



Consolidated Financial Statements  
June 30, 2020

(with comparative totals for June 30, 2019)

**Green Dot Public Schools National**

# Green Dot Public Schools National

## Table of Contents

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

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Independent Auditor’s Report .....	1
Financial Statements	
Consolidated Statement of Financial Position .....	3
Consolidated Statement of Activities .....	4
Consolidated Statement of Cash Flows .....	5
Notes to Consolidated Financial Statements.....	6
Supplementary Information	
Green Dot Public Schools National Statement of Financial Position.....	31
Green Dot Public Schools National Statement of Activities .....	32
Green Dot Public Schools National Statement of Cash Flows .....	33
Green Dot Public Schools California Statement of Financial Position .....	34
Green Dot Public Schools California Statement of Activities.....	35
Green Dot Public Schools California Statement of Cash Flows.....	36
Green Dot Public Schools Tennessee Statement of Financial Position.....	37
Green Dot Public Schools Tennessee Statement of Activities .....	38
Green Dot Public Schools Tennessee Statement of Cash Flows .....	39
United Parents and Students Statement of Financial Position.....	40
United Parents and Students Statement of Activities .....	41
United Parents and Students Statement of Cash Flows .....	42
Consolidating Statement of Financial Position .....	43
Consolidating Statement of Activities.....	46
Consolidating Statement of Cash Flows.....	49
Notes to Supplementary Information.....	52



## 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

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

**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		\$ 7,089,007	\$ 7,089,007	\$ 16,746,804	\$ 16,746,804
GDPS CA Non-Current Restricted Cash and Investment		\$ 41,004,985	\$ 41,004,985	\$ 41,358,582	\$ 41,358,582

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	-	-
<b>Total</b>	<b>\$ (544,817)</b>	<b>\$ 1,492,201</b>	<b>\$ 2,350,363</b>	<b>\$ (12,052,360)</b>	<b>\$ -</b>

## **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
<b>Assets</b>		
<b>Current assets</b>		
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
<b>Non-current assets</b>		
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
<b>Liabilities</b>		
<b>Current liabilities</b>		
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
<b>Long-term liabilities</b>		
Operating lease liability, less current portion	1,364,222	-
Total liabilities	3,265,566	1,506,435
<b>Net Assets</b>		
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
<b>Assets</b>		
<b>Current assets</b>		
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
<b>Total current assets</b>	<b>86,031,187</b>	<b>81,352,670</b>
<b>Non-current assets</b>		
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
<b>Total non-current assets</b>	<b>195,224,851</b>	<b>152,043,047</b>
<b>Total assets</b>	<b>\$ 281,256,038</b>	<b>\$ 233,395,717</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>32,744,190</b>	<b>19,486,304</b>
<b>Other liabilities</b>		
Deferred revenue - proposition funding	25,640,067	29,706,102
<b>Long-term liabilities</b>		
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
<b>Total long-term liabilities</b>	<b>151,772,536</b>	<b>121,366,049</b>
<b>Total liabilities</b>	<b>210,156,793</b>	<b>170,558,455</b>
<b>Net Assets</b>		
Without donor restriction	70,523,516	62,823,935
With donor restriction	575,729	13,327
<b>Total net assets</b>	<b>71,099,245</b>	<b>62,837,262</b>
<b>Total liabilities and net assets</b>	<b>\$ 281,256,038</b>	<b>\$ 233,395,717</b>

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
<b>Assets</b>		
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
<b>Liabilities</b>		
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
<b>Net Assets</b>		
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)

	<u>2020</u>	<u>2019</u>
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	<u>129,866</u>	<u>-</u>
Total support and revenues	<u>26,489,621</u>	<u>24,382,899</u>
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	<u>179,538</u>	<u>75,644</u>
Subtotal	<u>21,879,684</u>	<u>21,947,357</u>
Management and general		
Salaries and benefits	891,572	1,078,343
Occupancy	100	-
Operating expenses	811,758	666,667
Shared services – related party	<u>1,645,858</u>	<u>1,523,437</u>
Subtotal	<u>3,349,288</u>	<u>3,268,447</u>
Total expenses	<u>25,228,972</u>	<u>25,215,804</u>
Change in Net Assets Without Donor Restriction	<u>1,260,649</u>	<u>(832,905)</u>
Net Assets with Donor Restriction		
Contributions and grants, net	321,964	100,000
Net assets released from restrictions	<u>(129,866)</u>	<u>-</u>
Change in Net Assets with Donor Restriction	<u>192,098</u>	<u>100,000</u>
Change in Net Assets	1,452,747	(732,905)
Net Assets, Beginning of Year	<u>502,773</u>	<u>1,235,678</u>
Net Assets, End of Year	<u>\$ 1,955,520</u>	<u>\$ 502,773</u>



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
<b>Assets</b>		
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
<b>Liabilities</b>		
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
<b>Net Assets</b>		
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)

	<u>2020</u>	<u>2019</u>
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	<u>24,926</u>	<u>175,074</u>
Total support and revenues	<u>1,437,178</u>	<u>1,924,640</u>
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	<u>29,980</u>	<u>14,854</u>
Subtotal	<u>1,486,232</u>	<u>1,269,792</u>
Management and general		
Shared services – related party	<u>208,812</u>	<u>126,397</u>
Total expenses	<u>1,695,044</u>	<u>1,396,189</u>
Change in Net Assets Without Donor Restriction	<u>(257,866)</u>	<u>528,451</u>
Net Assets with Donor Restriction		
Contributions and grants, net	75,000	-
Net assets released from restrictions	<u>(24,926)</u>	<u>(175,074)</u>
Change in Net Assets with Donor Restriction	<u>50,074</u>	<u>(175,074)</u>
Change in Net Assets	(207,792)	353,377
Net Assets, Beginning of Year	<u>839,553</u>	<u>486,176</u>
Net Assets, End of Year	<u>\$ 631,761</u>	<u>\$ 839,553</u>

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
<b>Assets</b>		
<b>Current assets</b>		
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
<b>Total current assets</b>	<b>6,831,148</b>	<b>86,031,187</b>
<b>Non-current assets</b>		
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
<b>Total non-current assets</b>	<b>3,595,019</b>	<b>195,224,851</b>
<b>Total assets</b>	<b>\$ 10,426,167</b>	<b>\$ 281,256,038</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>1,901,344</b>	<b>32,744,190</b>
<b>Other liabilities</b>		
Deferred revenue - proposition funding	-	25,640,067
<b>Long-term liabilities</b>		
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
<b>Total long-term liabilities</b>	<b>1,364,222</b>	<b>151,772,536</b>
<b>Total liabilities</b>	<b>3,265,566</b>	<b>210,156,793</b>
<b>Net Assets</b>		
Without donor restriction	7,160,601	70,523,516
With donor restriction	-	575,729
<b>Total net assets</b>	<b>7,160,601</b>	<b>71,099,245</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,426,167</b>	<b>\$ 281,256,038</b>

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
<b>Assets</b>		
<b>Current assets</b>		
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
<b>Total current assets</b>	<b>7,663,585</b>	<b>1,315,160</b>
<b>Non-current assets</b>		
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
<b>Total non-current assets</b>	<b>10,201,191</b>	<b>27,011</b>
<b>Total assets</b>	<b>\$ 17,864,776</b>	<b>\$ 1,342,171</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
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	-	-
<b>Total current liabilities</b>	<b>5,593,461</b>	<b>710,410</b>
<b>Other liabilities</b>		
Deferred revenue - proposition funding	-	-
<b>Long-term liabilities</b>		
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	-	-
<b>Total long-term liabilities</b>	<b>10,315,795</b>	<b>-</b>
<b>Total liabilities</b>	<b>15,909,256</b>	<b>710,410</b>
<b>Net Assets</b>		
Without donor restriction	1,663,422	556,761
With donor restriction	292,098	75,000
<b>Total net assets</b>	<b>1,955,520</b>	<b>631,761</b>
<b>Total liabilities and net assets</b>	<b>\$ 17,864,776</b>	<b>\$ 1,342,171</b>

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

	Eliminations	Total
<b>Assets</b>		
<b>Current assets</b>		
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
<b>Total current assets</b>	<b>(1,046,688)</b>	<b>100,794,392</b>
<b>Non-current assets</b>		
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
<b>Total non-current assets</b>	-	<b>209,048,072</b>
<b>Total assets</b>	<b>\$ (1,046,688)</b>	<b>\$ 309,842,464</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>(1,046,688)</b>	<b>39,902,717</b>
<b>Other liabilities</b>		
Deferred revenue - proposition funding	-	25,640,067
<b>Long-term liabilities</b>		
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
<b>Total long-term liabilities</b>	-	<b>163,452,553</b>
<b>Total liabilities</b>	<b>(1,046,688)</b>	<b>228,995,337</b>
<b>Net Assets</b>		
Without donor restriction	-	79,904,300
With donor restriction	-	942,827
<b>Total net assets</b>	-	<b>80,847,127</b>
<b>Total liabilities and net assets</b>	<b>\$ (1,046,688)</b>	<b>\$ 309,842,464</b>

## 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

46



## 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	<u>26,489,621</u>	<u>1,437,178</u>
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	<u>21,879,684</u>	<u>1,486,232</u>
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	<u>3,349,288</u>	<u>208,812</u>
Total expenses	<u>25,228,972</u>	<u>1,695,044</u>
Net Assets with Management Designations		
Net assets released from restrictions	-	-
Change in Net Assets Without Donor Restriction	<u>1,260,649</u>	<u>(257,866)</u>
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	<u>192,098</u>	<u>50,074</u>
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	<u>\$ 1,955,520</u>	<u>\$ 631,761</u>

See Notes to Supplementary Information

47

# 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	-	-
Net Cash from (used for) Operating Activities	1,712,493	21,122,522
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)
Net Cash from (used for) Investing Activities	(594,334)	(13,049,415)
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)
Net Cash from (used for) Financing Activities	-	(1,853,855)
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	\$ 5,604,555	\$ 52,405,934
Supplemental Cash Flow Disclosure		
Cash paid during the period for interest	\$ -	\$ 4,743,934

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

	<u>GDPS TN</u>	<u>UP&amp;S</u>
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	-
Net Cash from (used for) Operating Activities	<u>5,301,284</u>	<u>4,076</u>
Cash Flows from (used for) Investing Activities		
Restricted cash (received) used for construction	-	-
Capital expenditures	(2,143,723)	-
Net Cash from (used for) Investing Activities	<u>(2,143,723)</u>	<u>-</u>
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	-	-
Net Cash from (used for) Financing Activities	<u>1,760,685</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	4,918,246	4,076
Cash and Cash Equivalents, Beginning of Year	<u>1,062,840</u>	<u>1,265,155</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,981,086</u>	<u>\$ 1,269,231</u>
Supplemental Cash Flow Disclosure		
Cash paid during the period for interest	<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
	<u>(3,623,920)</u>	<u>24,516,455</u>
 Cash Flows from (used for) Investing Activities		
Restricted cash (received) used for construction	-	99,617
Capital expenditures	381,001	(15,506,088)
	<u>381,001</u>	<u>(15,406,471)</u>
 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)
	<u>(147,909)</u>	<u>(241,079)</u>
 Net Change in Cash and Cash Equivalents	<u>(3,390,828)</u>	<u>8,868,905</u>
 Cash and Cash Equivalents, Beginning of Year	<u>3,390,828</u>	<u>56,391,901</u>
 Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 65,260,806</u>
 Supplemental Cash Flow Disclosure		
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ 4,923,472</u>

**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.