



Financial Statements

June 30, 2020

(with comparative totals for June 30, 2019)

Green Dot Public Schools Tennessee

Green Dot Public Schools Tennessee

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Independent Auditor's Report

Board of Directors
Green Dot Public Schools Tennessee
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 combined statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to GDPS 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, 2020, 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.

Emphasis of Matter

As discussed in Note 10 to the combined financial statements, GDPS TN 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 TN's 2019 combined financial statement, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 27, 2019. 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 combined financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information such as 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* (Uniform Guidance) and the other supplementary information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the combined 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 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 combined financial statements or to the 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 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 18, 2020, 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 18, 2020

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

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

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

	2020	2019
Net Assets Without Donor Restriction		
Support and revenues		
State apportionments	\$ 21,547,875	\$ 19,525,782
Federal revenue	3,170,596	3,260,276
Other state revenue	44,401	482,298
Contributions and grants	931,372	437,228
Local revenue	665,511	677,315
Net assets released from restrictions	129,866	-
Total support and revenues	26,489,621	24,382,899
Expenses		
Program services		
Salaries and benefits	14,597,438	15,232,136
Student services	3,130,897	2,787,231
Materials and supplies	535,781	472,684
Other expenses	912,865	871,272
Depreciation	261,025	247,547
Occupancy	2,262,140	2,260,843
Interest	179,538	75,644
Subtotal	21,879,684	21,947,357
Management and general		
Salaries and benefits	891,572	1,078,343
Occupancy	100	-
Operating expenses	811,758	666,667
Shared services - related party	1,645,858	1,523,437
Subtotal	3,349,288	3,268,447
Total Expenses	25,228,972	25,215,804
Change in Net Assets Without Donor Restriction	1,260,649	(832,905)
Net Assets with Donor Restriction		
Contributions and grants	321,964	100,000
Net assets released from restrictions	(129,866)	-
Change in Net Assets with Donor Restriction	192,098	100,000
Change in Net Assets	1,452,747	(732,905)
Net Assets, Beginning of Year	502,773	1,235,678
Net Assets, End of Year	\$ 1,955,520	\$ 502,773

Green Dot Public Schools Tennessee
 Combined 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	\$ 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	5,301,284	(876,987)
Cash Flows used for Investing Activities		
Purchases of property and equipment	(2,143,723)	(1,947,519)
Cash Flows from Financing Activities		
Amounts incurred for debt issuance	-	(65,099)
Proceeds from loans	1,835,685	2,159,007
Principal payments on loans	(75,000)	-
Net Cash from Financing Activities	1,760,685	2,093,908
Net Change in Cash and Cash Equivalents	4,918,246	(730,598)
Cash and Cash Equivalents, Beginning of Year	1,062,840	1,793,438
Cash and Cash Equivalents, End of Year	\$ 5,981,086	\$ 1,062,840
Supplemental Cash Flow Disclosure		
Cash paid during the period for interest	\$ 179,538	\$ 75,644

Note 1 - Principal Activity and Significant Accounting Policies

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. 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, 2020, GDPS TN operated five charter schools. Fairley High School (Fairly HS), Hillcrest High School (Hillcrest HS), Kirby Middle School (Kirby MS), and Wooddale Middle School (Wooddale MS) 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 (Bluff City HS) 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 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 2019-2020 fiscal year, GDPS TN served 2,577 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	Charter Number	Sponsoring District	Grades Served	Number of Students Served	Charter Expiration
Fairley High School	8055	Achievement School District	9-12	496	June 30, 2024
Wooddale Middle School	8105	Achievement School District	6-8	580	June 30, 2025
Hillcrest High School	8140	Achievement School District	9-12	538	June 30, 2026
Kirby Middle School	8135	Achievement School District	6-8	506	June 30, 2026
Bluff City High School	8005	Tennessee State Board of Education	9-11	457	June 30, 2027
				2,577	

Basis of Accounting

The accompanying combined financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) 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 Combined Financial Statements

The combined financial statements include the accounts of the GDPS TN regional office, Fairley HS, Wooddale MS, Hillcrest HS, and Kirby 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.

Comparative Financial Information

The accompanying combined financial statements include certain prior-year comparative information. Such information does include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with GDPS TN's audited combined financial statements for the year ending June 30, 2019, from which summarized 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.

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.

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, 2020, 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

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.

GDPS TN 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 GDPS TN are derived principally from state and federal sources. GDPS TN receives state funding based on each of the enrolled student's average daily membership 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 the GDPS TN's 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 \$73,208 for which no amounts had been received in advance, have not been recognized in the accompanying combined 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 GDPS TN would otherwise purchase the services. No amounts have been reflected in the accompanying combined 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.

Functional Allocation of Expenses

The combined financial statements report categories of expenses that are attributed to program service activities or supporting services activities. The combined 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 TN is organized as a Tennessee nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code 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 67-6-322. GDPS TN is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, GDPS TN is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. GDPS TN 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 TN 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 TN 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.

Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period combined financial statements. These reclassifications had no effect on the previously reported net assets.

Estimates

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

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 TN's mission. GDPS TN does not have any money market or certificates of deposit accounts.

Right-of-Use Assets

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. 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 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 GDPS TN for the year ended June 30, 2021. Management is evaluating the impact of the adoption of this standard.

Change in Accounting Principle

GDPS TN early adopted the new lease accounting guidance in Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). GDPS TN 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. GDPS TN has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, GDPS TN 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, GDPS TN recognized on July 1, 2019, the beginning of the adoption period, no cumulative effect adjustment to net assets, an operating lease liability of \$3,589,599, and an operating right-of-use asset of \$3,584,744. The adoption of the new standard did not materially impact GDPS TN's Statements of Activities or Statements of Cash Flows. See Note 10 for further disclosure of GDPS TN's lease contracts.

GDPS TN 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 GDPS TN 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, GDPS TN 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 GDPS TN's combined 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 (SEC) is not affected by the amendments in this ASU.

GDPS TN has adopted this standard as management believes the standard improves the usefulness and understandability of GDPS TN'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		\$ 5,981,086
Accounts receivable		1,472,134
Prepaid		<u>210,365</u>
Financial Assets, at year-end		<u>7,663,585</u>
Less those unavailable for general expenditures within one year, due to		
Donor-imposed restrictions		
Restrictions by donor with purpose and time restrictions		<u>292,098</u>
Financial assets available to meet cash needs for general expenditures within one year		<u><u>\$ 7,955,683</u></u>

As part of GDPS TN'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, GDPS TN 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:

	2020		2019	
	<u>Reported Amount</u>	<u>Bank Balance</u>	<u>Reported Amount</u>	<u>Bank Balance</u>
Deposits				
Cash on hand and in banks	<u>\$ 5,981,086</u>	<u>\$ 6,299,802</u>	<u>\$ 1,062,840</u>	<u>\$ 1,452,208</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, 2020, GDPS TN had \$6,049,802 in excess of Federal Deposit Insurance Corporation insured limits in non-interest bearing accounts.

Note 4 - Accounts Receivable

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

	2020	2019
Apportionment	\$ 928,635	\$ 490,312
Federal receivable	418,155	576,602
State receivable	-	123,596
Other receivable	125,344	253,988
Total	\$ 1,472,134	\$ 1,444,498

Note 5 - Property and Equipment

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

	2020	2019
Building	\$ 341,890	\$ 341,890
Leasehold improvements	4,187,493	4,025,054
Work in progress	3,294,062	1,312,778
Subtotal	7,823,445	5,679,722
Less: accumulated depreciation	(1,108,349)	(829,530)
Total	\$ 6,715,096	\$ 4,850,192

In connection with work in progress, GDPS TN capitalized interest in the amount of \$139,758 and has entered into commitments for its construction projects. As of June 30, 2020, GDPS TN has commitments \$330,028 of costs in order to complete commitments on its projects.

Note 6 - Accounts Payable and Accruals

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

	2020	2019
Salaries and benefits	\$ 848,664	\$ 880,305
Other accounts payable	612,298	642,612
	\$ 1,460,962	\$ 1,522,917

Note 7 - Accounts Payable – Related Party

Accounts payable – related party consist of the following at June 30, 2020, and 2019:

	2020	2019
GDPS National	\$ 906,499	\$ 122,704

Note 8 - Deferred Revenue

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

	2020	2019
Federal sources	\$ -	\$ 3,344
Other	10,697	-
Total Deferred Revenue	\$ 10,697	\$ 3,344

Note 9 - Loans Payable

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 HS and \$400,000 by Kirby MS. At June 30, 2020, the balance was \$745,000.

Future maturities excluding interest are as follows:

Fiscal Year Ending June 30,	Hillcrest HS	Kirby MS	Total
2021	\$ -	\$ -	\$ -
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
2026	76,317	72,683	149,000
Total	\$ 381,585	\$ 363,415	\$ 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 maturities excluding interest are as follows:

Fiscal Year Ending June 30,	Bluff
2021	\$ 75,983
2022	80,469
2023	85,220
2024	90,251
2025	<u>2,395,914</u>
Total	<u>\$ 2,727,837</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 TN 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.

Future maturities excluding interest are as follows:

Fiscal Year Ending June 30,	Bluff
2021	\$ 57,146
2022	80,647
2023	86,048
2024	91,811
2025	<u>2,609,988</u>
Total	<u>\$ 2,925,640</u>

Note 10 - Leases

GDPS TN leases the premise "Bluff City High School" located at 4100 Ross Road, Memphis, TN expiring on May 1, 2052 and provides for two additional renewal options for ten years each. GDPS TN did not include the renewal options in the determination of the right-of-use assets and lease liabilities due to the options not being reasonably certain to be exercised. The agreements generally require the GDPS TN to pay insurance and repairs.

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

GDPS TN 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 TN did not have any leases with a term of 12 months or less for the year ended June 30, 2020.

Total lease costs for the year ended June 30, 2020 were as follows:

	2020
Operating lease cost	\$ 226,261

Total lease expense under noncancelable leases was \$168,000 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	\$ 168,000

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

	2020
Weighted-average remaining lease term: Operating leases	31 Years
Weighted-average discount rate: Operating leases	4.50%

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

Year Ending June 30,		Bluff
2021	\$	226,261
2022		226,261
2023		226,261
2024		226,261
2025		226,261
Thereafter		6,109,043
Total lease payments		7,240,348
Less interest		(3,709,992)
Present value of lease liabilities	\$	3,530,356

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

Year Ending June 30,	Bluff
2020	226,261
2021	226,261
2022	226,261
2023	226,261
2024	226,261
Thereafter	13,432,667
Total lease payments	\$ 14,563,972

Note 11 - Net Assets with Donor Restrictions

Net assets consist of the following at June 30, 2020:

	2020	2019
Net assets without donor restrictions		
Undesignated	\$ 1,663,422	\$ 402,773
Net assets with donor restrictions		
Subject to expenditure for specified purpose and time		
Built In Memphis program	\$ 292,098	\$ 100,000

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors for the years ended June 30, 2020.

	2020	2019
Satisfaction of purpose and time restrictions		
Built In Memphis program	\$ 129,866	\$ -

Note 12 - 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 10.63 percent. The employer contribution requirement for the school is established and may be amended by the TCRS Board of Trustees.

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. The Actuarially Determined Contribution rate for the year ending June 30, 2020 was 2.03%. 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 percent.

The employer's contribution to TCRS and the TCRS 401K for the fiscal years ending June 30, 2020, were as shown below and equals the required contributions for the fiscal year:

TCRS Legacy	\$	576,969
TCRS Hybrid		87,708
TCRS Stabilization Reserve Trust		50,940
TCRS 401K		<u>213,152</u>
 Total	 \$	 <u><u>928,769</u></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 total compensation. The employer's contribution to the Green Dot Public Schools 401K for the year ended June 30, 2020, was \$32,084. Only employees not in the pension plan are eligible to participate in the 401K plan.

Note 13 - 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.

Note 14 - Related Party Transactions

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

GDPS National is a national organization providing services to schools in California and Tennessee. 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:

	Service Revenue - GDPS National	Shared Service Fee Revenue - GDPS TN Schools	Shared Service Fee Expense - GDPS National
GDPS TN Regional Office	<u>\$ 466,141</u>	<u>\$ 3,409,277</u>	<u>\$ 1,645,858</u>

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 18, 2020, 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.

Subsequent to year-end, GDPS TN has been negatively impacted by the effects of the world-wide coronavirus pandemic. GDPS TN 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 combined financial statements, the full impact to the GDPS TN 's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals. As of the date of the combined financial statement issuance, GDPS TN is estimated to receive additional funding as a result of the COVID-19 epidemic. This funding is estimated to be \$900,000 from CARES-ESSER and \$25,000 from the LEA Reopening and Programmatic Support Grant.

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.



Supplementary Information
June 30, 2020

Green Dot Public Schools Tennessee

Green Dot Public Schools Tennessee
Schedule of Expenditures of Federal Awards
June 30, 2020

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]	\$ 1,375,728
Title I, School Improvement Grant, District Priority School Improvement Grant (DPSIG)	84.010A	[1]	615,101
Title I, School Improvement Grant, SIG Cohort 4	84.010A	[1]	105,286
Adaptive Learning Grant	84.010A	[1]	50,064
Title II, Part A, Improving Teacher Quality	84.367	[1]	134,602
Title III, Limited English Proficiency (LEP) Student Program	84.365	[1]	18,903
Title IV, Part A, Student Support and Academic Enrichment	84.424	[1]	1,285
Title IV, Part B, 21st Century Community Learning Centers (CCLC) - High School ASSET	84.287	[1]	345,513
Special Education:			
Basic Local Assistance Entitlement, Part B, Section 611	84.027	[1]	378,863
IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	[1]	9,561
Replication & Expansion	84.282M	[1]	109,327
Priority School Planning Grant (PSPG)	84.377	[1]	26,363
Total U.S. Department of Education			<u>3,170,596</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,170,596</u></u>

[1] Pass-Through Entity Identifying Number not available

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

	2020	2019
Assets		
Current assets		
Cash and cash equivalents	\$ 5,981,086	\$ 1,062,840
Accounts receivable	114	24,253
Intra-company receivable	1,756,502	1,648,782
Prepaid expenses	177,127	-
	\$ 7,914,829	\$ 2,735,875
Liabilities		
Current liabilities		
Accounts payable	\$ 1,141,665	\$ 968,715
Accounts payable - related party	906,499	122,704
Intra-company payable	482,161	-
Deferred revenue	1,500	1,500
Refundable advance - Paycheck Protection Program (PPP)	3,017,265	-
	5,549,090	1,092,919
Net Assets		
Without donor restriction	2,073,641	1,542,956
With donor restriction	292,098	100,000
	2,365,739	1,642,956
	\$ 7,914,829	\$ 2,735,875

Green Dot Public Schools Tennessee
Regional Office 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		
Federal revenue	\$ -	\$ 66,742
Contributions and grants	56,638	227,452
Local revenue	3,870,680	3,185,571
Net assets released from restrictions	129,866	-
Total support and revenues	4,057,184	3,479,765
Expenses		
Program services		
Salaries and benefits	674,510	1,174,206
Student services	14,740	12,621
Materials and supplies	4,671	18,210
Other expenses	38,159	34,678
Subtotal	732,080	1,239,715
Management and general		
Salaries and benefits	891,572	1,078,343
Occupancy	100	-
Operating expenses	256,889	138,803
Shared services - related party	1,645,858	1,523,437
Subtotal	2,794,419	2,740,583
Total expenses	3,526,499	3,980,298
Change in Net Assets Without Donor Restriction	530,685	(500,533)
Net Assets with Donor Restriction		
Contributions and grants	321,964	100,000
Net assets released from restrictions	(129,866)	-
Change in Net Assets with Donor Restriction	192,098	100,000
Change in Net Assets	722,783	(400,533)
Net Assets, Beginning of Year	1,642,956	2,043,489
Net Assets, End of Year	\$ 2,365,739	\$ 1,642,956

Green Dot Public Schools Tennessee
Regional Office 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	\$ 722,783	\$ (400,533)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Changes in operating assets and liabilities		
Accounts receivable	24,139	(5,908)
Intra-company receivable	(107,720)	168,378
Prepaid expenses and other current assets	(177,127)	-
Accounts payable and accruals	172,950	(513,458)
Accounts payable - related party	783,795	19,423
Intra-company payable	482,161	-
Deferred revenue	-	1,500
Refundable advance - PPP	3,017,265	-
	<u>4,918,246</u>	<u>(730,598)</u>
Net Cash from (used for) Operating Activities		
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>\$ -</u>	<u>\$ -</u>

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

	2020	2019
Assets		
Current assets		
Accounts receivable	\$ 248,097	\$ 215,297
Non-current assets		
Property and equipment, net	43,436	63,826
Total assets	\$ 291,533	\$ 279,123
Liabilities		
Current liabilities		
Accounts payable	\$ 31,535	\$ 87,640
Intra-company payable	629,352	432,714
Deferred revenue	-	1,345
Total current liabilities	660,887	521,699
Net Assets		
Without donor restriction	(369,354)	(242,576)
Total liabilities and net assets	\$ 291,533	\$ 279,123

Green Dot Public Schools Tennessee
Fairley High School 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	\$ 3,906,574	\$ 4,864,553
Federal revenue	769,051	720,847
Other state revenue	-	130,952
Contributions and grants	137,984	50,305
Local revenue	31,717	60,681
Total support and revenues	4,845,326	5,827,338
Expenses		
Program services		
Salaries and benefits	2,659,587	3,073,246
Student services	669,495	794,263
Materials and supplies	108,371	101,786
Other expenses	207,709	163,314
Depreciation	20,390	18,887
Occupancy	576,151	537,823
Subtotal	4,241,703	4,689,319
Management and general		
Operating expenses	97,456	120,461
Shared services - related party	632,945	736,765
Subtotal	730,401	857,226
Total expenses	4,972,104	5,546,545
Change in Net Assets Without Donor Restriction	(126,778)	280,793
Net Assets, Beginning of Year	(242,576)	(523,369)
Net Assets, End of Year	\$ (369,354)	\$ (242,576)

Green Dot Public Schools Tennessee
Fairley High School 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	\$ (126,778)	\$ 280,793
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation expense	20,390	18,887
Changes in operating assets and liabilities		
Accounts receivable	(32,800)	275,871
Accounts payable and accruals	(56,105)	(9,361)
Intra-company payable	196,638	(560,022)
Deferred revenue	(1,345)	1,345
	-	7,513
Cash Flows used for Investing Activities		
Purchases of property and equipment	-	(7,513)
	-	-
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	\$ -	\$ -

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

	2020	2019
Assets		
Current assets		
Accounts receivable	\$ 394,432	\$ 390,806
Intra-company receivable	440,469	-
Prepaid expenses and other current assets	-	1,500
Total current assets	834,901	392,306
Non-current assets		
Property and equipment, net	214,057	284,529
Total assets	\$ 1,048,958	\$ 676,835
Liabilities		
Current liabilities		
Accounts payable and accruals	\$ 71,399	\$ 107,620
Intra-company payable	-	10,645
Current portion of loan payable	-	70,000
Total current liabilities	71,399	188,265
Long-term liabilities		
Loan payable, less current portion	585,000	515,000
Total liabilities	656,399	703,265
Net Assets		
Without donor restriction	392,559	(26,430)
Total liabilities and net assets	\$ 1,048,958	\$ 676,835

Green Dot Public Schools Tennessee
Wooddale Middle School 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	\$ 4,939,221	\$ 3,945,656
Federal revenue	721,287	893,107
Other state revenue	42,908	103,043
Contributions and grants	162,579	20,193
Local revenue	56,191	47,386
Total support and revenues	5,922,186	5,009,385
Expenses		
Program services		
Salaries and benefits	3,064,730	3,109,593
Student services	620,434	557,487
Materials and supplies	109,801	112,503
Other expenses	205,511	193,863
Depreciation	57,972	57,972
Occupancy	535,438	565,811
Interest	5,850	5,850
Subtotal	4,599,736	4,603,079
Management and general		
Operating expenses	122,849	98,155
Shared services - related party	780,612	577,005
Subtotal	903,461	675,160
Total expenses	5,503,197	5,278,239
Change in Net Assets Without Donor Restriction	418,989	(268,854)
Net Assets, Beginning of Year	(26,430)	242,424
Net Assets, End of Year	\$ 392,559	\$ (26,430)

Green Dot Public Schools Tennessee
 Wooddale Middle School 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	\$ 418,989	(268,854)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation expense	57,972	57,972
Changes in operating assets and liabilities		
Accounts receivable	(3,626)	191,112
Intra-company receivable	(440,469)	-
Prepaid expenses and other current assets	1,500	(1,500)
Accounts payable and accruals	(36,221)	28,315
Intra-company payable	(10,645)	5,455
	(12,500)	12,500
Net Cash from (used for) Operating Activities		
Cash Flows from (used for) Investing Activities		
Sale (purchases) of property and equipment	12,500	(12,500)
	-	-
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	\$ 5,850	\$ 5,850

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

	2020	2019
Assets		
Current assets		
Accounts receivable	\$ 295,056	\$ 294,058
Non-current assets		
Property and equipment, net	189,637	223,826
Total assets	\$ 484,693	\$ 517,884
Liabilities		
Current liabilities		
Accounts payable	\$ 93,822	\$ 121,517
Intra-company payable	647,425	363,888
Deferred revenue	-	499
Current portion of loan payable	-	70,000
Total current liabilities	741,247	555,904
Long-term liabilities		
Loan payable, less current portion	381,585	350,000
Net Assets		
Without donor restriction	(638,139)	(388,020)
Total liabilities and net assets	\$ 484,693	\$ 517,884

Green Dot Public Schools Tennessee
Hillcrest High School 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	\$ 4,377,765	\$ 4,135,777
Federal revenue	695,737	622,746
Other state revenue	-	222,103
Contributions and grants	145,867	75,972
Local revenue	74,622	103,047
Total support and revenues	5,293,991	5,159,645
Expenses		
Program services		
Salaries and benefits	3,288,532	3,246,508
Student services	813,125	540,508
Materials and supplies	86,000	84,795
Other expenses	122,967	157,377
Depreciation	34,189	34,189
Occupancy	381,831	479,729
Interest	4,230	8,400
Subtotal	4,730,874	4,551,506
Management and general		
Operating expenses	108,981	102,762
Shared services - related party	704,255	625,965
Subtotal	813,236	728,727
Total expenses	5,544,110	5,280,233
Change in Net Assets Without Donor Restriction	(250,119)	(120,588)
Net Assets, Beginning of Year	(388,020)	(267,432)
Net Assets, End of Year	\$ (638,139)	\$ (388,020)

Green Dot Public Schools Tennessee
Hillcrest High School 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	\$ (250,119)	\$ (120,588)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation expense	34,189	34,189
Changes in operating assets and liabilities		
Accounts receivable	(998)	149,537
Accounts payable and accruals	(27,695)	87
Intra-company payable	283,537	(63,724)
Deferred revenue	(499)	499
	38,415	-
Net Cash from Operating Activities		
Cash Flows used for Financing Activities		
Principal payments on loan	(38,415)	-
	-	-
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	\$ 4,230	\$ 8,400

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

	2020	2019
Assets		
Current assets		
Accounts receivable	\$ 299,455	\$ 384,802
Intra-company receivable	163,312	-
Prepaid expenses	-	1,500
Total current assets	462,767	\$ 386,302
Non-current assets		
Property and equipment, net	268,381	318,691
Total assets	\$ 731,148	\$ 704,993
Liabilities		
Current liabilities		
Accounts payable	\$ 99,300	\$ 98,898
Intra-company payable	-	522,843
Current portion of loan payable	-	66,667
Total current liabilities	99,300	688,408
Long-term liabilities		
Loan payable, less current portion	363,415	333,333
Total liabilities	462,715	1,021,741
Net Assets		
Without donor restriction	268,433	(316,748)
Total liabilities and net assets	\$ 731,148	\$ 704,993

Green Dot Public Schools Tennessee
Kirby Middle School 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	\$ 4,308,598	\$ 3,731,544
Federal revenue	604,059	531,254
Other state revenue	1,493	15,000
Contributions and grants	158,752	40,435
Local revenue	31,938	129,705
Total support and revenues	5,104,840	4,447,938
Expenses		
Program services		
Salaries and benefits	2,605,100	2,764,626
Student services	480,152	472,685
Materials and supplies	111,343	100,153
Other expenses	161,987	143,515
Depreciation	50,310	43,076
Occupancy	323,938	351,375
Interest	4,029	8,000
Subtotal	3,736,859	3,883,430
Management and general		
Operating expenses	107,353	92,556
Shared services - related party	675,447	529,266
Subtotal	782,800	621,822
Total expenses	4,519,659	4,505,252
Change in Net Assets Without Donor Restriction	585,181	(57,314)
Net Assets, Beginning of Year	(316,748)	(259,434)
Net Assets, End of Year	\$ 268,433	\$ (316,748)

Green Dot Public Schools Tennessee
Kirby Middle School 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	\$ 585,181	\$ (57,314)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation expense	50,310	43,076
Changes in operating assets and liabilities		
Accounts receivable	85,347	(154,561)
Intra-company receivable	(163,312)	-
Prepaid expenses and other current assets	1,500	(1,500)
Accounts payable and accruals	402	(13,915)
Intra-company payable	(522,843)	220,379
Net Cash from Operating Activities	36,585	36,165
Cash Flows used for Investing Activities		
Purchases of property and equipment	-	(36,165)
Cash Flows used for Financing Activities		
Loan principal payments	(36,585)	-
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	\$ 4,029	\$ 8,000

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

	2020	2019
Assets		
Current assets		
Accounts receivable	\$ 234,980	\$ 135,282
Prepaid expenses	33,238	-
	268,218	135,282
Non-current assets		
Security deposits	14,000	14,000
Operating lease right-of-use asset	3,472,095	-
Property and equipment, net	5,999,585	3,959,320
	9,485,680	3,973,320
Total assets	\$ 9,753,898	\$ 4,108,602
Liabilities		
Current liabilities		
Accounts payable	\$ 23,241	\$ 138,527
Intra-company payable	601,345	318,692
Deferred revenue	9,197	-
Current portion of operating lease liability	64,909	-
Current Portion of loan payable	133,129	21,082
	831,821	478,301
Long-term liabilities:		
Operating lease liability, less current portion	3,465,447	-
Loan payable, less current portion	5,520,348	3,796,710
	8,985,795	
Total liabilities	9,817,616	4,275,011
Net Assets		
Without donor restriction	(63,718)	(166,409)
Total liabilities and net assets	\$ 9,753,898	\$ 4,108,602

Green Dot Public Schools Tennessee
Bluff City High School 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	\$ 4,015,717	\$ 2,848,252
Federal revenue	380,462	425,580
Other state revenue	-	11,200
Contributions and grants	269,552	22,871
Local revenue	9,640	31,125
Total support and revenues	4,675,371	3,339,028
Expenses		
Program services		
Salaries and benefits	2,304,979	1,863,957
Student services	532,951	409,667
Materials and supplies	115,595	55,237
Other expenses	176,532	178,525
Depreciation	98,164	93,423
Occupancy	444,782	326,105
Interest	165,429	53,394
Subtotal	3,838,432	2,980,308
Management and general		
Operating expenses	118,230	113,930
Shared services - related party	616,018	411,199
Subtotal	734,248	525,129
Total expenses	4,572,680	3,505,437
Change in Net Assets Without Donor Restriction	102,691	(166,409)
Net Assets, Beginning of Year	(166,409)	-
Net Assets, End of Year	\$ (63,718)	\$ (166,409)

Green Dot Public Schools Tennessee
Bluff City High School 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	\$ 102,691	\$ (166,409)
Adjustments to reconcile change in net assets to net cash used from (used for) operating activities		
Depreciation expense	98,164	72,025
Amortization expense	17,794	21,398
Changes in operating assets and liabilities		
Accounts receivable	(99,698)	(13,256)
Prepaid expenses and other current assets	(33,238)	-
Accounts payable and accruals	(115,286)	(345,859)
Intra-company payable	282,653	229,534
Operating lease assets and liabilities	58,261	-
Deferred revenue	9,197	-
	320,538	(202,567)
Cash Flows used for Investing Activities		
Purchases of property and equipment	(2,156,223)	(1,891,341)
Cash Flows from Financing Activities		
Amounts incurred for debt issuance	-	(65,099)
Proceeds from loans	1,835,685	2,159,007
Net Cash from Financing Activities	1,835,685	2,093,908
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	\$ 165,429	\$ 53,394

Green Dot Public Schools Tennessee
Combining Statement of Financial Position
Year Ended June 30, 2020

	Regional Office	Fairley HS	Wooddale MS	Hillcrest HS
Assets				
Current assets				
Cash and cash equivalents	\$ 5,981,086	\$ -	\$ -	\$ -
Accounts receivable	114	248,097	394,432	295,056
Intra-company receivable	1,756,502	-	440,469	-
Prepaid expenses	177,127	-	-	-
Total current assets	<u>7,914,829</u>	<u>248,097</u>	<u>834,901</u>	<u>295,056</u>
Non-current assets				
Security deposits	-	-	-	-
Operating lease right-of-use asset	-	-	-	-
Property and equipment, net	-	43,436	214,057	189,637
Total non-current assets	<u>-</u>	<u>43,436</u>	<u>214,057</u>	<u>189,637</u>
	<u>\$ 7,914,829</u>	<u>\$ 291,533</u>	<u>\$ 1,048,958</u>	<u>\$ 484,693</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 1,141,665	\$ 31,535	\$ 71,399	\$ 93,822
Accounts payable - related party	906,499	-	-	-
Intra-company payable	482,161	629,352	-	647,425
Deferred revenue	1,500	-	-	-
Refundable advance - Paycheck Protection Program (PPP)	3,017,265	-	-	-
Current portion of operating lease liability	-	-	-	-
Current portion of loan payable	-	-	-	-
Total current liabilities	<u>5,549,090</u>	<u>660,887</u>	<u>71,399</u>	<u>741,247</u>
Long-term liabilities				
Operating lease liability, less current portion	-	-	-	-
Loan payable, less current portion	-	-	585,000	381,585
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>585,000</u>	<u>381,585</u>
Total liabilities	<u>5,549,090</u>	<u>660,887</u>	<u>656,399</u>	<u>1,122,832</u>
Net Assets				
Without donor restriction	2,073,641	(369,354)	392,559	(638,139)
With donor restriction	292,098	-	-	-
Total Net Assets	<u>2,365,739</u>	<u>(369,354)</u>	<u>392,559</u>	<u>(638,139)</u>
Total liabilities and net assets	<u>\$ 7,914,829</u>	<u>\$ 291,533</u>	<u>\$ 1,048,958</u>	<u>\$ 484,693</u>

Green Dot Public Schools Tennessee
Combining Statement of Financial Position
Year Ended June 30, 2020

	Kirby MS	Bluff City HS	Elimination	Total
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 5,981,086
Accounts receivable	299,455	234,980	-	1,472,134
Intra-company receivable	163,312	-	(2,360,283)	-
Prepaid expenses	-	33,238	-	210,365
Total current assets	462,767	268,218	(2,360,283)	7,663,585
Non-current assets				
Security deposits	-	14,000	-	14,000
Operating lease right-of-use asset	-	3,472,095	-	3,472,095
Property and equipment, net	268,381	5,999,585	-	6,715,096
Total non-current assets	268,381	9,485,680	-	10,201,191
	\$ 731,148	\$ 9,753,898	\$ (2,360,283)	\$ 17,864,776
Liabilities				
Current liabilities				
Accounts payable	\$ 99,300	\$ 23,241	\$ -	\$ 1,460,962
Accounts payable - related party	-	-	-	906,499
Intra-company payable	-	601,345	(2,360,283)	-
Deferred revenue	-	9,197	-	10,697
Refundable advance - Paycheck Protection Program (PPP)	-	-	-	3,017,265
Current portion of operating lease liability	-	64,909	-	64,909
Current portion of loan payable	-	133,129	-	133,129
Total current liabilities	99,300	831,821	(2,360,283)	5,593,461
Long-term liabilities				
Operating lease liability, less current portion	-	3,465,447	-	3,465,447
Loan payable, less current portion	363,415	5,520,348	-	6,850,348
Total long-term liabilities	363,415	8,985,795	-	10,315,795
Total liabilities	462,715	9,817,616	(2,360,283)	15,909,256
Net Assets				
Without donor restriction	268,433	(63,718)	-	1,663,422
With donor restriction	-	-	-	292,098
Total Net Assets	268,433	(63,718)	-	1,955,520
Total liabilities and net assets	\$ 731,148	\$ 9,753,898	\$ (2,360,283)	\$ 17,864,776

Green Dot Public Schools Tennessee

Combining Statement of Activities

Year Ended June 30, 2020

	Regional Office	Fairley HS	Wooddale MS	Hillcrest HS
Net Assets Without Donor Restriction				
Support and revenues				
State apportionments	\$ -	\$ 3,906,574	\$ 4,939,221	\$ 4,377,765
Federal revenue	-	769,051	721,287	695,737
Other state revenue	-	-	42,908	-
Contributions and grants	56,638	137,984	162,579	145,867
Local revenue	3,870,680	31,717	56,191	74,622
Net assets released from restrictions	129,866			
Total support and revenues	4,057,184	4,845,326	5,922,186	5,293,991
Expenses				
Program services				
Salaries and benefits	674,510	2,659,587	3,064,730	3,288,532
Student services	14,740	669,495	620,434	813,125
Materials and supplies	4,671	108,371	109,801	86,000
Other expenses	38,159	207,709	205,511	122,967
Depreciation and amortization	-	20,390	57,972	34,189
Occupancy	-	576,151	535,438	381,831
Interest	-	-	5,850	4,230
Subtotal	732,080	4,241,703	4,599,736	4,730,874
Management and general				
Salaries and benefits	891,572	-	-	-
Occupancy	100	-	-	-
Operating expenses	256,889	97,456	122,849	108,981
Shared services - related party	1,645,858	632,945	780,612	704,255
Subtotal	2,794,419	730,401	903,461	813,236
Total expenses	3,526,499	4,972,104	5,503,197	5,544,110
Change in Net Assets Without Donor Restriction	530,685	(126,778)	418,989	(250,119)
Net Assets with Donor Restriction				
Contributions and grants	321,964	-	-	-
Net assets released from restrictions	(129,866)	-	-	-
Change in Net Assets with Donor Restriction	192,098	-	-	-
Change in Net Assets	722,783	(126,778)	418,989	(250,119)
Net Assets, Beginning of Year	1,642,956	(242,576)	(26,430)	(388,020)
Net Assets, End of Year	\$ 2,365,739	\$ (369,354)	\$ 392,559	\$ (638,139)

Green Dot Public Schools Tennessee

Combining Statement of Activities

Year Ended June 30, 2020

	Kirby MS	Bluff City HS	Elimination	Total
Net Assets Without Donor Restriction				
Support and revenues				
State apportionments	\$ 4,308,598	\$ 4,015,717	\$ -	\$ 21,547,875
Federal revenue	604,059	380,462	-	3,170,596
Other state revenue	1,493	-	-	44,401
Contributions and grants	158,752	269,552	-	931,372
Local revenue	31,938	9,640	(3,409,277)	665,511
Net assets released from restrictions		-		129,866
Total support and revenues	5,104,840	4,675,371	(3,409,277)	26,489,621
Expenses				
Program services				
Salaries and benefits	2,605,100	2,304,979	-	14,597,438
Student services	480,152	532,951	-	3,130,897
Materials and supplies	111,343	115,595	-	535,781
Other expenses	161,987	176,532	-	912,865
Depreciation and amortization	50,310	98,164	-	261,025
Occupancy	323,938	444,782	-	2,262,140
Interest	4,029	165,429	-	179,538
Subtotal	3,736,859	3,838,432	-	21,879,684
Management and general				
Salaries and benefits	-	-	-	891,572
Occupancy	-	-	-	100
Operating expenses	107,353	118,230	-	811,758
Shared services - related party	675,447	616,018	(3,409,277)	1,645,858
Subtotal	782,800	734,248	(3,409,277)	3,349,288
Total expenses	4,519,659	4,572,680	(3,409,277)	25,228,972
Change in Net Assets Without Donor Restriction	585,181	102,691	-	1,260,649
Net Assets with Donor Restriction				
Contributions and grants	-	-	-	321,964
Net assets released from restrictions	-	-	-	(129,866)
Change in Net Assets with Donor Restriction	-	-	-	192,098
Change in Net Assets	585,181	102,691	-	1,452,747
Net Assets, Beginning of Year	(316,748)	(166,409)	-	502,773
Net Assets, End of Year	\$ 268,433	\$ (63,718)	\$ -	\$ 1,955,520

Green Dot Public Schools Tennessee

Combining Statement of Cash Flows

Year Ended June 30, 2020

	Regional Office	Fairley HS	Wooddale MS	Hillcrest HS
Cash Flows from (used for) Operating Activities				
Change in net assets	\$ 722,783	\$ (126,778)	\$ 418,989	\$ (250,119)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities				
Depreciation expense	-	20,390	57,972	34,189
Amortization expense	-	-	-	-
Changes in operating assets and liabilities				
Accounts receivable	24,139	(32,800)	(3,626)	(998)
Intra-company receivable	(107,720)	-	(440,469)	-
Prepaid expenses	(177,127)	-	1,500	-
Accounts payable and accruals	172,950	(56,105)	(36,221)	(27,695)
Accounts payable - related party	783,795	-	-	-
Intra-company payable	482,161	196,638	(10,645)	283,537
Operating lease assets and liabilities	-	-	-	-
Deferred revenue	-	(1,345)	-	(499)
Refundable advance - PPP	3,017,265	-	-	-
Net Cash from (used for) Operating Activities	<u>4,918,246</u>	<u>-</u>	<u>(12,500)</u>	<u>38,415</u>
Cash Flows from (used for) Investing Activities				
Purchases of property and equipment	-	-	12,500	-
Cash Flows from (used for) Financing Activities				
Proceeds from loans	-	-	-	-
Principal payments on loans	-	-	-	(38,415)
Net Cash from (used for) Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,415)</u>
Net Change in Cash and Cash Equivalents	4,918,246	-	-	-
Cash and Cash Equivalents, Beginning of Year	<u>1,062,840</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,981,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Supplemental Cash Flow Disclosure:				
Cash paid during the period for interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,850</u>	<u>\$ 4,230</u>

Green Dot Public Schools Tennessee

Combining Statement of Cash Flows

Year Ended June 30, 2020

	Kirby MS	Bluff City HS	Elimination	Total
Cash Flows from (used for) Operating Activities				
Change in net assets	\$ 585,181	\$ 102,691	\$ -	\$ 1,452,747
Adjustments to reconcile change in net assets to net cash from (used for) operating activities				
Depreciation expense	50,310	98,164	-	261,025
Amortization expense	-	17,794	-	17,794
Changes in operating assets and liabilities				
Accounts receivable	85,347	(99,698)	-	(27,636)
Intra-company receivable	(163,312)	-	711,501	-
Prepaid expenses	1,500	(33,238)	-	(207,365)
Accounts payable and accruals	402	(115,286)	-	(61,955)
Accounts payable - related party	-	-	-	783,795
Intra-company payable	(522,843)	282,653	(711,501)	-
Operating lease assets and liabilities	-	58,261	-	58,261
Deferred revenue	-	9,197	-	7,353
Refundable advance - PPP	-	-	-	3,017,265
Net Cash from (used for) Operating Activities	<u>36,585</u>	<u>320,538</u>	<u>-</u>	<u>5,301,284</u>
Cash Flows from (used for) Investing Activities				
Purchases of property and equipment	-	(2,156,223)	-	(2,143,723)
Cash Flows from (used for) Financing Activities				
Proceeds from loans	-	1,835,685	-	1,835,685
Principal payments on loans	(36,585)	-	-	(75,000)
Net Cash from (used for) Financing Activities	<u>(36,585)</u>	<u>1,835,685</u>	<u>-</u>	<u>1,760,685</u>
Net Change in Cash and Cash Equivalents	-	-	-	4,918,246
Cash and Cash Equivalents, Beginning of Year	-	-	-	<u>1,062,840</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,981,086</u>
Supplemental Cash Flow Disclosure:				
Cash paid during the period for interest	<u>\$ 4,029</u>	<u>\$ 165,429</u>	<u>\$ -</u>	<u>\$ 179,538</u>

Note 1 - Purpose of Supplementary Schedules

Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of GDPS TN under programs of the federal government for the year ended June 30, 2020. The information 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). Because the schedule presents only a selected portion of the operations of GDPS TN, it is not intended to and does not present the financial position, changes in net assets, or cash flows of GDPS TN.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

GDPS TN has not elected to use the ten percent de minimis cost rate.

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
June 30, 2020

Green Dot Public Schools Tennessee



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Green Dot Public Schools Tennessee
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 combined statement of financial position as of June 30, 2020, and the related combined statements of activities and cash flows for the fiscal year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 18, 2020.

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) as a basis for designing 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 combined financial statements. 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.

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

Rancho Cucamonga, California
December 18, 2020



Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Green Dot Public Schools Tennessee
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 GDPS TN's major federal program for the year ended June 30, 2020. 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 GDPS TN's major federal program 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 the major federal program. However, our audit does not provide a legal determination of GDPS TN's compliance.

Opinion on the 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 its major federal program for the year ended June 30, 2020.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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.

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 printed name of the firm.

Rancho Cucamonga, California
December 18, 2020

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified	None reported
Noncompliance material to financial statements noted	No

FEDERAL AWARDS

Internal control over major Federal programs:	
Material weakness identified	No
Significant deficiency identified	None reported
Type of auditor's report issued on compliance for major Federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major Federal programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Numbers</u>
Title I, Part A - Basic Grants Low Income and Neglected	84.010
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

None reported.

None reported.

There were no audit findings reported in the prior year.