



Annual Financial Report
June 30, 2019

Green Dot Public Schools Tennessee



GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

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JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Green Dot Public Schools Tennessee
(A Tennessee Nonprofit Public Benefit Corporation)
Memphis, Tennessee

We have audited the accompanying combined financial statements of Green Dot Public Schools Tennessee (GDPS TN) (A Tennessee Nonprofit Public Benefit Corporation), which are comprised of the Statement of Financial Position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State of Tennessee Comptroller of the Treasury Department of Audit. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to GDPS TN's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GDPS TN's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of GDPS TN as of June 30, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the GDPS TN's 2018 combined financial statement, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 21, 2018. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other supplementary information as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the combined financial statements.

The supplementary information is the responsibility of management, was derived from, and relates directly to the underlying accounting and other records used to prepare the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic combined financial statements, or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019, on our consideration of GDPS TN's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of GDPS TN's internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GDPS TN's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GDPS TN's internal control over financial reporting and compliance.



Rancho Cucamonga, California
December 27, 2019



FINANCIAL STATEMENTS

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

COMBINED STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2018)

JUNE 30, 2019

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,062,840	\$ 1,793,438
Accounts receivable	1,444,498	1,887,293
Prepaid expenses and other current assets	3,000	-
Total Current Assets	<u>2,510,338</u>	<u>3,680,731</u>
Non-Current Assets:		
Debt issue costs, net	107,689	63,988
Security deposits	14,000	14,000
Property and equipment	5,547,767	3,600,248
Less: accumulated depreciation	805,264	579,115
Total Non-Current Assets	<u>4,864,192</u>	<u>3,099,121</u>
Total Assets	<u>\$ 7,374,530</u>	<u>\$ 6,779,852</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 1,522,917	\$ 2,377,108
Accounts payable - related party	122,704	103,281
Deferred revenue	3,344	-
Current portion of long-term obligations	227,749	269,094
Total Current Liabilities	<u>1,876,714</u>	<u>2,749,483</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	4,995,043	2,794,691
Total Liabilities	<u>6,871,757</u>	<u>5,544,174</u>
NET ASSETS		
Without donor restriction	402,773	1,235,678
With donor restriction	100,000	-
Total Net Assets	<u>502,773</u>	<u>1,235,678</u>
Total Liabilities and Net Assets	<u>\$ 7,374,530</u>	<u>\$ 6,779,852</u>

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

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

COMBINED STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTION		
REVENUES		
State apportionments	\$ 19,525,782	\$ 17,801,752
Federal revenue	3,260,276	2,719,229
Other state revenue	482,298	675,635
Contributions and grants	437,228	2,740,718
Local revenue	677,315	604,296
Total Revenues	24,382,899	24,541,630
EXPENSES		
Program Services:		
Salaries and benefits	15,231,787	14,875,096
Student services	2,787,580	2,884,832
Materials and supplies	472,684	534,774
Other expenses	871,272	989,042
Depreciation and amortization	247,547	173,147
Occupancy	2,260,843	2,451,193
Interest	75,644	98,725
Subtotal	21,947,357	22,006,809
Management and General:		
Salaries and benefits	1,078,343	1,131,517
Occupancy	-	2,390
Operating expenses	666,667	708,713
Shared services - related party	1,523,437	1,540,053
Subtotal	3,268,447	3,382,673
Total Expenses	25,215,804	25,389,482
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	(832,905)	(847,852)
NET ASSETS WITH DONOR RESTRICTION		
Contributions and grants	100,000	-
CHANGE IN NET ASSETS WITH DONOR RESTRICTION	100,000	-
CHANGE IN NET ASSETS	(732,905)	(847,852)
NET ASSETS, BEGINNING OF YEAR	1,235,678	2,083,530
NET ASSETS, END OF YEAR	\$ 502,773	\$ 1,235,678

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

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

COMBINED STATEMENT OF CASHFLOW
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (732,905)	\$ (847,852)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation expense	226,149	170,279
Amortization expense	21,398	2,868
Changes in operating assets and liabilities:		
(Increase) Decrease in assets:		
Accounts receivable	442,795	(389,000)
Prepaid expenses and other current assets	(3,000)	989
Increase (Decrease) in liabilities:		
Accounts payable and accruals	(854,191)	(338,998)
Accounts payable - related party	19,423	(13,351)
Deferred revenue	3,344	(1,378,931)
Net Cash Used by Operating Activities	(876,987)	(2,793,996)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,947,519)	(1,394,866)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts incurred for debt issuance	(65,099)	(66,856)
Loan proceeds, net	2,159,007	1,658,785
Net Cash Provided by Financing Activities	2,093,908	1,591,929
NET CHANGE IN CASH AND CASH EQUIVALENTS	(730,598)	(2,596,933)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,793,438	4,390,371
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,062,840	\$ 1,793,438
Supplemental cash flow disclosure:		
Cash paid during the period for interest	\$ 75,644	\$ 98,725

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

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Green Dot Public Schools Tennessee (GDPS TN) (A Tennessee Nonprofit Benefit Organization) was organized on May 29, 2014. Financial activity began on July 1, 2014. GDPS TN receives services from Green Dot Public Schools National (GDPS National). GDPS National represents a related party and transactions between GDPS TN and GDPS National have been identified on the face of the financial statements. See below for additional details regarding related party relationships and transactions.

During the fiscal year ended June 30, 2019, GDPS TN operated five charter schools. Fairley High School (Fairley HS), Wooddale Middle School (Wooddale MS), Kirby Middle School (Kirby MS) and Hillcrest High School were opened during the fiscal year ended June 30, 2017. Fairley High School, Hillcrest High School, Kirby Middle School, and Wooddale Middle School operate under the approval of the Tennessee Department of Education (TDOE) and are part of the Achievement School District. During the fiscal year ended June 30, 2018, Bluff City High School was opened under the approval of the TDOE. Fairley High School, Hillcrest High School, Kirby Middle School, Wooddale Middle School, and Bluff City High School receive per-pupil funding to help support operations. GDPS TN plans to open other charter schools in the future.

GDPS TN was founded upon the simple idea that every child in every community deserves to go to a great school. GDPS TN's mission is to transform public education so all students graduate prepared for college, leadership, and life. GDPS TN's academic model is designed to meet individual student needs and to provide students with a rigorous curriculum and the support they need to succeed. GDPS TN ensures that every student has a highly effective classroom experience by providing small, safe personalized schools, high expectations for all students, local control and accountability, parent participation, maximum funding in the classroom, and a longer school day and year. During the 2018-2019 fiscal year, GDPS TN served 2,471 students in three high schools and two middle schools. GDPS TN's students mirror the socio-economic demographic of their communities and local traditional schools.

Charter School Name	Number	Sponsoring District	Grades Served	Number of Students Served	Charter Expiration
Fairley High School	8055	Achievement School District	9-12	629	June 30, 2024
Wooddale Middle School	8105	Achievement School District	6-8	495	June 30, 2025
Hillcrest High School	8140	Achievement School District	9-12	556	June 30, 2026
Kirby Middle School	8135	Achievement School District	6-8	448	June 30, 2026
Bluff City High School	8005	Tennessee State Board of Education	9-10	343	June 30, 2027
				2,471	

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES, continued

Related Parties

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

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

GDPS National grants 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 TN'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 TN and GDPS National:

	Shared Service Fee Revenue - GDPS TN Schools	Shared Service Fee Expense - GDPS National
GDPS TN Regional Office	\$ 2,880,200	\$ 1,493,437

Principles of Combined Financial Statements

The combining financial statements include the accounts of the GDPS TN regional office, Fairley HS, Wooddale MS, Hillcrest HS, and Kirby Charter MS, and Bluff City HS. All significant intracompany accounts and transactions have been eliminated. Unless otherwise noted, these combined accounts are hereinafter referred to as GDPS TN.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES, continued

Comparative Financial Information

The accompanying financial statements include certain prior-year comparative information. Such information does include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with GDPS TN's audited financial statements for the year ending June 30, 2018, from which summarized information was derived.

Cash and Cash Equivalents

GDPS TN 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, 2019, management has determined all accounts receivable are fully collectible and no allowance for bad debts has been established.

Intra-company Receivable/Payable

Intra-company receivable/payable results from a net cumulative difference between resources provided by GDPS TN regional office to each individual charter school and reimbursement for those resources from each individual charter school to GDPS TN regional office.

Property and Equipment

It is GDPS TN's policy to capitalize individual property and equipment purchases over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. 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.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES, continued

GDPS TN reviews the carrying values of fixed assets 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, 2019.

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.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporarily 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. GDPS TN 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 statements of activities as net assets released from restrictions. As of June 30, 2019, GDPS TN has \$100,000 net assets with donor restrictions.

Designated Net Assets Without Donor Restriction

Designations of the ending net assets indicate tentative plans for financial resource utilization in a future period. GDPS TN has no designated net assets at June 30, 2019.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. GDPS TN records special events revenue equal to the cost of direct benefits to donors, and contribution income for the difference.

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

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES, continued

Donated Services and In-Kind Contributions

In-kind contributions are recorded at their estimated fair values at the date of donation. Donated services are recorded if they create or enhance non-financial assets or require a specialized skill that GDPS TN would otherwise need to purchase. GDPS TN receives donated facilities; however, the amount is not reflected in the financial statements since there is no readily determined method of valuing the services.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of 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.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses, excluding depreciation and grant disbursements are allocated on the basis of estimates of time and effort.

The financial statements report categories of expenses that are attributed to program service activities or supporting service activities. The expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

Income Taxes

GDPS TN is a nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). It is also exempt from State Franchise and Income Taxes under Section 67-6-322. No provision for income taxes has been reflected in these financial statements. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination, therefore, no disclosures of uncertain tax positions are required.

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

GREEN DOT PUBLIC SCHOOLS TENNESSEE
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NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES, continued

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

On June 21, 2018, the FASB completed its project on revenue-recognition of grants and contracts by not-for-profit entities by issuing Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in the Update provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction.

Specifically, the amendments in the Update:

- Clarify how a not-for-profit entity determines whether a resource provider is participating in an exchange transaction or a contribution
- Help an entity to evaluate whether contributions are conditional or unconditional by stating that a conditional contribution must have (1) a barrier that must be overcome and (2) a right of return or release of obligation
- Modify the simultaneous release option currently in generally accepted accounting principles (GAAP), which allows a not-for-profit entity to recognize a restricted contribution directly in unrestricted net assets/net assets without donor restrictions if the restriction is not in the same period that revenue is recognized.

The ASU is effective for GDPS TN for the year ended June 30, 2020. Management is evaluating the impact of the adoption of this standard.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES, continued

Change in Accounting Principle

As of July 1, 2018, GDPS TN adopted the provisions of Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements for Not-For-Profit Entities. The provisions of the ASU replace the existing three classes of net assets with two new classes (net assets without donor restrictions and net assets with donor restrictions) and enhance the disclosure requirements for GDPS TN's donor restricted endowment funds and underwater endowments. The ASU introduces new disclosure requirements to provide information about what is included or excluded from GDPS TN's intermediate measure of operations as well as disclosures to improve a financial statement user's ability to assess GDPS TN's liquidity and exposure to risk. The ASU also introduces new reporting requirements to present expenses by both function and natural classification in a single location and to present investment returns on the statements of activities net of external and direct internal investment expenses.

The amendments should be applied on a retrospective basis; however, if presenting comparative financial statements, the ASU allows for the option to omit, for any periods presented before the period of adoption, the analysis of expenses by both natural classification and functional classification (the separate presentation of expenses by functional classification and expenses by natural classification is still required), and the disclosure about liquidity and availability of resources. GDPS TN has elected not to present comparative information for these amendments.

GDPS TN has adopted this standard as management believes the standard improves the usefulness and understandability of GDPS TN's financial reporting.

Adjustments Resulting from Change in Accounting Policy

As disclosed above, GDPS TN adopted the provisions of ASU 2016-14, Presentation of Financial Statements for Not-For-Profit Entities as of June 30, 2019. As a part of the adoption, changes were made to the presentation of the financial statements and the classification of net assets. Following is a summary of the effects of the change in accounting policy in GDPS TN's June 30, 2018, net assets.

	As Previously Reported	Adoption of ASU 2016-14	As Adjusted
Net Assets, July 1, 2017			
Unrestricted	\$ 2,083,530	\$ (2,083,530)	\$ -
Net assets without donor restrictions	-	2,083,530	2,083,530
	<u>\$ 2,083,530</u>	<u>\$ -</u>	<u>\$ 2,083,530</u>
Net Assets, June 30, 2018			
Unrestricted	\$ 1,235,678	\$ (1,235,678)	\$ -
Net assets without donor restrictions	-	1,235,678	1,235,678
	<u>\$ 1,235,678</u>	<u>\$ -</u>	<u>\$ 1,235,678</u>

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

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	\$ 1,062,840
Accounts receivable	1,444,498
Prepaid and other assets	<u>3,000</u>
Financial Assets, at year-end	<u>2,510,338</u>
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Restrictions by donor with purpose and time restrictions	<u>(100,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,410,338</u></u>

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at June 30, 2019, and 2018:

	<u>2019</u>		<u>2018</u>	
	<u>Reported Amount</u>	<u>Bank Balance</u>	<u>Reported Amount</u>	<u>Bank Balance</u>
Deposits				
Cash on hand and in banks	<u>\$ 1,062,840</u>	<u>\$ 1,452,208</u>	<u>\$ 1,793,438</u>	<u>\$ 2,432,523</u>

The majority of GDPS TN's cash is held in non-interest bearing accounts, which are subject to federally insured limits. GDPS TN has not experienced any losses in such accounts. At June 30, 2019, GDPS TN had \$1,202,208 in excess of FDIC insured limits in non-interest bearing accounts.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30, 2019, and 2018:

	2019	2018
Apportionment	\$ 490,312	\$ 489,762
Federal receivable	576,602	730,364
State receivable	123,596	489,938
Other receivable	253,988	177,229
Total Accounts Receivable	<u>\$ 1,444,498</u>	<u>\$ 1,887,293</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2019, and 2018:

	2019	2018
Building	341,890	341,890
Leasehold improvements	3,893,099	2,525,145
Work in progress	1,312,778	733,213
Subtotal	<u>5,547,767</u>	<u>3,600,248</u>
Less: accumulated depreciation	<u>(805,264)</u>	<u>(579,115)</u>
Total Property and equipment	<u>\$ 4,742,503</u>	<u>\$ 3,021,133</u>

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable and accruals consist of the following at June 30, 2019, and 2018:

	2019	2018
Salaries and benefits	\$ 880,305	\$ 1,316,777
Other accounts payable	642,612	1,060,331
Total Accounts Payable and Accruals	<u>\$ 1,522,917</u>	<u>\$ 2,377,108</u>

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 - ACCOUNTS PAYABLE – RELATED PARTY

Accounts payable – related party consist of the following at June 30, 2019, and 2018:

	<u>2019</u>	<u>2018</u>
GDPS National	<u>122,704</u>	<u>103,281</u>

NOTE 8 – DEFERRED REVENUE

Deferred revenue consist of the following at June 30, 2019, and 2018:

	<u>2019</u>	<u>2018</u>
Federal sources	<u>\$ 3,344</u>	<u>\$ -</u>

NOTE 9 - LONG-TERM OBLIGATIONS

On August 7, 2015, GDPS TN entered into a loan agreement with CSGF Memphis, LLC. CSGF Memphis agreed to lend the principal sum of \$585,000 with an interest rate of 1.00 percent per annum on the principal sum outstanding. The first principal payment of \$285,000 is due on December 31, 2021, and the entire unpaid principal amount of the note, together with all accrued unpaid interest is due on December 31, 2022. Upon successful accomplishment of the milestones outlined in the loan, certain of the amounts due under the loan may be forgiven and treated as a charitable grant. At June 30, 2019, the balance was \$585,000.

On October 5, 2016, GDPS TN entered into a loan agreement with CSGF Memphis, LLC. CSGF Memphis agreed to lend the principal sum of \$820,000 with an interest rate of 2.00 percent per annum on the principal sum outstanding. \$420,000 of the principal was to be used by Hillcrest High School and \$400,000 by Kirby Middle School. The first principal payment of \$38,415 for Hillcrest and \$36,585 for Kirby, respectively, is due on August 1, 2019. At June 30, 2019, the balance was \$820,000.

Future payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Hillcrest</u> <u>HS</u>	<u>Kirby</u> <u>MS</u>	<u>Total</u>
2020	\$ 38,415	\$ 36,585	\$ 75,000
2021	76,317	72,683	149,000
2022	76,317	72,683	149,000
2023	76,317	72,683	149,000
2024	76,317	72,683	149,000
2025	76,317	72,683	149,000
Total	<u>\$ 420,000</u>	<u>\$ 400,000</u>	<u>\$ 820,000</u>

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 - LONG-TERM OBLIGATIONS, continued

On April 4, 2018, GDPS TN entered into a construction loan agreement with Nonprofit Finance Fund. 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. As of June 30, 2019, GDPS TN has paid \$143,219 in interest. The first principal repayment of \$12,245 will commence on May 1, 2020, and the loan will be paid in full by April 1, 2025.

Fiscal Year Ending June 30,	Bluff
2020	\$ 12,245
2021	75,983
2022	80,469
2023	85,220
2024	90,251
2025	2,395,915
Total	<u>\$ 2,740,083</u>

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. GDPS will be drawing down on the principal amount until January 31, 2020, and paying the interest. As of June 30, 2019, GDPS TN has drawn down \$1,077,709 and has paid \$2,919 in interest. A payment schedule will be provided when the construction loan is closed.

NOTE 10 - FAIR VALUE FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of GDPS TN financial instruments at June 30, 2019 are as follows:

	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 1,062,840	\$ 1,062,840
Notes payable	5,222,792	5,172,693

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.

Notes payable - The fair value of notes payable is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – OPERATING LEASES

GDPS TN entered into an agreement on May 17, 2019, between GDPS TN, a Tennessee nonprofit public benefit corporation and Nonprofit finance fund, a New York not for profit corporation to secure a loan for the renovation and improvement of certain real property and improvements known as “Bluff City High School” leased by Borrower and located at and commonly known as 4100 Ross Road, Memphis, Tennessee in the amount of \$3,300,000. The term of the lease commences on May 1, 2020, and ends on March 1, 2025, with an additional 2 renewal terms ending in May 1, 2052.

Future payments are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2020	\$ 168,000
2021	168,000
2022	168,280
2023	171,646
2024	175,079
Thereafter	13,712,967
Total	<u>\$ 14,563,972</u>

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose and time		
Built In Memphis program	<u>\$ 100,000</u>	<u>\$ -</u>

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

Plan Description

GDPS TN employees participate in the State Employees, Teachers, and Higher Education Employees' Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information.

That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 15th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at: www.tn.gov/treasury/tcrs/Schools.

Funding Policy

School employees receive retirement benefits from contributions and matching through two different plans composed of different contribution and matching requirements, TCRS Legacy and TCRS Hybrid. TCRS Legacy is reserved for employees who were enrolled and contributed to the plan prior to July 1, 2014. TCRS Hybrid is for school employees that started on or after July 1, 2014.

Under TCRS Hybrid, employees contribute 5.00 percent of their gross earnings. Upon hire, employees have 30 days to opt out of the automatic 2.00 percent deferral to the Tennessee Empower 401K plan. The GDPS TN contribution is 9.00 percent, which includes a 4.00 percent contribution to TCRS Hybrid and a 5.00 percent contribution to Tennessee Empower 401K plan.

Under TCRS Legacy, employees contribute 5.00 percent of their gross earnings, and GDPS TN contribution is 10.46 percent. The employer contribution requirement for the school is established and may be amended by the TCRS Board of Trustees.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS, Continued

Changes Regarding Hybrid Federally Funded Positions

Effective July 1, 2018, all Local Education Agencies (LEAs) will use two employer reporting codes for reporting teacher contributions to TCRS. Federally funded teacher salaries should be reported using an assigned teacher federal code. LEAs will submit their report and only the Actuarially Determined Contribution rate will be charged to the LEA for both federally funded and non-federally funded teachers. TCRS creates an invoice in the Concord Recordkeeping System for the difference between the Total Contribution Rate (4%) and the Actuarially Determined Contribution Rate for non-federally funded salaries. LEAs will log into a separate code to pay the invoice, which is paid to the Stabilization Reserve Trust to help keep employer contributions at 4%.

The employer's contribution to TCRS and the TCRS 401K for the fiscal years ending June 30, 2019, were as shown below and equals the required contributions for the fiscal year:

TCRS Legacy	\$ 572,336
TCRS Hybrid	98,689
TCRS Stabilization Reserve Trust	83,571
TCRS 401K	250,230
Total	<u>\$ 1,004,826</u>

Green Dot Public Schools 401K

Effective January 1, 2018, GDPS TN employees participate in a defined contribution plan, the Green Dot Public Schools 401K, covering eligible employees 21 years or older and with one year of eligibility service. GDPS TN makes a matching contribution equal to participants' contributions to the Green Dot Public Schools 401K up to 4.00 percent of the participant's compensation. The employer's contribution to the Green Dot Public Schools 401K for the year ended June 30, 2019, was \$40,521.

NOTE 14 - CONTINGENCIES

GDPS TN has received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any reimbursement, if required, would not be material.

Litigation

GDPS TN has various outstanding claims or litigation. However, based on consultation with legal counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on GDPS TN's financial position or result of operations.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 - SUBSEQUENT EVENTS

GDPS TN's management has evaluated events or transactions that may occur for potential recognition or disclosure in the combined financial statements from the balance sheet date through December 27, 2019, which is the date the combined 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 combined financial statements.

In May 2019, GDPS TN entered into a loan agreement for \$3,300,000 to build Phase II of the Bluff City High School. This loan would allow the school to build capacity to serve the 11th and 12th grades. Phase II of construction is anticipated to be completed in January 2020.



SUPPLEMENTARY INFORMATION

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through Achievement School District:			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	[1]	\$ 1,428,940
Title I, School Improvement Grant (SIG), Improving Special Education Systems	84.377	[1]	149,335
Title I, School Improvement Grant, District Priority School Improvement Grant (DPSIG)	84.010A	[1]	270,104
Title I, School Improvement Grant, SIG Cohort 4	84.010A		200,000
Title II, Part A, Improving Teacher Quality	84.367	[1]	134,562
Title IV, Part A, Student Support and Academic Enrichment	84.424	[1]	18,327
Title IV, Part B, 21st Century Community Learning Centers (CCLC) - High School ASSETs	84.287	[1]	364,298
Basic Local Assistance Entitlement, Part B, Section 611 Replication & Expansion	84.027	[1]	425,645
	84.282M	[1]	237,585
Priority School Planning Grant (PSPG)	84.377	[1]	27,000
Safe and Supportive Schools	84.184Y	[1]	4,480
Total U.S. Department of Education			<u>3,260,276</u>
Total Expenditures of Federal Awards			<u>\$ 3,260,276</u>

[1] Pass-Through Identifying Number not available.

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

REGIONAL OFFICE STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2018)

JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,062,840	\$ 1,793,438
Accounts receivable	24,253	18,345
Intra-company receivable	1,648,782	1,817,160
Total Current Assets	<u>2,735,875</u>	<u>3,628,943</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 968,715	\$ 1,482,173
Accounts payable - related party	122,704	103,281
Deferred revenue	1,500	-
Total Current Liabilities	<u>1,092,919</u>	<u>1,585,454</u>
NET ASSETS		
Without donor restriction	1,542,956	2,043,489
With donor restriction	100,000	-
Total Net Assets	<u>1,642,956</u>	<u>2,043,489</u>
Total Liabilities and Net Assets	<u>\$ 2,735,875</u>	<u>\$ 3,628,943</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

REGIONAL OFFICE STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTION		
REVENUES		
Federal revenue	\$ 66,742	\$ 100,181
Contributions and grants	227,452	98,936
Local revenue	3,185,571	3,153,836
Total Revenues	<u>3,479,765</u>	<u>3,352,953</u>
EXPENSES		
Program Services:		
Salaries and benefits	1,174,206	953,475
Student services	12,621	25,724
Materials and supplies	18,210	13,332
Other expenses	34,678	50,263
Interest	-	26,736
Subtotal	<u>1,239,715</u>	<u>1,069,530</u>
Management and General:		
Salaries and benefits	1,078,343	1,131,517
Occupancy	-	2,390
Operating expenses	138,803	251,860
Shared services - related party	1,523,437	1,540,053
Subtotal	<u>2,740,583</u>	<u>2,925,820</u>
Total Expenses	<u>3,980,298</u>	<u>3,995,350</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	(500,533)	(642,397)
NET ASSETS WITH DONOR RESTRICTION		
Contributions and grants	<u>100,000</u>	-
CHANGE IN NET ASSETS WITH DONOR RESTRICTION	<u>100,000</u>	-
CHANGE IN NET ASSETS	(400,533)	(642,397)
NET ASSETS, BEGINNING OF YEAR	<u>2,043,489</u>	<u>2,685,886</u>
NET ASSETS, END OF YEAR	<u>\$ 1,642,956</u>	<u>\$ 2,043,489</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

REGIONAL OFFICE STATEMENT OF CASH FLOWS
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (400,533)	\$ (642,397)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(5,908)	11,947
Intra-company receivable	168,378	417,081
Increase (decrease) in liabilities:		
Accounts payable and accruals	(513,458)	(993,174)
Accounts payable - related party	19,423	(13,351)
Deferred revenue	1,500	(1,378,931)
Net Cash Used by		
Operating Activities	<u>(730,598)</u>	<u>(2,598,825)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures, net	<u>-</u>	<u>1,892</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	(730,598)	(2,596,933)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,793,438	4,390,371
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,062,840</u>	<u>\$ 1,793,438</u>
 Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ 26,736</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

FAIRLEY HIGH SCHOOL STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2018)

JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets:		
Accounts receivable	\$ 215,297	\$ 491,168
Non-Current Assets:		
Property and equipment	196,381	188,868
Less: accumulated depreciation	<u>132,555</u>	<u>113,668</u>
Total Non-Current Assets	<u>63,826</u>	<u>75,200</u>
Total Assets	<u><u>\$ 279,123</u></u>	<u><u>\$ 566,368</u></u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 87,640	\$ 97,001
Intra-company payable	432,714	992,736
Deferred revenue	<u>1,345</u>	<u>-</u>
Total Current Liabilities	<u><u>521,699</u></u>	<u><u>1,089,737</u></u>
NET ASSETS (DEFICIT)		
Without donor restriction	<u>(242,576)</u>	<u>(523,369)</u>
Total Net Assets (Deficit)	<u>(242,576)</u>	<u>(523,369)</u>
Total Liabilities and Net Assets	<u><u>\$ 279,123</u></u>	<u><u>\$ 566,368</u></u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

FAIRLEY HIGH SCHOOL STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
NET ASSETS WITHOUT DONOR RESTRICTION		
REVENUES		
State apportionments	\$ 4,864,553	\$ 4,768,390
Federal revenue	720,847	571,813
Other state revenue	130,952	190,331
Contributions and grants	50,305	367,573
Local revenue	60,681	48,480
Total Revenues	<u>5,827,338</u>	<u>5,946,587</u>
EXPENSES		
Program Services:		
Salaries and benefits	3,073,246	3,221,598
Student services	794,263	840,730
Materials and supplies	101,786	110,856
Other expenses	163,314	222,647
Depreciation	18,887	12,677
Occupancy	537,823	700,834
Subtotal	<u>4,689,319</u>	<u>5,109,342</u>
Management and General:		
Operating expenses	120,461	116,256
Shared services - related party	736,765	758,192
Subtotal	<u>857,226</u>	<u>874,448</u>
Total Expenses	<u>5,546,545</u>	<u>5,983,790</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	280,793	(37,203)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(523,369)</u>	<u>(486,166)</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (242,576)</u>	<u>\$ (523,369)</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

FAIRLEY HIGH SCHOOL STATEMENT OF CASH FLOWS
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 280,793	\$ (37,203)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	18,887	12,677
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	275,871	(132,619)
Increase (decrease) in liabilities:		
Accounts payable and accruals	(9,361)	85,135
Intra-company payable	(560,022)	72,010
Deferred revenue	1,345	-
Net Cash Provided by Operating Activities	<u>7,513</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	<u>(7,513)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

WOODDALE MIDDLE SCHOOL STATEMENT OF
FINANCIAL POSITION
(With comparative financial information at June 30, 2018)

JUNE 30, 2019

	2019	2018
ASSETS		
Current Assets:		
Accounts receivable	\$ 390,806	\$ 581,918
Prepaid expenses and other current assets	1,500	-
Total Current Assets	<u>392,306</u>	<u>\$ 581,918</u>
Non-Current Assets:		
Property and equipment	582,738	570,238
Less: accumulated depreciation	298,209	240,237
Total Non-Current Assets	<u>284,529</u>	<u>330,001</u>
Total Assets	<u>\$ 676,835</u>	<u>\$ 911,919</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 107,620	\$ 79,305
Intra-company payable	10,645	5,190
Current portion of long-term obligations	70,000	-
Total Current Liabilities	<u>188,265</u>	<u>84,495</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	<u>515,000</u>	<u>585,000</u>
Total Liabilities	<u>703,265</u>	<u>669,495</u>
NET ASSETS (DEFICIT)		
Without donor restriction	<u>(26,430)</u>	<u>242,424</u>
Total Net Assets (Deficit)	<u>(26,430)</u>	<u>242,424</u>
Total Liabilities and Net Assets	<u>\$ 676,835</u>	<u>\$ 911,919</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

WOODDALE MIDDLE SCHOOL STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTION		
REVENUES		
State apportionments	\$ 3,945,656	\$ 4,073,220
Federal revenue	893,107	861,959
Other state revenue	103,043	67,287
Contributions and grants	20,193	222,131
Local revenue	47,386	32,144
Total Revenues	<u>5,009,385</u>	<u>5,256,741</u>
EXPENSES		
Program Services:		
Salaries and benefits	3,109,244	3,144,233
Student services	557,836	512,257
Materials and supplies	112,503	94,160
Other expenses	193,863	156,835
Depreciation	57,972	47,711
Occupancy	565,811	593,502
Interest	5,850	16,754
Subtotal	<u>4,603,079</u>	<u>4,565,452</u>
Management and General:		
Operating expenses	98,155	97,964
Shared services - related party	577,005	624,725
Subtotal	<u>675,160</u>	<u>722,689</u>
Total Expenses	<u>5,278,239</u>	<u>5,288,141</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	(268,854)	(31,400)
NET ASSETS, BEGINNING OF YEAR	<u>242,424</u>	<u>273,824</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (26,430)</u>	<u>\$ 242,424</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

WOODDALE MIDDLE SCHOOL STATEMENT OF CASH FLOWS
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (268,854)	(31,400)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	57,972	47,711
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	191,112	(108,216)
Intra-company receivable	-	18,250
Prepaid expenses and other current assets	(1,500)	-
Increase in liabilities:		
Accounts payable and accruals	28,315	68,465
Intra-company payable	5,455	5,190
Net Cash Provided by Operating Activities	<u>12,500</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	<u>(12,500)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u>\$ 5,850</u>	<u>\$ 16,754</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

HILLCREST HIGH SCHOOL STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2018)

JUNE 30, 2019

	2019	2018
ASSETS		
Current Assets:		
Accounts receivable	\$ 294,058	\$ 443,595
Non-Current Assets:		
Property and equipment	341,890	341,890
Less: accumulated depreciation	118,064	83,875
Total Non-Current Assets	<u>223,826</u>	<u>258,015</u>
Total Assets	<u><u>\$ 517,884</u></u>	<u><u>\$ 701,610</u></u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 121,517	\$ 121,430
Intra-company payable	363,888	427,612
Deferred revenue	499	-
Current portion of long-term obligations	70,000	70,000
Total Current Liabilities	<u>555,904</u>	<u>619,042</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	<u>350,000</u>	<u>350,000</u>
Total Liabilities	<u>905,904</u>	<u>969,042</u>
NET ASSETS (DEFICIT)		
Without donor restriction	<u>(388,020)</u>	<u>(267,432)</u>
Total Net Assets (Deficit)	<u>(388,020)</u>	<u>(267,432)</u>
Total Liabilities and Net Assets	<u><u>\$ 517,884</u></u>	<u><u>\$ 701,610</u></u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

HILLCREST HIGH SCHOOL STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTION		
REVENUES		
State apportionments	\$ 4,135,777	\$ 4,002,945
Federal revenue	622,746	469,412
Other state revenue	222,103	362,331
Contributions and grants	75,972	836,285
Local revenue	103,047	102,931
Total Revenues	5,159,645	5,773,904
EXPENSES		
Program Services:		
Salaries and benefits	3,246,508	3,530,448
Student services	540,508	689,465
Materials and supplies	84,795	116,665
Other expenses	157,377	202,602
Depreciation	34,189	32,591
Occupancy	479,729	501,831
Interest	8,400	14,070
Subtotal	4,551,506	5,087,672
Management and General:		
Operating expenses	102,762	99,160
Shared services - related party	625,965	655,499
Subtotal	728,727	754,659
Total Expenses	5,280,233	5,842,331
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	(120,588)	(68,427)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(267,432)	(199,005)
NET ASSETS (DEFICIT), END OF YEAR	\$ (388,020)	\$ (267,432)

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

HILLCREST HIGH SCHOOL STATEMENT OF CASH FLOWS
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (120,588)	\$ (68,427)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	34,189	32,591
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	149,537	(3,231)
Prepaid expenses and other current assets	-	750
Increase (decrease) in liabilities:		
Accounts payable and accruals	87	110,145
Intra-company payable	(63,724)	(71,828)
Deferred revenue	499	-
Net Cash Provided by Operating Activities	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ -	\$ -
Supplemental cash flow disclosure:		
Cash paid during the period for interest	\$ 8,400	\$ 14,070

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

KIRBY MIDDLE SCHOOL STATEMENT OF FINANCIAL POSITION
(With comparative financial information at June 30, 2018)

JUNE 30, 2019

	2019	2018
ASSETS		
Current Assets:		
Accounts receivable	\$ 384,802	\$ 230,241
Prepaid expenses and other current assets	1,500	-
Total Current Assets	<u>386,302</u>	<u>\$ 230,241</u>
Non-Current Assets:		
Property and equipment	466,931	430,766
Less: accumulated depreciation	148,240	105,164
Total Non-Current Assets	<u>318,691</u>	<u>325,602</u>
Total Assets	<u>\$ 704,993</u>	<u>\$ 555,843</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 98,898	\$ 112,813
Intra-company payable	522,843	302,464
Current portion of long-term obligations	66,667	66,667
Total Current Liabilities	<u>688,408</u>	<u>481,944</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	333,333	333,333
Total Liabilities	<u>1,021,741</u>	<u>815,277</u>
NET ASSETS (DEFICIT)		
Without donor restriction	(316,748)	(259,434)
Total Net Assets (Deficit)	<u>(316,748)</u>	<u>(259,434)</u>
Total Liabilities and Net Assets	<u>\$ 704,993</u>	<u>\$ 555,843</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

KIRBY MIDDLE SCHOOL STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTION		
REVENUES		
State apportionments	\$ 3,731,544	\$ 3,588,561
Federal revenue	531,254	310,473
Other state revenue	15,000	54,122
Contributions and grants	40,435	663,287
Local revenue	129,705	38,353
Total Revenues	4,447,938	4,654,796
EXPENSES		
Program Services:		
Salaries and benefits	2,764,626	2,889,149
Student services	472,685	556,360
Materials and supplies	100,153	104,507
Other expenses	143,515	153,994
Depreciation	43,076	41,129
Occupancy	351,375	334,605
Interest	8,000	13,400
Subtotal	3,883,430	4,093,144
Management and General:		
Operating expenses	92,556	88,728
Shared services - related party	529,266	541,349
Subtotal	621,822	630,077
Total Expenses	4,505,252	4,723,221
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	(57,314)	(68,425)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	(259,434)	(191,009)
NET ASSETS (DEFICIT), END OF YEAR	\$ (316,748)	\$ (259,434)

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

KIRBY MIDDLE SCHOOL STATEMENT OF CASH FLOWS
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (57,314)	\$ (68,425)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	43,076	41,129
Changes in operating assets and liabilities:		
Increase in assets:		
Accounts receivable	(154,561)	(50,433)
Prepaid expenses and other current assets	(1,500)	-
Increase (decrease) in liabilities:		
Accounts payable and accruals	(13,915)	104,225
Intra-company payable	220,379	(26,496)
Net Cash Provided by Operating Activities	36,165	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(36,165)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ -	\$ -
Supplemental cash flow disclosure:		
Cash paid during the period for interest	\$ 8,000	\$ 13,400

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

BLUFF CITY HIGH SCHOOL STATEMENT OF FINANCIAL POSITION
(With comparative financial information for the year ended June 30, 2018)

JUNE 30, 2019

	2019	2018
ASSETS		
Current Assets:		
Accounts receivable	\$ 135,282	\$ 122,026
Non-Current Assets:		
Debt issue costs, net	107,689	63,988
Security deposits	14,000	14,000
Property and equipment	3,959,827	2,068,486
Less: accumulated depreciation	108,196	36,171
Total Non-Current Assets	<u>3,973,320</u>	<u>2,110,303</u>
Total Assets	<u>\$ 4,108,602</u>	<u>\$ 2,232,329</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accruals	\$ 138,527	\$ 484,386
Intra-company payable	318,692	89,158
Current portion of long-term obligations	21,082	132,427
Total Current Liabilities	<u>478,301</u>	<u>705,971</u>
Long-Term Obligations:		
Non-current portion of long-term obligations	<u>3,796,710</u>	<u>1,526,358</u>
Total Liabilities	<u>4,275,011</u>	<u>2,232,329</u>
NET ASSETS (DEFICIT)		
Without donor restriction	<u>(166,409)</u>	-
Total Net Assets (Deficit)	<u>(166,409)</u>	-
Total Liabilities and Net Assets	<u>\$ 4,108,602</u>	<u>\$ 2,232,329</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

BLUFF CITY HIGH SCHOOL STATEMENT OF ACTIVITIES
(With comparative financial information for the year ended June 30, 2018)

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
NET ASSETS WITHOUT DONOR RESTRICTION		
REVENUES		
State apportionments	\$ 2,848,252	\$ 1,368,636
Federal revenue	425,580	405,391
Other state revenue	11,200	1,564
Contributions and grants	22,871	552,506
Local revenue	31,125	19,897
Total Revenues	3,339,028	2,347,994
EXPENSES		
Program Services:		
Salaries and benefits	1,863,957	1,136,193
Student services	409,667	260,296
Materials and supplies	55,237	95,254
Other expenses	178,525	202,701
Depreciation and amortization	93,423	39,039
Occupancy	326,105	320,421
Interest	53,394	27,765
Subtotal	2,980,308	2,081,669
Management and General:		
Operating expenses	113,930	54,745
Shared services - related party	411,199	211,580
Subtotal	525,129	266,325
Total Expenses	3,505,437	2,347,994
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	(166,409)	-
NET ASSETS, BEGINNING OF YEAR	-	-
NET ASSETS (DEFICIT), END OF YEAR	\$ (166,409)	\$ -

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

BLUFF CITY HIGH SCHOOL STATEMENT OF CASH FLOWS
(With comparative financial information for the year ended June 30, 2017)

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (166,409)	\$ -
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation expense	72,025	36,171
Amortization expense	21,398	2,868
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(13,256)	(106,448)
Prepaid expenses and other current assets	-	239
Increase (decrease) in liabilities:		
Accounts payable and accruals	(345,859)	286,206
Intra-company payable	229,534	(414,207)
Net Cash Used by Operating Activities	<u>(202,567)</u>	<u>(195,171)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	<u>(1,891,341)</u>	<u>(1,396,758)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts incurred for debt issuance	(65,099)	(66,856)
Loan proceeds, net	<u>2,159,007</u>	<u>1,658,785</u>
Net Cash Provided by Financing Activities	<u>2,093,908</u>	<u>1,591,929</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
Supplemental cash flow disclosure:		
Cash paid during the period for interest	<u>\$ 53,394</u>	<u>\$ -</u>

See accompanying note to supplementary information.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

COMBINING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

	Regional Office	Fairley HS	Wooddale MS
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,062,840	\$ -	\$ -
Accounts receivable	24,253	215,297	390,806
Intra-company receivable	1,648,782	-	-
Prepaid expenses and other current assets	-	-	1,500
Total Current Assets	2,735,875	215,297	392,306
Non-Current Assets:			
Debt issue costs, net	-	-	-
Security deposits	-	-	-
Property and equipment	-	196,381	582,738
Less: accumulated depreciation	-	132,555	298,209
Total Non-Current Assets	-	63,826	284,529
Total Assets	\$ 2,735,875	\$ 279,123	\$ 676,835
LIABILITIES			
Current Liabilities:			
Accounts payable and accruals	\$ 968,715	\$ 87,640	\$ 107,620
Accounts payable - related party	122,704	-	-
Intra-company payable	-	432,714	10,645
Deferred revenue	1,500	1,345	-
Current portion of long-term obligations	-	-	70,000
Total Current Liabilities	1,092,919	521,699	188,265
Long-Term Obligations:			
Non-current portion of long-term obligations	-	-	515,000
Total Liabilities	1,092,919	521,699	703,265
NET ASSETS			
Without donor restriction	1,542,956	(242,576)	(26,430)
With donor restriction	100,000	-	-
Total Net Assets	1,642,956	(242,576)	(26,430)
Total Liabilities and Net Assets	\$ 2,735,875	\$ 279,123	\$ 676,835

See accompanying note to supplementary information.

Hillcrest HS	Kirby MS	Bluff City HS	Elimination	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,062,840
294,058	384,802	135,282	-	1,444,498
-	-	-	(1,648,782)	-
-	1,500	-	-	3,000
294,058	386,302	135,282	(1,648,782)	2,510,338
-	-	107,689	-	107,689
-	-	14,000	-	14,000
341,890	466,931	3,959,827	-	5,547,767
118,064	148,240	108,196	-	805,264
223,826	318,691	3,973,320	-	4,864,192
\$ 517,884	\$ 704,993	\$ 4,108,602	\$ (1,648,782)	\$ 7,374,530
\$ 121,517	\$ 98,898	\$ 138,527	\$ -	\$ 1,522,917
-	-	-	-	122,704
363,888	522,843	318,692	(1,648,782)	-
499	-	-	-	3,344
70,000	66,667	21,082	-	227,749
555,904	688,408	478,301	(1,648,782)	1,876,714
350,000	333,333	3,796,710	-	4,995,043
905,904	1,021,741	4,275,011	(1,648,782)	6,871,757
(388,020)	(316,748)	(166,409)	-	402,773
-	-	-	-	100,000
(388,020)	(316,748)	(166,409)	-	502,773
\$ 517,884	\$ 704,993	\$ 4,108,602	\$ (1,648,782)	\$ 7,374,530

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

COMBINING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

	Regional Office	Fairley HS	Wooddale MS
NET ASSETS WITHOUT DONOR RESTRICTION			
REVENUES			
State apportionments	\$ -	\$ 4,864,553	\$ 3,945,656
Federal revenue	66,742	720,847	893,107
Other state revenue	-	130,952	103,043
Contributions and grants	227,452	50,305	20,193
Local revenue	3,185,571	60,681	47,386
Total Revenues	<u>3,479,765</u>	<u>5,827,338</u>	<u>5,009,385</u>
EXPENSES			
Program Services:			
Salaries and benefits	1,174,206	3,073,246	3,109,244
Student services	12,621	794,263	557,836
Materials and supplies	18,210	101,786	112,503
Other expenses	34,678	163,314	193,863
Depreciation and amortization	-	18,887	57,972
Occupancy	-	537,823	565,811
Interest	-	-	5,850
Subtotal	<u>1,239,715</u>	<u>4,689,319</u>	<u>4,603,079</u>
Management and General:			
Salaries and benefits	1,078,343	-	-
Occupancy	-	-	-
Operating expenses	138,803	120,461	98,155
Shared services - related party	1,523,437	736,765	577,005
Subtotal	<u>2,740,583</u>	<u>857,226</u>	<u>675,160</u>
Total Expenses	<u>3,980,298</u>	<u>5,546,545</u>	<u>5,278,239</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	(500,533)	280,793	(268,854)
NET ASSETS WITH DONOR RESTRICTION			
Contributions and grants	100,000	-	-
CHANGE IN NET ASSETS WITH DONOR RESTRICTION	<u>100,000</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	(400,533)	280,793	(268,854)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	2,043,489	(523,369)	242,424
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ 1,642,956</u>	<u>\$ (242,576)</u>	<u>\$ (26,430)</u>

See accompanying note to supplementary information.

Hillcrest HS	Kirby MS	Bluff City HS	Elimination	Total
\$ 4,135,777	\$ 3,731,544	\$ 2,848,252	\$ -	\$ 19,525,782
622,746	531,254	425,580	-	3,260,276
222,103	15,000	11,200	-	482,298
75,972	40,435	22,871	-	437,228
103,047	129,705	31,125	(2,880,200)	677,315
<u>5,159,645</u>	<u>4,447,938</u>	<u>3,339,028</u>	<u>(2,880,200)</u>	<u>24,382,899</u>
3,246,508	2,764,626	1,863,957	-	15,231,787
540,508	472,685	409,667	-	2,787,580
84,795	100,153	55,237	-	472,684
157,377	143,515	178,525	-	871,272
34,189	43,076	93,423	-	247,547
479,729	351,375	326,105	-	2,260,843
8,400	8,000	53,394	-	75,644
<u>4,551,506</u>	<u>3,883,430</u>	<u>2,980,308</u>	<u>-</u>	<u>21,947,357</u>
-	-	-	-	1,078,343
-	-	-	-	-
102,762	92,556	113,930	-	666,667
625,965	529,266	411,199	(2,880,200)	1,523,437
<u>728,727</u>	<u>621,822</u>	<u>525,129</u>	<u>(2,880,200)</u>	<u>3,268,447</u>
<u>5,280,233</u>	<u>4,505,252</u>	<u>3,505,437</u>	<u>(2,880,200)</u>	<u>25,215,804</u>
(120,588)	(57,314)	(166,409)	-	(832,905)
-	-	-	-	100,000
-	-	-	-	100,000
(120,588)	(57,314)	(166,409)	-	(732,905)
(267,432)	(259,434)	-	-	1,235,678
<u>\$ (388,020)</u>	<u>\$ (316,748)</u>	<u>\$ (166,409)</u>	<u>\$ -</u>	<u>\$ 502,773</u>

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	Regional Office	Fairley HS	Wooddale MS
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ (400,533)	\$ 280,793	\$ (268,854)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
Depreciation expense	-	18,887	57,972
Amortization expense	-	-	-
Changes in operating assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	(5,908)	275,871	191,112
Intra-company receivable	168,378	-	-
Prepaid expenses and other current assets	-	-	(1,500)
Increase (decrease) in liabilities:			
Accounts payable and accruals	(513,458)	(9,361)	28,315
Accounts payable - related party	19,423	-	-
Intra-company payable	-	(560,022)	5,455
Deferred revenue	1,500	1,345	-
Net Cash Provided (Used) by Operating Activities	<u>(730,598)</u>	<u>7,513</u>	<u>12,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	-	(7,513)	(12,500)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts incurred for debt issuance	-	-	-
Loan proceeds, net	-	-	-
Net Cash Provided by Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(730,598)	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,793,438</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,062,840</u>	<u>\$ -</u>	<u>\$ -</u>
Supplemental cash flow disclosure:			
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,850</u>

See accompanying note to supplementary information.

Hillcrest HS	Kirby MS	Bluff City HS	Elimination	Total
\$ (120,588)	\$ (57,314)	\$ (166,409)	\$ -	\$ (732,905)
34,189	43,076	72,025	-	226,149
-	-	21,398	-	21,398
149,537	(154,561)	(13,256)	-	442,795
-	-	-	(168,378)	-
-	(1,500)	-	-	(3,000)
87	(13,915)	(345,859)	-	(854,191)
-	-	-	-	19,423
(63,724)	220,379	229,534	168,378	-
499	-	-	-	3,344
-	36,165	(202,567)	-	(876,987)
-	(36,165)	(1,891,341)	-	(1,947,519)
-	-	(65,099)	-	(65,099)
-	-	2,159,007	-	2,159,007
-	-	2,093,908	-	2,093,908
-	-	-	-	(730,598)
-	-	-	-	1,793,438
\$ -	\$ -	\$ -	\$ -	\$ 1,062,840
\$ 8,400	\$ 8,000	\$ 53,394	\$ -	\$ 75,644

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

NOTE TO SUPPLEMENTARY INFORMATION

JUNE 30, 2019

NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES

Schedule of Expenditures of Federal Awards

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

Supplementary Financial Statements by Entity

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

Combining Statements

The accompanying combining financial statements report the individual programs of GDPS TN and are presented on the accrual basis of accounting. Eliminating entries in the combined financial statements are due to rent payments between regional office and some of the charter schools.



INDEPENDENT AUDITOR'S REPORTS



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

Board of Directors
Green Dot Public Schools Tennessee
(A Tennessee Nonprofit Public Benefit Corporation)
Memphis, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the combined financial statements of Green Dot Public Schools Tennessee (GDPS TN) (A Tennessee Nonprofit Public Benefit Corporation) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

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

Rancho Cucamonga, California
December 27, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Green Dot Public Schools Tennessee
(A Tennessee Nonprofit Public Benefit Corporation)
Memphis, Tennessee

Report on Compliance for Each Major Federal Program

We have audited Green Dot Public Schools Tennessee's (GDPS TN) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of GDPS TN's major federal programs for the year ended June 30, 2019. GDPS TN's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of GDPS TN's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about GDPS TN's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of GDPS TN's compliance.

Opinion on Each Major Federal Program

In our opinion, GDPS TN complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of GDPS TN is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered GDPS TN's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of GDPS TN's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 27, 2019



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2019

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None Reported</u>
Type of auditor's report issued on compliance for major Federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	<u>No</u>
Identification of major Federal programs:	

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I, Part A - Basic Grants Low Income and Neglected</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

None reported.

GREEN DOT PUBLIC SCHOOLS TENNESSEE
(A Tennessee Nonprofit Public Benefit Corporation)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

There were no audit findings reported in the prior year.