optional redemption on August 1, 2021. The bond agreement requires 3425 Manchester LLC to comply with various covenants, conditions and restrictions including maintaining certain financial ratios.

\$ 7,405,000

School Facility Revenue Bonds, Series 2015A and 2015B

Due diligence is performed annually and the investment rating of BBB- remains assigned to GDPS CA by Standard & Poor's. The bonds were priced on September 14, 2015 at a 4.95 percent weighted interest rate on a par amount of \$31,105,000. The bond transaction closed on September 29, 2015. Details of these bonds are as follows:

Series 2015A

Series 2015A consisted of \$26,710,000 in tax-exempt School Facility Revenue Bonds. The bonds mature from August 1, 2025 through August 1, 2045, with interest rates of 4.00-5.00 percent. Proceeds of the bonds will be used to 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. Starting February 1, 2016, interest coupon payments are due semi-annually on February 1 and August 1. Bond Principal payments are due annually on August 1, beginning August 1, 2023.

26,710,000

Series 2015B

Series 2015B consisted of \$4,395,000 in taxable School Facility Revenue Bonds. The bonds mature on August 1, 2023, with interest rate of 5.00 percent. Proceeds of the bonds will be used to 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. Starting February 1, 2016, interest coupon payments are due semi-annually on February 1 and August 1. Bond Principal payments are due annually on August 1, beginning August 1, 2016.

2,410,000

School Facility Revenue Bonds, Series 2018A and 2018B

Due diligence is performed annually by Standard & Poor's and an investment grade rating of BBB- was assigned to GDPS CA. The bonds were priced on September 27, 2018 at a 5.00 percent weighted interest rate on a par amount of \$56,155,000.

The bond transaction closed on October 11, 2018. Details of these bonds are as follows:

Series 2018A

Series 2018A consisted of \$55,570,000 in tax-exempt School Facility Revenue Bonds. The bonds mature on August 1, 2048, with an interest rate of 5.00 percent. Proceeds of the bonds will be used 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. Starting February 1, 2019, interest coupon payments are due semi-annually on February 1 and August 1. Bond Principal payments are due annually on August 1, beginning August 1, 2020.

\$ 55,570,000

Series 2018B

Series 2018A consisted of \$585,000 in taxable School Facility Revenue Bonds. The bonds mature on August 1, 2020, with an interest rate of 5.00 percent. Proceeds of the bonds will be used to 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. Starting February 1, 2019, interest coupon payments are due semi-annually on February 1 and August 1. Bond Principal payments are due annually on August 1, beginning August 1, 2020.

585,000

Subtotal outstanding bonds

92,680,000

Premium on Charter Revenue Bonds, Series 2015A

639,322

Premium on School Facility Revenue Bonds, Series 2018A

4,035,436

Subtotal premium on bonds

4,674,758

Bond issuance costs on Charter Revenue Bonds, Series 2011

(486,773)

Bond issuance costs on Charter Revenue Bonds, Series 2015A and 2015B

(1,014,258)

Bond issuance costs on Charter Revenue Bonds, Series 2018A and 2018B

(1,392,028)

Subtotal debt issuance costs on bonds

(2,893,059)

Total

\$ 94,461,699

Future maturities of bonds payable excluding interest are as follows:

| Fiscal Year Ending June 30, | | |
|--------------------------------|----|-------------|
| 2021 | \$ | 1,630,000 |
| 2022 | | 1,715,000 |
| 2023 | | 1,810,000 |
| 2024 | | 1,900,000 |
| 2025 | | 2,000,000 |
| Thereafter | | 83,625,000 |
| Total future maturities | | 92,680,000 |
| Plus: unamortized premium | | 4,674,758 |
| Less: unamortized discount | | (2,893,059) |
| Total | \$ | 94,461,699 |

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 complete resolution of Audit Finding 2009-1 for the fiscal year 2008-2009 and determined that the questioned costs were \$338,181. Though Alain Leroy Locke 3 CPA is now closed, payments will continue to be made by the 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, 2020, GDPS CA has not settled with EAAP but has accrued the potential liability in accordance with the settlement calculation used on Case No. 11-7. At June 30, 2020, the estimated accrued balance was \$231,162.

Note 10 - Loan Payable

GDPS TN

On August 7, 2015, GDPS TN entered into a loan agreement with CSGF Memphis, LLC. CSGF Memphis LLC agreed to lend the principal sum of \$585,000 with an interest rate of 1.00 percent per annum on the principal sum outstanding. The first principal payment of \$285,000 is due on December 31, 2021, and the entire unpaid principal amount of the note, together with all accrued unpaid interest is due on December 31, 2022. Upon successful accomplishment of the milestones outlined in the loan, certain of the amounts due under the loan may be forgiven and treated as a charitable grant. At June 30, 2020, the balance was \$585,000.

On October 5, 2016, GDPS TN entered into a loan agreement with CSGF Memphis, LLC. CSGF Memphis LLC 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 \$38,415 for Hillcrest and \$36,585 for Kirby, respectively, is due on August 1, 2019. At June 30, 2020, the balance was \$745,000.

On April 4, 2018, GDPS TN entered into a construction loan agreement with Nonprofit Finance Fund, a New York not-for-profit corporation. Nonprofit Finance Fund lent the principal sum of \$2,740,083 with an interest rate of 5.75 percent per annum on the principal sum outstanding. The loan will be paid in full by April 1, 2025. At June 30, 2020, the balance was \$2,727,837.

Future payments excluding interest are as follows:

| Fiscal Year Ending June 30, | Bluff |
|--------------------------------|--------------|
| 2021 | \$ 75,983 |
| 2022 | 80,469 |
| 2023 | 85,220 |
| 2024 | 90,251 |
| 2025 | 2,395,915 |
| Total | \$ 2,727,838 |

On May 17, 2019, GDPS TN entered into a construction loan agreement with Nonprofit Finance Fund. Nonprofit Finance agreed to lend the principal sum of \$3,300,000 with an interest rate of 6.50 percent per annum on the principal outstanding per the modified loan agreement. Consolidated GDPS has drawn down \$2,925,640 with an interest rate of 6.50 percent per annum on the principal outstanding per the modified loan agreement. The loan will be paid in full by April 1, 2025. At June 30, 2020, the balance was \$2,925,640.

Note 11 - Fair Value Financial Instruments

The carrying amounts and estimated fair values of Consolidated GDPS financial instruments as of June 30, 2020 are as follows:

| | Carrying Amount | Fair Value |
|--------------------------------------|--------------------|---------------|
| Cash and cash equivalents | \$ 65,260,806 | \$ 65,260,806 |
| Restricted cash and cash equivalents | 48,093,992 | 48,093,992 |
| Proposition construction loans | 26,751,899 | 25,991,357 |
| Bonds payable | 92,680,000 | 91,897,103 |
| Settlement agreements | 231,162 | 231,162 |

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.

Proposition construction loans, construction loan payable, and loan payable—The fair value 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.

Note 12 - Leases

GDPS National elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate.

GDPS National has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. GDPS National has real property short term lease agreements for the year ended June 30, 2020.

GDPS National elected the practical expedient not to separate lease and non-lease components for real estate leases. Total lease costs for the year ended June 30, 2020 were as follows:

| | 2020 |
|-------------------------------------|--------------|
| Operating lease cost | \$ 3,876,868 |
| Short-term lease cost | 1,314,161 |
| Finance lease cost: | |
| Interest expense | 133,735 |
| Amortization of right-of-use assets | 171,017 |

Total lease expense under noncancelable leases was \$3,562,887 for the year June 30, 2019.

The following table summarizes the supplemental cash flow information for the year ended June 30, 2020:

| | 2020 |
|--|--------------|
| Cash paid for amounts included in the measurement of lease liabilities | |
| Operating cash flows from operating leases | \$ 3,920,814 |
| Operating cash flows from finance leases | 133,735 |
| Financing cash flows from finance leases | 41,555 |
| Right-of-use assets obtained in exchange for lease liabilities | |
| Operating leases | \$ 6,448,235 |
| Finance leases | 10,114,437 |

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

| | 2020 |
|--|------------|
| Weighted-average remaining lease term: | |
| Operating leases | 12.2 Years |
| Finance leases | 33.9 Years |
| Weighted-average discount rate: | |
| Operating leases | 3.04% |
| Finance leases | 2.27% |

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of June 30, 2020.

| Fiscal Year Ending June 30, | Operating | | | |
|------------------------------------|--------------|---------------|--------------|---------------|
| | GDPS TN | GDPS CA | GDPS NA | Total |
| 2021 | \$ 226,261 | \$ 3,593,229 | \$ 558,681 | \$ 4,378,171 |
| 2022 | 226,261 | 3,320,207 | 558,681 | 4,105,149 |
| 2023 | 226,261 | 3,320,207 | 558,681 | 4,105,149 |
| 2024 | 226,261 | 3,040,866 | 279,340 | 3,546,467 |
| 2025 | 226,261 | 2,761,526 | - | 2,987,787 |
| Thereafter | 6,109,043 | 16,796,778 | - | 22,905,821 |
| Total lease payments | 7,240,348 | 32,832,813 | 1,955,383 | 42,028,544 |
| Less interest | (3,709,992) | (6,861,362) | (62,047) | (10,633,401) |
| Present value of lease liabilities | \$ 3,530,356 | \$ 25,971,451 | \$ 1,893,336 | \$ 31,395,143 |

| Fiscal Year Ending June 30, | Finance GDPS CA |
|------------------------------------|--------------------|
| 2021 | \$ 315,120 |
| 2022 | 321,422 |
| 2023 | 327,851 |
| 2024 | 334,408 |
| 2025 | 341,096 |
| Thereafter | 13,445,537 |
| Total lease payments | 15,085,434 |
| Less interest | (5,012,552) |
| Present value of lease liabilities | \$ 10,072,882 |

Future minimum payments determined under the guidance in Topic 840 are listed below as of June 30, 2019.

| Fiscal Year Ending June 30, | Operating | | | |
|--------------------------------|---------------|---------------|--------------|---------------|
| | GDPS TN | GDPS CA | GDPS NA | Total |
| 2020 | \$ 226,261 | \$ 1,886,790 | \$ 512,735 | \$ 2,625,786 |
| 2021 | 226,261 | 1,939,961 | 534,789 | 2,701,011 |
| 2022 | 226,261 | 2,056,533 | 566,744 | 2,849,538 |
| 2023 | 226,261 | 2,165,217 | 583,746 | 2,975,224 |
| 2024 | 226,261 | 1,980,787 | 299,898 | 2,506,946 |
| Thereafter | 13,432,667 | 6,614,001 | - | 20,046,668 |
| Total lease payments | \$ 14,563,972 | \$ 16,643,289 | \$ 2,497,912 | \$ 33,705,173 |

Note 13 - 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 total compensation. Total expense for the year ended June 30, 2020, was \$192,466. Only employees not in the pension plan are eligible to participate in the 401K plan.

Note 14 - 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.

Note 15 - Related Party Transactions

Transactions between GDPS National, GDPS CA, GDPS TN, 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, 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, and GDPS TN 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, and GDPS TN, as of June 30, 2020:

| | Accounts Receivable - Related Party | Contracted Service Revenue | Contracted Service Expense | Shared Service Fee Revenue - National | Shared Service Fee Expense - National |
|-------------------------|--|----------------------------------|----------------------------------|---|---|
| GDPS National | \$ 544,817 | \$ 1,261,548 | \$ 403,386 | \$ 12,052,360 | \$ - |
| | Accounts Receivable - (Payable) Related Party | Contracted Service Revenue | Contracted Service Expense | Shared Service Fee Revenue - (Expense) National | Shared Service Fee Revenue - (Expense) Regional |
| GDPS CA Reginal Office | \$ 501,871 | \$ 26,060 | \$ 1,642,864 | \$ (10,406,502) | \$ 21,409,896 |
| GDPS CA Schools | - | | 498,684 | - | (21,409,896) |
| GDPS TN Regional Office | (906,499) | 466,141 | | (1,645,858) | 3,409,277 |
| GDPS TN Schools | - | | | - | (3,409,277) |
| UP&S | (140,189) | 1,000,000 | 208,815 | - | - |
| Total | <u>\$ (544,817)</u> | <u>\$ 1,492,201</u> | <u>\$ 2,350,363</u> | <u>\$ (12,052,360)</u> | <u>\$ -</u> |

Note 16 - Subsequent Events

GDPS National's management has evaluated events or transactions that may occur for potential recognition or disclosure in the consolidated financial statements from the balance sheet date through December 18, 2020, 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.

Subsequent to year-end, GDPS National has been negatively impacted by the effects of the world-wide coronavirus pandemic. GDPS National is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to GDPS National's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals. As of the date of the financial statement issuance, GDPS National is estimated to receive additional funding as a result of the COVID-19 epidemic. This funding is estimated to be \$4,900,000 from CARES-ESSER, \$12,500,000 from Learning Loss Mitigation Funding-Coronavirus Relief, \$1,100,000 from Learning Loss Mitigation Funding-General Fund, and \$25,000 from the LEA Reopening and Programmatic Support Grant.

GDPS National was granted a \$1,447,638 loan under the PPP administered by a SBA approved partner on June 30, 2020. As of June 30, 2020, GDPS National has not received the funds, thus this amount has not been reflected in the accompanying financial statements. GDPS National will receive the funds in the 2021 fiscal year. The loan is uncollateralized and is fully guaranteed by the Federal government. GDPS National is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. Proceeds from the loan are eligible for forgiveness if GDPS National maintains employment levels during its covered period and uses the funds for certain payroll, rent, and utility expenses. GDPS National will be required to repay any remaining balance, plus interest accrued at 1 percent, in monthly payments commencing upon notification of forgiveness or partial forgiveness.

GDPS TN

Management is in negotiations to amend the \$585,000 loan with CSGF Memphis, LLC to include the first principal payment to be due on December 31, 2023. Management also believes the milestones listed in the agreement will be accomplished, therefore anticipating the loan to be forgiven and treated as a grant.

UP&S

UP&S was granted a \$217,056 loan under the PPP administered by a SBA approved partner on June 30, 2020. As of June 30, 2020, UP&S has not received the funds, thus this amount has not been reflected in the accompanying financial statements. UP&S will receive the funds in the 2021 fiscal year. The loan is uncollateralized and is fully guaranteed by the Federal government. UP&S is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. Proceeds from the loan are eligible for forgiveness if UP&S maintains employment levels during its covered period and uses the funds for certain payroll, rent, and utility expenses. UP&S will be required to repay any remaining balance, plus interest accrued at 1 percent, in monthly payments commencing upon notification of forgiveness or partial forgiveness.

GDPS CA

On September 15, 2020, 4360 Dozier LLC entered into two loan agreements for a total of \$12,208,000 to purchase the facility located at Animo Ellen Ochoa Charter School from Pacific Charter School Development.

For the fiscal year ended June 30, 2020, GDPS CA elected to adopt the new accounting standard for leases as issued by the Financial Accounting Standards Board (FASB). As a result of adopting the new standard, Animo Ellen Ochoa CMS recorded a right-of-use asset of \$5,218,014, a lease liability of \$5,434,477 for the operating lease of its school facility and rent expense exceeded cash lease payments by \$216,463 for the year ended June 30, 2020. On September 3, 2020, the underlying school facility lease was terminated. Animo Ellen Ochoa CMS recognized a gain on termination of operating lease and increased net assets by \$250,384 for the year ending June 30, 2021.

Green Dot Public Schools California is a defendant in a lawsuit filed. Subsequent to the year ended June 30, 2020, counsel has advised that a settlement was agreed upon. The net settlement liability approximates \$150,000.

School Closure

As of June 30, 2020, GDPS CA voted to close Animo College Preparatory Academy (Charter #1342), effective June 30, 2020. After reviewing declining enrollment trends, GDPS CA has determined that it will no longer be able to offer students the caliber of programs and support they deserve. The process of the final financial closure is subsequent to June 30, 2020. As part of the final audit, GDPS CA is required to determine the net assets or liabilities and disclose required information.

1. Animo College Preparatory Academy has an operating deficit of \$354,095 in the 2019-2020 fiscal year and net assets of \$947,178 as of June 30, 2020.
2. GDPS CA had had no outstanding restricted funds due back to government agencies on behalf of Animo College Preparatory Academy.
3. In accordance with the approval of the Board of Directors May 15, 2020, Green Dot Headquarters will accept all assets and liabilities of Animo College Preparatory Academy.
4. No donated materials and property were required to be returned.
5. A formal plan to resolve the transferring of all remaining assets and liabilities of Animo College Preparatory Academy will be completed during the 2020-2021 fiscal year.



Supplementary Information
June 30, 2020

Green Dot Public Schools National

Green Dot Public Schools National
Green Dot Public Schools National Statement of Financial Position
June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|---|---------------|--------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 5,604,555 | \$ 4,486,396 |
| Accounts receivable | 221,372 | 114,324 |
| Accounts receivable - related party | 544,817 | 570,931 |
| Prepaid expenses and other current assets | 460,404 | 432,608 |
| Total current assets | 6,831,148 | 5,604,259 |
| Non-current assets | | |
| Security deposits | 36,034 | 36,034 |
| Operating lease right of use assets, net | 1,855,418 | - |
| Property and equipment, net | 1,703,567 | 1,530,360 |
| Total non-current assets | 3,595,019 | 1,566,394 |
| Total assets | \$ 10,426,167 | \$ 7,170,653 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accruals | \$ 1,333,730 | \$ 1,476,613 |
| Accounts payable - related party | - | 29,822 |
| Deferred revenue | 38,500 | - |
| Current portion of operating lease liability | 529,114 | - |
| Total current liabilities | 1,901,344 | 1,506,435 |
| Long-term liabilities | | |
| Operating lease liability, less current portion | 1,364,222 | - |
| Total liabilities | 3,265,566 | 1,506,435 |
| Net Assets | | |
| Without donor restriction | 7,160,601 | 5,664,218 |
| Total liabilities and net assets | \$ 10,426,167 | \$ 7,170,653 |

Green Dot Public Schools National
Green Dot Public Schools National Statement of Activities
June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|--|--------------|--------------|
| Net Assets Without Donor Restriction | | |
| Support and revenues | | |
| Federal revenue | \$ 183,567 | \$ - |
| Contributions and grants | 621,561 | 85,324 |
| Local revenue | 13,939,910 | 13,860,237 |
| Total support and revenues | 14,745,038 | 13,945,561 |
| Expenses | | |
| Program services | | |
| Salaries and benefits | 7,535,091 | 7,129,882 |
| Student services | 573,253 | 543,121 |
| Materials and supplies | 59,788 | 58,872 |
| Other expenses | 2,212,184 | 2,591,583 |
| Depreciation and amortization | 421,125 | 403,313 |
| Occupancy | 572,250 | 520,122 |
| Subtotal | 11,373,691 | 11,246,893 |
| Fund development | 919,236 | 931,802 |
| Management and general | | |
| Salaries and benefits | 441,927 | 418,162 |
| Shared services – related party | 313,361 | 406,536 |
| Operating expenses | 200,440 | 200,211 |
| Subtotal | 955,728 | 1,024,909 |
| Total expenses | 13,248,655 | 13,203,604 |
| Change in Net Assets Without Donor Restriction | 1,496,383 | 741,957 |
| Net Assets, Beginning of Year | 5,664,218 | 4,922,261 |
| Net Assets, End of Year | \$ 7,160,601 | \$ 5,664,218 |

Green Dot Public Schools National
Green Dot Public Schools National Statement of Cash Flows
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|--|--------------|--------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ 1,496,383 | \$ 741,957 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation expense | 421,127 | 403,311 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (107,048) | 184,429 |
| Accounts receivable - related party | 26,114 | 950,115 |
| Prepaid expenses and other current assets | (27,796) | 359,318 |
| Accounts payable and accruals | (142,883) | 76,938 |
| Accounts payable - related party | (29,822) | 29,822 |
| Operating lease assets and liabilities | 37,918 | - |
| Deferred revenue | 38,500 | - |
| | 1,712,493 | 2,745,890 |
| Net cash from Operating Activities | | |
| Cash Flows used for Investing Activities | | |
| Purchases of property and equipment | (594,334) | (155,327) |
| | 1,118,159 | 2,590,563 |
| Net Change in Cash and Cash Equivalents | | |
| Cash and Cash Equivalents, Beginning of Year | 4,486,396 | 1,895,833 |
| | \$ 5,604,555 | \$ 4,486,396 |
| Cash and Cash Equivalents, End of Year | | |

Green Dot Public Schools National
Green Dot Public Schools California Statement of Financial Position
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|--|-----------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 52,405,934 | \$ 46,186,682 |
| Restricted cash and investments | 7,089,007 | 16,746,804 |
| Accounts receivable | 22,919,969 | 16,698,904 |
| Accounts receivable - related party | 501,871 | - |
| Prepaid expenses and other current assets | 3,114,406 | 1,720,280 |
| Total current assets | 86,031,187 | 81,352,670 |
| Non-current assets | | |
| Restricted cash and investments | 41,004,985 | 41,358,582 |
| Security deposits | 536,576 | 424,514 |
| Operating lease right of use asset, net | 25,602,995 | - |
| Finance lease right of use asset, net | 9,943,420 | - |
| Property and equipment, net | 118,136,875 | 110,259,951 |
| Total non-current assets | 195,224,851 | 152,043,047 |
| Total assets | \$ 281,256,038 | \$ 233,395,717 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accruals | \$ 19,040,360 | \$ 12,066,442 |
| Accounts payable - related party | - | 365,296 |
| Interest payable | 1,989,945 | 2,050,303 |
| Deferred revenue | 5,882,302 | 2,960,801 |
| Current portion of operating lease liability | 2,870,237 | - |
| Current portion of finance lease liability | 87,353 | - |
| Current portion of proposition construction loans | 1,176,359 | 1,117,300 |
| Current portion of settlement agreement | 67,634 | 231,162 |
| Current portion of bonds payable | 1,630,000 | 695,000 |
| Total current liabilities | 32,744,190 | 19,486,304 |
| Other liabilities | | |
| Deferred revenue - proposition funding | 25,640,067 | 29,706,102 |
| Long-term liabilities | | |
| Operating lease liability, less current portion | 23,101,214 | - |
| Finance lease liability, less current portion | 9,985,529 | - |
| Settlement agreement, less current portion | 163,528 | - |
| Proposition construction loans, less current portion | 25,690,566 | 26,866,925 |
| Bonds payable, less current portion and net of unamortized bond issuance costs and bond premium | 92,831,699 | 94,499,124 |
| Total long-term liabilities | 151,772,536 | 121,366,049 |
| Total liabilities | 210,156,793 | 170,558,455 |
| Net Assets | | |
| Without donor restriction | 70,523,516 | 62,823,935 |
| With donor restriction | 575,729 | 13,327 |
| Total net assets | 71,099,245 | 62,837,262 |
| Total liabilities and net assets | \$ 281,256,038 | \$ 233,395,717 |

Green Dot Public Schools National
Green Dot Public Schools California Statement of Activities
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | <u>2020</u> | <u>2019</u> |
|--|----------------------|----------------------|
| Net Assets Without Donor Restriction | | |
| Support and revenues | | |
| State apportionments | \$ 130,823,217 | \$ 127,167,331 |
| Federal revenue | 16,834,582 | 16,118,140 |
| Other state revenue | 16,967,588 | 19,013,219 |
| Contributions and grants | 809,557 | 2,152,577 |
| Local revenue | 2,831,518 | 8,081,775 |
| Interest income | 573,511 | - |
| Net assets released from restrictions | 676,788 | 166,603 |
| Total support and revenues | <u>169,516,761</u> | <u>172,699,645</u> |
| Expenses | | |
| Program services | | |
| Salaries and benefits | 87,757,912 | 86,541,003 |
| Student services | 17,689,605 | 20,353,950 |
| Materials and supplies | 4,260,902 | 4,181,850 |
| Student nutrition | 5,117,952 | 4,313,046 |
| Other expenses | 7,686,781 | 6,740,314 |
| Depreciation and amortization | 5,280,861 | 5,018,978 |
| Occupancy | 11,632,498 | 11,425,133 |
| Interest | 4,549,844 | 4,911,014 |
| Subtotal | <u>143,976,355</u> | <u>143,485,288</u> |
| Management and general | | |
| Salaries and benefits | 2,438,096 | 2,493,215 |
| Depreciation | 162,264 | 174,350 |
| Shared services – related party | 12,548,046 | 12,790,939 |
| Occupancy | 609,263 | 589,535 |
| Operating expenses | 1,833,160 | 1,787,774 |
| Subtotal | <u>17,590,829</u> | <u>17,835,813</u> |
| Total expenses | <u>161,567,184</u> | <u>161,321,101</u> |
| Net Assets with Management Designations | | |
| Net assets released from restrictions | <u>(249,996)</u> | <u>-</u> |
| Change in Net Assets Without Donor Restriction | <u>7,699,581</u> | <u>11,378,544</u> |
| Net Assets with Donor Restriction | | |
| Contributions and grants, net | 989,194 | 74,819 |
| Net assets released from restrictions | <u>(426,792)</u> | <u>(166,603)</u> |
| Change in Net Assets with Donor Restriction | <u>562,402</u> | <u>(91,784)</u> |
| Change in Net Assets | 8,261,983 | 11,286,760 |
| Net Assets, Beginning of Year | <u>62,837,262</u> | <u>51,550,502</u> |
| Net Assets, End of Year | <u>\$ 71,099,245</u> | <u>\$ 62,837,262</u> |

Green Dot Public Schools National
Green Dot Public Schools California Statement of Cash Flows
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|--|---------------|---------------|
| Cash Flows from (used for) Operating Activities | | |
| Change in net assets | \$ 8,261,983 | \$ 11,286,760 |
| Adjustments to reconcile change in net assets to net cash (used for) operating activities | | |
| Depreciation expense | 5,272,108 | 4,928,871 |
| Interest expense attributable to the amortization of issuance costs | (37,425) | - |
| Finance lease amortization | 171,017 | - |
| Amortization expense (including bond discount) | - | 264,457 |
| Cash restricted for interest/debt obligation stipulations | 9,911,777 | (15,588,189) |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (6,221,065) | (3,318,017) |
| Accounts receivable - related party | (2,004) | - |
| Prepaid expenses and other current assets | (1,440,298) | (1,442,817) |
| Security deposits | (65,890) | 144,778 |
| Accounts payable and accruals | 6,973,918 | 45,882 |
| Accounts payable - related party | (865,163) | (997,204) |
| Interest payable | (60,358) | 981,475 |
| Operating lease assets and liabilities | 590,077 | - |
| Deferred revenue | (1,366,155) | (1,817,385) |
| Net Cash from (used for) Operating Activities | 21,122,522 | (5,511,389) |
| Cash Flows used for Investing Activities | | |
| Restricted cash (received) used for construction | 99,617 | (4,668,656) |
| Purchases of property and equipment | (13,149,032) | (17,988,090) |
| Net Cash used for Investing Activities | (13,049,415) | (22,656,746) |
| Cash Flows from (used for) Financing Activities | | |
| Debt issuance costs | - | (1,742,296) |
| Proceeds from issuance of bonds | - | 60,495,983 |
| Principal payments on finance lease | (41,555) | - |
| Principal payments on notes payable | - | (21,446,516) |
| Principal payments on proposition construction loans | (1,117,300) | (1,091,392) |
| Principal payments on bonds | (695,000) | (799,446) |
| Payment on settlement agreement | - | (11,271) |
| Net Cash from (used for) Financing Activities | (1,853,855) | 35,405,062 |
| Net Change in Cash and Cash Equivalents | 6,219,252 | 7,236,927 |
| Cash and Cash Equivalents, Beginning of Year | 46,186,682 | 38,949,755 |
| Cash and Cash Equivalents, End of Year | \$ 52,405,934 | \$ 46,186,682 |
| Supplemental Cash Flow Disclosure | | |
| Cash paid during the period for interest | \$ 4,743,934 | \$ 5,767,265 |

Green Dot Public Schools National
Green Dot Public Schools Tennessee Statement of Financial Position
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|--|---------------|--------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 5,981,086 | \$ 1,062,840 |
| Accounts receivable | 1,472,134 | 1,444,498 |
| Prepaid expenses | 210,365 | 3,000 |
| Total current assets | 7,663,585 | 2,510,338 |
| Non-current assets | | |
| Security deposits | 14,000 | 14,000 |
| Operating lease right of use asset, net | 3,472,095 | - |
| Property and equipment, net | 6,715,096 | 4,850,192 |
| Total non-current assets | 10,201,191 | 4,864,192 |
| Total assets | \$ 17,864,776 | \$ 7,374,530 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accruals | \$ 1,460,962 | \$ 1,522,917 |
| Accounts payable - related party | 906,499 | 122,704 |
| Deferred revenue | 10,697 | 3,344 |
| Refundable advance - Paycheck Protection Program (PPP) | 3,017,265 | - |
| Current portion of operating lease liability | 64,909 | - |
| Current portion of loan payable | 133,129 | 227,749 |
| Total current liabilities | 5,593,461 | 1,876,714 |
| Long-term liabilities | | |
| Operating lease liability, less current portion | 3,465,447 | - |
| Loan payable, less current portion | 6,850,348 | 4,995,043 |
| Total long-term liabilities | 10,315,795 | 4,995,043 |
| Total liabilities | 15,909,256 | 6,871,757 |
| Net Assets | | |
| Without donor restriction | 1,663,422 | 402,773 |
| With donor restriction | 292,098 | 100,000 |
| Total net assets | 1,955,520 | 502,773 |
| Total liabilities and net assets | \$ 17,864,776 | \$ 7,374,530 |

Green Dot Public Schools National
Green Dot Public Schools Tennessee Statement of Activities
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|--|---------------|---------------|
| Net Assets Without Donor Restriction | | |
| Support and revenues | | |
| State apportionments | \$ 21,547,875 | \$ 19,525,782 |
| Federal revenue | 3,183,980 | 3,260,276 |
| Other state revenue | 44,401 | 482,298 |
| Contributions and grants | 917,988 | 437,228 |
| Local revenue | 665,511 | 677,315 |
| Net assets released from restrictions | 129,866 | - |
| Total support and revenues | 26,489,621 | 24,382,899 |
| Expenses | | |
| Program services | | |
| Salaries and benefits | 14,597,438 | 15,231,787 |
| Student services | 3,130,897 | 2,787,580 |
| Materials and supplies | 535,781 | 472,684 |
| Other expenses | 912,865 | 871,272 |
| Depreciation and amortization | 261,025 | 247,547 |
| Occupancy | 2,262,140 | 2,260,843 |
| Interest | 179,538 | 75,644 |
| Subtotal | 21,879,684 | 21,947,357 |
| Management and general | | |
| Salaries and benefits | 891,572 | 1,078,343 |
| Occupancy | 100 | - |
| Operating expenses | 811,758 | 666,667 |
| Shared services – related party | 1,645,858 | 1,523,437 |
| Subtotal | 3,349,288 | 3,268,447 |
| Total expenses | 25,228,972 | 25,215,804 |
| Change in Net Assets Without Donor Restriction | 1,260,649 | (832,905) |
| Net Assets with Donor Restriction | | |
| Contributions and grants, net | 321,964 | 100,000 |
| Net assets released from restrictions | (129,866) | - |
| Change in Net Assets with Donor Restriction | 192,098 | 100,000 |
| Change in Net Assets | 1,452,747 | (732,905) |
| Net Assets, Beginning of Year | 502,773 | 1,235,678 |
| Net Assets, End of Year | \$ 1,955,520 | \$ 502,773 |

Green Dot Public Schools National
Green Dot Public Schools Tennessee Statement of Cash Flows
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Cash Flows from (used for) Operating Activities | | |
| Change in Net Assets | \$ 1,452,747 | \$ (732,905) |
| Adjustments to reconcile change in net assets to net cash from (used for) operating activities | | |
| Depreciation expense | 261,025 | 226,149 |
| Amortization expense | 17,794 | 21,398 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (27,636) | 442,795 |
| Prepaid expenses and other current assets | (207,365) | (3,000) |
| Accounts payable and accruals | (61,955) | (854,191) |
| Accounts payable - related party | 783,795 | 19,423 |
| Operating lease assets and liabilities | 58,261 | - |
| Deferred revenue | 7,353 | 3,344 |
| Refundable advance - PPP | 3,017,265 | - |
| Net Cash from (used for) Operating Activities | <u>5,301,284</u> | <u>(876,987)</u> |
| Cash Flows used for Investing Activities | | |
| Purchases of property and equipment | <u>(2,143,723)</u> | <u>(1,947,519)</u> |
| Cash Flows from Financing Activities | | |
| Amounts incurred for debt issuance | - | (65,099) |
| Proceeds from loans | 1,835,685 | 2,159,007 |
| Loan principal payments | <u>(75,000)</u> | <u>-</u> |
| Net cash from Financing Activities | <u>1,760,685</u> | <u>2,093,908</u> |
| Net Change in Cash and Cash Equivalents | 4,918,246 | (730,598) |
| Cash and Cash Equivalents, Beginning of Year | <u>1,062,840</u> | <u>1,793,438</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 5,981,086</u> | <u>\$ 1,062,840</u> |
| Supplemental cash flow disclosure: | | |
| Cash paid during the period for interest | <u>\$ 179,538</u> | <u>\$ 75,644</u> |

Green Dot Public Schools National
United Parents and Students Statement of Financial Position
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|----------------------------------|--------------|--------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,269,231 | \$ 1,265,155 |
| Accounts receivable | 38,400 | 300 |
| Prepaid expenses | 7,529 | - |
| Total current assets | 1,315,160 | 1,265,455 |
| Non-current assets | | |
| Property and equipment, net | 27,011 | 36,272 |
| Total assets | \$ 1,342,171 | \$ 1,301,727 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accruals | \$ 139,005 | \$ 90,388 |
| Accounts payable - related party | 140,189 | 82,931 |
| Deferred revenue | 431,216 | 288,855 |
| Total current liabilities | 710,410 | 462,174 |
| Net Assets | | |
| Without donor restriction | 556,761 | 814,627 |
| With donor restriction | 75,000 | 24,926 |
| Total net assets | 631,761 | 839,553 |
| Total liabilities and net assets | \$ 1,342,171 | \$ 1,301,727 |

Green Dot Public Schools National
United Parents and Students Statement of Activities
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|--|------------|------------|
| Net Assets Without Donor Restriction | | |
| Support and Revenues | | |
| Contributions and grants | \$ 403,846 | \$ 404,044 |
| Local revenue | 1,008,406 | 1,345,522 |
| Net assets released from restrictions | 24,926 | 175,074 |
| Total support and revenues | 1,437,178 | 1,924,640 |
| Expenses | | |
| Program services | | |
| Salaries and benefits | 1,158,930 | 1,086,307 |
| Student services | 90,029 | 97,790 |
| Materials and supplies | 147,751 | 21,388 |
| Other expenses | 50,281 | 40,192 |
| Depreciation | 9,261 | 9,261 |
| Occupancy | 29,980 | 14,854 |
| Subtotal | 1,486,232 | 1,269,792 |
| Management and general | | |
| Shared services – related party | 208,812 | 126,397 |
| Total expenses | 1,695,044 | 1,396,189 |
| Change in Net Assets Without Donor Restriction | (257,866) | 528,451 |
| Net Assets with Donor Restriction | | |
| Contributions and grants, net | 75,000 | - |
| Net assets released from restrictions | (24,926) | (175,074) |
| Change in Net Assets with Donor Restriction | 50,074 | (175,074) |
| Change in Net Assets | (207,792) | 353,377 |
| Net Assets, Beginning of Year | 839,553 | 486,176 |
| Net Assets, End of Year | \$ 631,761 | \$ 839,553 |

Green Dot Public Schools National
 United Parents and Students Statement of Cash Flows
 Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | 2020 | 2019 |
|--|--------------|--------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ (207,792) | \$ 353,377 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation expense | 9,261 | 9,261 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (38,100) | 200,600 |
| Prepaid expenses | (7,529) | - |
| Accounts payable and accruals | 48,617 | (24,556) |
| Accounts payable - related party | 57,258 | 70,461 |
| Deferred revenue | 142,361 | 177,016 |
| | 4,076 | 786,159 |
| Net Cash from Operating Activities | | |
| Cash and Cash Equivalents, Beginning of Year | 1,265,155 | 478,996 |
| Cash and Cash Equivalents, End of Year | \$ 1,269,231 | \$ 1,265,155 |

Green Dot Public Schools National
Consolidating Statement of Financial Position
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | GDPS National | GDPS CA |
|--|---------------|----------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 5,604,555 | \$ 52,405,934 |
| Restricted cash and investments | - | 7,089,007 |
| Accounts receivable | 221,372 | 22,919,969 |
| Accounts receivable - related party | 544,817 | 501,871 |
| Prepaid expenses and other current assets | 460,404 | 3,114,406 |
| Total current assets | 6,831,148 | 86,031,187 |
| Non-current assets | | |
| Restricted cash and cash equivalents | - | 41,004,985 |
| Security deposits | 36,034 | 536,576 |
| Operating lease right of use asset, net | 1,855,418 | 25,602,995 |
| Finance lease right of use asset, net | - | 9,943,420 |
| Property and equipment | 1,703,567 | 118,136,875 |
| Total non-current assets | 3,595,019 | 195,224,851 |
| Total assets | \$ 10,426,167 | \$ 281,256,038 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accruals | \$ 1,333,730 | \$ 19,040,360 |
| Accounts payable - related party | - | - |
| Interest payable | - | 1,989,945 |
| Deferred revenue | 38,500 | 5,882,302 |
| Refundable advance - Paycheck Protection Program (PPP) | - | - |
| Current portion of operating lease liability | 529,114 | 2,870,237 |
| Current portion of finance lease liability | - | 87,353 |
| Current portion of proposition construction loans | - | 1,176,359 |
| Current portion of loan payable | - | - |
| Current portion of settlement agreement | - | 67,634 |
| Current portion of bonds payable | - | 1,630,000 |
| Total current liabilities | 1,901,344 | 32,744,190 |
| Other liabilities | | |
| Deferred revenue - proposition funding | - | 25,640,067 |
| Long-term liabilities | | |
| Operating lease liability, less current portion | 1,364,222 | 23,101,214 |
| Finance lease liability, less current portion | - | 9,985,529 |
| Settlement agreement, less current portion | - | 163,528 |
| Proposition construction loans, less current portion | - | 25,690,566 |
| Loan payable, less current portion | - | - |
| Bonds payable, less current portion and net of unamortized bond issuance costs and bond premium | - | 92,831,699 |
| Total long-term liabilities | 1,364,222 | 151,772,536 |
| Total liabilities | 3,265,566 | 210,156,793 |
| Net Assets | | |
| Without donor restriction | 7,160,601 | 70,523,516 |
| With donor restriction | - | 575,729 |
| Total net assets | 7,160,601 | 71,099,245 |
| Total liabilities and net assets | \$ 10,426,167 | \$ 281,256,038 |

Green Dot Public Schools National
Consolidating Statement of Financial Position
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | GDPS TN | UP&S |
|---|---------------|--------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 5,981,086 | \$ 1,269,231 |
| Restricted cash and investments | - | - |
| Accounts receivable | 1,472,134 | 38,400 |
| Accounts receivable - related party | - | - |
| Prepaid expenses and other current assets | 210,365 | 7,529 |
| Total current assets | 7,663,585 | 1,315,160 |
| Non-current assets | | |
| Restricted cash and cash equivalents | - | - |
| Security deposits | 14,000 | - |
| Operating lease right of use asset, net | 3,472,095 | - |
| Finance lease right of use asset, net | - | - |
| Property and equipment | 6,715,096 | 27,011 |
| Total non-current assets | 10,201,191 | 27,011 |
| Total assets | \$ 17,864,776 | \$ 1,342,171 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accruals | \$ 1,460,962 | \$ 139,005 |
| Accounts payable - related party | 906,499 | 140,189 |
| Interest payable | - | - |
| Deferred revenue | 10,697 | 431,216 |
| Refundable advance - Paycheck Protection Program (PPP) | 3,017,265 | - |
| Current portion of operating lease liability | 64,909 | - |
| Current portion of finance lease liability | - | - |
| Current portion of proposition construction loans | - | - |
| Current portion of loan payable | 133,129 | - |
| Current portion of settlement agreement | - | - |
| Current portion of bonds payable | - | - |
| Total current liabilities | 5,593,461 | 710,410 |
| Other liabilities | | |
| Deferred revenue - proposition funding | - | - |
| Long-term liabilities | | |
| Operating lease liability, less current portion | 3,465,447 | - |
| Finance lease liability, less current portion | - | - |
| Settlement agreement, less current portion | - | - |
| Proposition construction loans, less current portion | - | - |
| Loan payable, less current portion | 6,850,348 | - |
| Bonds payable, less current portion and net of unamortized bond issuance costs and bond premium | - | - |
| Total long-term liabilities | 10,315,795 | - |
| Total liabilities | 15,909,256 | 710,410 |
| Net Assets | | |
| Without donor restriction | 1,663,422 | 556,761 |
| With donor restriction | 292,098 | 75,000 |
| Total net assets | 1,955,520 | 631,761 |
| Total liabilities and net assets | \$ 17,864,776 | \$ 1,342,171 |

Green Dot Public Schools National
Consolidating Statement of Financial Position
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | Eliminations | Total |
|--|-----------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ - | \$ 65,260,806 |
| Restricted cash and investments | - | 7,089,007 |
| Accounts receivable | - | 24,651,875 |
| Accounts receivable - related party | (1,046,688) | - |
| Prepaid expenses and other current assets | - | 3,792,704 |
| Total current assets | (1,046,688) | 100,794,392 |
| Non-current assets | | |
| Restricted cash and cash equivalents | - | 41,004,985 |
| Security deposits | - | 586,610 |
| Operating lease right of use asset, net | - | 30,930,508 |
| Finance lease right of use asset, net | - | 9,943,420 |
| Property and equipment | - | 126,582,549 |
| Total non-current assets | - | 209,048,072 |
| Total assets | \$ (1,046,688) | \$ 309,842,464 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accruals | \$ - | \$ 21,974,057 |
| Accounts payable - related party | (1,046,688) | - |
| Interest payable | - | 1,989,945 |
| Deferred revenue | - | 6,362,715 |
| Refundable advance - Paycheck Protection Program (PPP) | - | 3,017,265 |
| Current portion of operating lease liability | - | 3,464,260 |
| Current portion of finance lease liability | - | 87,353 |
| Current portion of proposition construction loans | - | 1,176,359 |
| Current portion of loan payable | - | 133,129 |
| Current portion of settlement agreement | - | 67,634 |
| Current portion of bonds payable | - | 1,630,000 |
| Total current liabilities | (1,046,688) | 39,902,717 |
| Other liabilities | | |
| Deferred revenue - proposition funding | - | 25,640,067 |
| Long-term liabilities | | |
| Operating lease liability, less current portion | - | 27,930,883 |
| Finance lease liability, less current portion | - | 9,985,529 |
| Settlement agreement, less current portion | - | 163,528 |
| Proposition construction loans, less current portion | - | 25,690,566 |
| Loan payable, less current portion | - | 6,850,348 |
| Bonds payable, less current portion and net of unamortized bond issuance costs and bond premium | - | 92,831,699 |
| Total long-term liabilities | - | 163,452,553 |
| Total liabilities | (1,046,688) | 228,995,337 |
| Net Assets | | |
| Without donor restriction | - | 79,904,300 |
| With donor restriction | - | 942,827 |
| Total net assets | - | 80,847,127 |
| Total liabilities and net assets | \$ (1,046,688) | \$ 309,842,464 |

Green Dot Public Schools National

Consolidating Statement of Activities

Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | GDPS National | GDPS CA |
|--|---------------------|----------------------|
| Net Assets Without Donor Restriction | | |
| Support and revenues | | |
| State apportionments | \$ - | \$ 130,823,217 |
| Federal revenue | 183,567 | 16,834,582 |
| Other state revenue | - | 16,967,588 |
| Contributions and grants | 621,561 | 809,557 |
| Donated services and property | - | - |
| Local revenue | 13,939,910 | 2,831,518 |
| Interest income | - | 573,511 |
| Net assets released from restrictions | - | 676,788 |
| Total support and revenues | <u>14,745,038</u> | <u>169,516,761</u> |
| Expenses | | |
| Program services | | |
| Salaries and benefits | 7,535,091 | 87,757,912 |
| Student services | 573,253 | 17,689,605 |
| Materials and supplies | 59,788 | 4,260,902 |
| Student nutrition | - | 5,117,952 |
| Other expenses | 2,212,184 | 7,686,781 |
| Depreciation and amortization | 421,125 | 5,280,861 |
| Occupancy | 572,250 | 11,632,498 |
| Interest | - | 4,549,844 |
| Subtotal | <u>11,373,691</u> | <u>143,976,355</u> |
| Fund development | <u>919,236</u> | <u>-</u> |
| Management and general | | |
| Salaries and benefits | 441,927 | 2,438,096 |
| Depreciation | - | 162,264 |
| Shared services – related party | 313,361 | 12,548,046 |
| Occupancy | - | 609,263 |
| Operating expenses | <u>200,440</u> | <u>1,833,160</u> |
| Subtotal | <u>955,728</u> | <u>17,590,829</u> |
| Total expenses | <u>13,248,655</u> | <u>161,567,184</u> |
| Net Assets with Management Designations | | |
| Net assets released from restrictions | - | (249,996) |
| Change in Net Assets Without Donor Restriction | <u>1,496,383</u> | <u>7,699,581</u> |
| Net Assets with Donor Restriction | | |
| Contributions and grants, net | - | 989,194 |
| Net assets released from restrictions | - | (426,792) |
| Change in Net Assets with Donor Restriction | <u>-</u> | <u>562,402</u> |
| Change in Net Assets Before Deconsolidation | <u>1,496,383</u> | <u>8,261,983</u> |
| Deconsolidation - GDPS WA | - | - |
| Change in Net Assets | <u>1,496,383</u> | <u>8,261,983</u> |
| Net Assets, Beginning of Year | <u>5,664,218</u> | <u>62,837,262</u> |
| Net Assets, End of Year | <u>\$ 7,160,601</u> | <u>\$ 71,099,245</u> |

See Notes to Supplementary Information

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Green Dot Public Schools National
Consolidating Statement of Activities
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | GDPS TN | UP&S |
|--|---------------|------------|
| Net Assets Without Donor Restriction | | |
| Support and revenues | | |
| State apportionments | \$ 21,547,875 | \$ - |
| Federal revenue | 3,183,980 | - |
| Other state revenue | 44,401 | - |
| Contributions and grants | 917,988 | 403,846 |
| Donated services and property | - | - |
| Local revenue | 665,511 | 1,008,406 |
| Interest income | | |
| Net assets released from restrictions | 129,866 | 24,926 |
| Total support and revenues | 26,489,621 | 1,437,178 |
| Expenses | | |
| Program services | | |
| Salaries and benefits | 14,597,438 | 1,158,930 |
| Student services | 3,130,897 | 90,029 |
| Materials and supplies | 535,781 | 147,751 |
| Student nutrition | - | - |
| Other expenses | 912,865 | 50,281 |
| Depreciation and amortization | 261,025 | 9,261 |
| Occupancy | 2,262,140 | 29,980 |
| Interest | 179,538 | - |
| Subtotal | 21,879,684 | 1,486,232 |
| Fund development | - | - |
| Management and general | | |
| Salaries and benefits | 891,572 | - |
| Depreciation | - | - |
| Shared services – related party | 1,645,858 | 208,812 |
| Occupancy | 100 | - |
| Operating expenses | 811,758 | - |
| Subtotal | 3,349,288 | 208,812 |
| Total expenses | 25,228,972 | 1,695,044 |
| Net Assets with Management Designations | | |
| Net assets released from restrictions | - | - |
| Change in Net Assets Without Donor Restriction | 1,260,649 | (257,866) |
| Net Assets with Donor Restriction | | |
| Contributions and grants, net | 321,964 | 75,000 |
| Net assets released from restrictions | (129,866) | (24,926) |
| Change in Net Assets with Donor Restriction | 192,098 | 50,074 |
| Change in Net Assets Before Deconsolidation | 1,452,747 | (207,792) |
| Deconsolidation - GDPS WA | - | - |
| Change in Net Assets | 1,452,747 | (207,792) |
| Net Assets, Beginning of Year | 502,773 | 839,553 |
| Net Assets, End of Year | \$ 1,955,520 | \$ 631,761 |

See Notes to Supplementary Information

Green Dot Public Schools National

Consolidating Statement of Activities

Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | Eliminations | Total |
|--|--------------|----------------|
| Net Assets Without Donor Restriction | | |
| Support and revenues | | |
| State apportionments | \$ - | \$ 152,371,092 |
| Federal revenue | (13,572) | 20,188,557 |
| Other state revenue | - | 17,011,989 |
| Contributions and grants | - | 2,752,952 |
| Donated services and property | - | - |
| Local revenue | (14,806,104) | 3,639,241 |
| Interest income | | 573,511 |
| Net assets released from restrictions | | 831,580 |
| Total support and revenues | (14,819,676) | 197,368,922 |
| Expenses | | |
| Program services | | |
| Salaries and benefits | - | 111,049,371 |
| Student services | - | 21,483,784 |
| Materials and supplies | - | 5,004,222 |
| Student nutrition | - | 5,117,952 |
| Other expenses | (13,572) | 10,848,539 |
| Depreciation and amortization | - | 5,972,272 |
| Occupancy | - | 14,496,868 |
| Interest | - | 4,729,382 |
| Subtotal | (13,572) | 178,702,390 |
| Fund development | (90,027) | 829,209 |
| Management and general | | |
| Salaries and benefits | - | 3,771,595 |
| Depreciation | - | 162,264 |
| Shared services – related party | (14,716,077) | - |
| Occupancy | - | 609,363 |
| Operating expenses | - | 2,845,358 |
| Subtotal | (14,716,077) | 7,388,580 |
| Total expenses | (14,819,676) | 186,920,179 |
| Net Assets with Management Designations | | |
| Net assets released from restrictions | | (249,996) |
| Change in Net Assets Without Donor Restriction | - | 10,198,747 |
| Net Assets with Donor Restriction | | |
| Contributions and grants, net | - | 1,386,158 |
| Net assets released from restrictions | - | (581,584) |
| Change in Net Assets with Donor Restriction | - | 804,574 |
| Change in Net Assets Before Deconsolidation | - | 11,003,321 |
| Deconsolidation - GDPS WA | (292,490) | (292,490) |
| Change in Net Assets | (292,490) | 10,710,831 |
| Net Assets, Beginning of Year | 292,490 | 70,136,296 |
| Net Assets, End of Year | \$ - | \$ 80,847,127 |

See Notes to Supplementary Information

Green Dot Public Schools National
Consolidating Statement of Cash Flows
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | GDPS National | GDPS CA |
|---|---------------------|----------------------|
| Cash Flows from (used for) Operating Activities | | |
| Changes in net assets | \$ 1,496,383 | \$ 8,261,983 |
| Adjustments to reconcile change in net assets to net cash (used for) operating activities operating activities | | |
| Depreciation expense | 421,127 | 5,272,108 |
| Amortization expense (including bond discount) | - | (37,425) |
| Finance lease amortization | - | 171,017 |
| Cash restricted for interest/debt obligation stipulations | - | 9,911,777 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (107,048) | (6,221,065) |
| Accounts receivable - related party | 26,114 | (2,004) |
| Prepaid expenses and other current assets | (27,796) | (1,440,298) |
| Security deposits | - | (65,890) |
| Accounts payable and accruals | (142,883) | 6,973,918 |
| Accounts payable - related party | (29,822) | (865,163) |
| Interest payable | - | (60,358) |
| Operating lease assets and liabilities | 37,918 | 590,077 |
| Deferred revenue | 38,500 | (1,366,155) |
| Refundable advance - PPP | - | - |
| | <u>1,712,493</u> | <u>21,122,522</u> |
| Net Cash from (used for) Operating Activities | | |
| Cash Flows from (used for) Investing Activities | | |
| Restricted cash (received) used for construction | - | 99,617 |
| Purchases of property and equipment | (594,334) | (13,149,032) |
| | <u>(594,334)</u> | <u>(13,049,415)</u> |
| Net Cash from (used for) Investing Activities | | |
| Cash Flows from (used for) Financing Activities | | |
| Proceeds from loans | - | - |
| Principal payments on loans payable | - | (1,117,300) |
| Principal payments on finance lease | - | (41,555) |
| Principal payments on bonds | - | (695,000) |
| | <u>-</u> | <u>(1,853,855)</u> |
| Net Cash from (used for) Financing Activities | | |
| Net Change in Cash and Cash Equivalents | 1,118,159 | 6,219,252 |
| Cash and Cash Equivalents, Beginning of Year | 4,486,396 | 46,186,682 |
| Cash and Cash Equivalents, End of Year | <u>\$ 5,604,555</u> | <u>\$ 52,405,934</u> |
| Supplemental Cash Flow Disclosure | | |
| Cash paid during the period for interest | <u>\$ -</u> | <u>\$ 4,743,934</u> |

Green Dot Public Schools National
Consolidating Statement of Cash Flows
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | GDPS TN | UP&S |
|---|---------------------|---------------------|
| Cash Flows from (used for) Operating Activities | | |
| Changes in net assets | \$ 1,452,747 | \$ (207,792) |
| Adjustments to reconcile change in net assets to net cash (used for) operating activities operating activities | | |
| Depreciation expense | 261,025 | 9,261 |
| Amortization expense (including bond discount) | 17,794 | - |
| Finance lease amortization | - | - |
| Cash restricted for interest/debt obligation stipulations | - | - |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (27,636) | (38,100) |
| Accounts receivable - related party | - | - |
| Prepaid expenses and other current assets | (207,365) | (7,529) |
| Security deposits | - | - |
| Accounts payable and accruals | (61,955) | 48,617 |
| Accounts payable - related party | 783,795 | 57,258 |
| Interest payable | - | - |
| Operating lease assets and liabilities | 58,261 | - |
| Deferred revenue | 7,353 | 142,361 |
| Refundable advance - PPP | 3,017,265 | - |
| | <u>5,301,284</u> | <u>4,076</u> |
| Net Cash from (used for) Operating Activities | | |
| Cash Flows from (used for) Investing Activities | | |
| Restricted cash (received) used for construction | - | - |
| Capital expenditures | (2,143,723) | - |
| | <u>(2,143,723)</u> | <u>-</u> |
| Net Cash from (used for) Investing Activities | | |
| Cash Flows from (used for) Financing Activities | | |
| Proceeds from loans | 1,835,685 | - |
| Principal payments on loans payable | (75,000) | - |
| Principal payments on finance lease | - | - |
| Principal payments on bonds | - | - |
| | <u>1,760,685</u> | <u>-</u> |
| Net Cash from (used for) Financing Activities | | |
| Net Change in Cash and Cash Equivalents | 4,918,246 | 4,076 |
| Cash and Cash Equivalents, Beginning of Year | 1,062,840 | 1,265,155 |
| | <u>\$ 5,981,086</u> | <u>\$ 1,269,231</u> |
| Cash and Cash Equivalents, End of Year | | |
| Supplemental Cash Flow Disclosure | | |
| Cash paid during the period for interest | \$ 179,538 | \$ - |
| | <u>\$ 179,538</u> | <u>\$ -</u> |

Green Dot Public Schools National
Consolidating Statement of Cash Flows
Year Ended June 30, 2020 (with comparative totals for June 30, 2019)

| | Elimination | Total |
|---|--------------|---------------|
| Cash Flows from (used for) Operating Activities | | |
| Changes in net assets | \$ (292,490) | \$ 10,710,831 |
| Adjustments to reconcile change in net assets to net cash (used for) operating activities operating activities | | |
| Depreciation expense | - | 5,963,521 |
| Amortization expense (including bond discount) | - | (19,631) |
| Finance lease amortization | - | 171,017 |
| Cash restricted for interest/debt obligation stipulations | - | 9,911,777 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | 351,148 | (6,042,701) |
| Accounts receivable - related party | (22,809) | 1,301 |
| Prepaid expenses and other current assets | 394,163 | (1,288,825) |
| Security deposits | 85,025 | 19,135 |
| Accounts payable and accruals | (793,723) | 6,023,974 |
| Accounts payable - related party | 53,932 | - |
| Interest payable | - | (60,358) |
| Operating lease assets and liabilities | - | 686,256 |
| Deferred revenue | (3,399,166) | (4,577,107) |
| Refundable advance - PPP | - | 3,017,265 |
| | (3,623,920) | 24,516,455 |
| Net Cash from (used for) Operating Activities | | |
| Cash Flows from (used for) Investing Activities | | |
| Restricted cash (received) used for construction | - | 99,617 |
| Capital expenditures | 381,001 | (15,506,088) |
| | 381,001 | (15,406,471) |
| Net Cash from (used for) Investing Activities | | |
| Cash Flows from (used for) Financing Activities | | |
| Proceeds from loans | - | 1,835,685 |
| Principal payments on loans payable | (147,909) | (1,340,209) |
| Principal payments on finance lease | - | (41,555) |
| Principal payments on bonds | - | (695,000) |
| | (147,909) | (241,079) |
| Net Cash from (used for) Financing Activities | | |
| Net Change in Cash and Cash Equivalents | (3,390,828) | 8,868,905 |
| Cash and Cash Equivalents, Beginning of Year | 3,390,828 | 56,391,901 |
| Cash and Cash Equivalents, End of Year | \$ - | \$ 65,260,806 |
| Supplemental Cash Flow Disclosure | | |
| Cash paid during the period for interest | \$ - | \$ 4,923,472 |

Note 1 - Purpose of Supplementary Schedules

Supplementary Financial Statements by Region

These financial statements include an account of each regional office controlled 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.