

\$35,000,000*
CALIFORNIA SCHOOL FINANCE AUTHORITY
SCHOOL FACILITY REVENUE BONDS
(GREEN DOT PUBLIC SCHOOLS CALIFORNIA PROJECT)
SERIES 2015A (TAX-EXEMPT) AND 2015B (TAXABLE)
EXECUTIVE SUMMARY
RESOLUTION 15-21

Borrower:	Delta Properties, Inc. (the "Borrower")
Project User:	Green Dot Public Schools California
Loan Amount:	Not to exceed \$35,000,000
Expected Issuance:	September 2015
Project:	The proceeds of the bonds will be used to finance and refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and equipping of educational facilities located in Los Angeles County.
Bond Type:	School Facility Revenue Bonds (Taxable and Tax Exempt Series)
Project Location:	See "Project Information" section
Counties Served:	Los Angeles
District in which Project is Located:	Los Angeles Unified School District
Charter Authorizer:	Los Angeles Unified School District
Est. Annual Payment:	\$2,014,000
Anticipated Rating:	Expected BB+ Category
Structure:	\$29,215,000 (Tax-Exempt) and \$3,415,000 (Taxable)
Sale Method:	Public Offering
Underwriter:	Robert W. Baird & Co. Incorporated
Bond Counsel:	Orrick, Herrington, & Sutcliffe
Trustee:	Zions Bank

I. Use of Bond Proceeds / Project Information

The Project will include financing and/or refinancing the costs of the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of certain charter school educational facilities, including classroom and administrative spaces and related appurtenant facilities.

Site	Landlord	Location	Purpose	Amount
Ánimo James B. Taylor Charter Middle School	DPI 800 East 111th Place LLC	810 and 820 East 111th Place, Los Angeles, CA 90059	Refinance an Outstanding Loan	\$3,447,488
Ánimo Pat Brown Charter High School	8255 Beach LLC	8255 Beach Street, Los Angeles, CA 90001	Refinance an Outstanding Loan	\$8,568,060
Ánimo South Los Angeles Charter High School	111th Place LLC	11100 and 11130 South Western Avenue, Los Angeles, CA 90047	Refinance an Outstanding Loan and New Money Project	\$10,396,622
Ánimo Watts College Preparatory Academy	12628 S. Avalon LLC	12628 South Avalon Boulevard, Los Angeles, CA 90061	Refinance an Outstanding Loan	\$6,922,668
Total Estimated Project Costs				\$29,334,838

II. Green Dot Public Schools California (“Green Dot California”)

Green Dot Public Schools California (“Green Dot California”) is a California nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), whose articles of organization were filed with the State of California (the "State") on June 23, 1999. The charter schools operated by Green Dot California were granted charters by the Inglewood Unified School District, Lennox School District or the Los Angeles Unified School District. The charter schools receive per-pupil funding to help support operations. Green Dot California currently serves 10,494 students in 11 high schools and 7 middle schools. Green Dot California plans to open other charter schools across the United States in the future.

Green Dot California establishes, oversees and administers public charter schools, and seeks to foster an educational environment in which those schools can best promote the interests of their students. Green Dot California was founded with the vision of transforming secondary education in California by creating high-performing charter high schools to catalyze change in underperforming areas. Green Dot California serves neighborhoods where the traditional public schools have been historically overcrowded and underperforming.

Effective July 1, 2014, Green Dot restructured its governing board and management team in order to expand nationally. Green Dot Public Schools has been split into four corporations: Green Dot Public Schools National, Green Dot Public Schools California, Green Dot Public Schools Tennessee and Green Dot Public Schools Washington. As part of the expansion, Green Dot Public Schools renamed its local organization Green Dot Public Schools California. Green Dot Public Schools National was formed to be the national organization that will provide shared services to schools authorized in California, Tennessee and Washington.

III. Financial Structure

The Bonds are expected to be issued in two series: (1) Series A (Tax-exempt) will be approximately \$29,215,000, and (2) Series B (Taxable) will be approximately \$3,415,000. The Bonds will have a final maturity of August 1, 2045. The Bonds will be interest-only through February 1, 2016 (the first principal payment will be August 1, 2016)

IV. Security and Source of Payment

The Bonds will be payable from and secured by Payments under the Indenture, consisting primarily of Loan Repayments under the Loan Agreement. The obligations of the Borrower under the Loan Agreement are payable from and secured by Obligation No. 1 issued by an Obligated Group whose members are the landlord of the properties benefited by this financing and by the Deeds of Trust on each Facility. As further security for the Bonds, in connection with the issuance of the Bonds, the Borrower will provide instructions to the State Controller's Office to make an apportionment to the Trustee in amounts and on dates provided in a written notice sufficient to repay the Bonds and pay necessary and incidental costs. Funds received by the Trustee pursuant to the Intercept described in clause (i) of the definition of Payments will be held in trust and will be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture, including if necessary, the payment of debt service on the Bonds. Under state law, no party, including the Borrower or any of its creditors will have any claim to the money apportioned or to be apportioned to the Trustee by the State Controller pursuant to the Intercept.

V. Preliminary Sources and Uses/Cost of Issuance

Below are the preliminary sources and uses, and detailed information about the costs of issuance for board consideration. Please note that these figures are subject to change between the time of board packets being distributed and the time of the board meeting – members will be provided updated figures should they change before the board meeting date.

Estimated Sources & Uses

Sources:	(Tax-Exempt)	(Taxable)	Total
Bond Proceeds:			
Par Amount	\$29,215,000.00	\$3,415,000.00	\$32,630,000.00
Uses:	(Tax-Exempt)	(Taxable)	Total
Project Fund Deposits:			
Animo JB Taylor-Loan Refinance	\$861,872.00	\$2,585,616.00	\$3,447,488.00
Animo South LA-Loan Refinance	\$5,896,622.00		\$5,896,622.00
Animo South LA-New Money	\$4,500,000.00		\$4,500,000.00
Animo Pat Brown-Loan Refinance (NMTC Escrow)	\$8,568,060.00		\$8,568,060.00
Animo Watts-Loan Refinance (NMTC Escrow)	\$6,922,668.00		\$6,922,668.00
	\$26,749,222.00	\$2,585,616.00	\$29,334,838.00
Other Fund Deposits:			
Debt Service Reserve Fund	\$1,877,907.61	\$219,512.39	\$2,097,420.00
Delivery Date Expenses:			
Cost of Issuance	\$255,631.27	\$570,266.63	\$825,897.90
Underwriter's Discount	\$328,668.75	\$38,418.75	\$367,087.50
	\$584,300.02	\$608,685.38	\$1,192,985.40
Other Uses of Funds:			
Contingency	\$3,570.37	\$1,186.23	\$4,756.60
Total	\$29,215,000.00	\$3,415,000.00	\$32,630,000.00

Estimated Costs of Issuance

<u>Cost of Issuance:</u>	<u>Estimated Amount</u>	
Issuer Fee	\$26,315.00	
STO Agent for Sale fee	\$8,000.00	
Issuer Application Fee (Reimburse to Borrower)	\$1,500.00	
Issuer's Annual Fee (paid upfront)	\$4,895.00	
Issuer Counsel Fee	\$6,000	
Bond Counsel Fee & Expenses	\$135,000.00	
Bond Counsel Expenses (Not-to-Exceed)	\$0.00	
Borrower's Counsel	\$100,000.00	
Underwriter's Counsel Fee (Disclosure)	\$90,000.00	
Trustee Acceptance, Set Up and Legal Counsel Review	\$4,000.00	
Trustee CA Counsel Fee	\$2,000.00	
Master Trustee Annual Administration Fee - Paid Upfront	\$1,500.00	
Supplemental Indenture Bond Trustee Annual Administration Fee Paid Upfront	\$3,500.00	
Escrow Investment Trust Acceptance and Annual Upfront	\$4,500.00	
Annual Escrow Agent Fee - Paid Upfront	\$750.00	
Dissemination Agent Fee	\$500.00	
POS/OS Printing	\$5,000.00	
Rating Fee	\$47,250.00	
Financial Advisor Fee - flat fee	\$112,500.00	
Financial Advisor Expenses	\$2,500.00	
Wilimington Delaware Trust Escrow Fee (Initial and Annual upfront)	\$8,000.00	
Wilimington Delaware Trust Counsel Fee - EST.	\$12,000.00	
NMTC - CDE / Allocatee (ExED)	\$75,000.00	
NMTC - CDE Counsel (Dentons)	\$40,000.00	
NMTC - GDCA Tax-Credit Counsel	\$15,000.00	
NMTC - Investor Counsel (Husch Blackwell)	\$50,000.00	
Title Insurance - Estimate	\$25,188.40	
Underwriter Expenses	\$11,000.00	
Misc.	\$20,000.00	
Point Person - GDCA	\$20,000.00	
Total COI	\$831,898	2.53%
Underwriter's Discount	\$367,088	3.66%
Total Costs	\$1,198,985.40	

VI. Borrower Financial Data

Exhibit A contains financial and operational information for Green Dot California.

VII. Due Diligence Undertaken to Date

No information was disclosed to question the financial viability or legal integrity of the Borrower. Standard opinions of counsel (i.e., that the borrowing entity has been duly organized, is in good standing, is a 501(c)(3) organization, has the full authority to enter into all documents which are valid and binding, etc.) will be delivered at closing.

VIII. Bond Sales Restrictions

The following sales restrictions will apply to the Green Dot California financing given the expected rating of BB+. Please note that if the financing achieves an investment grade rating of BBB-, item #1 below will change. The Authority's sales restrictions can be viewed at: <http://treasurer.ca.gov/csfa/financings/guidelines.pdf>.

1. Bonds will be in minimum denominations of \$100,000 (BB category) / \$25,000 (BBB-)
2. Bonds may be publicly offered or privately placed
3. Bonds will be sold initially only to Qualified Institutional Buyers (QIB) and Accredited Investors (AI)
4. Subsequent transfers of bonds are limited to QIBs and AIs
5. Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents
6. Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code

IX. Staff Recommendation

Staff recommends CSFA approve Resolution Number 15-21 authorizing the Issuance of School Facility Revenue Bonds in an Amount Not to Exceed \$35,000,000 to Finance and Refinance the Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing, and Equipping of Educational Facilities Located in Los Angeles County, California.

Exhibit A – Financial and Operational Information

Statement of Revenue and Expenditures

GREEN DOT PUBLIC SCHOOLS
Statement of Activities and Changes in Net Assets
Fiscal Year Ended June 30,

	GDPS CONSOLIDATED			RELATED SCHOOLS ONLY		
	2012	2013	2014	2012	2013	2014
UNRESTRICTED NET ASSETS						
Revenues						
State apportionments	44,951,823	45,832,670	56,028,699	7,941,452	7,898,389	10,900,992
Federal revenue	11,170,091	13,485,835	12,148,300	1,974,353	1,787,592	1,209,269
Other State revenue	20,153,590	21,706,198	11,683,290	3,507,536	3,771,974	2,955,669
Proposition construction revenue	6,045,070	1,774,794	382,111	17,144	659,673	99,081
Contribution and grants	5,244,854	3,668,473	8,098,467	32,499	8,452	509,212
Donated services and property	638,612	1,165,936	604,084	83,334	0	0
Local revenue	14,743,008	15,696,511	20,584,118	2,441,581	2,576,645	3,384,507
Total Unrestricted Revenues	102,947,048	103,330,417	109,529,069	15,997,899	16,702,725	19,058,730
Expenditures:						
Program services						
Salaries and benefits	51,076,456	57,758,603	62,138,683	7,519,104	8,285,498	9,222,709
Student services	9,553,237	10,174,039	11,620,843	1,163,068	1,012,478	1,348,115
Materials and supplies	1,708,739	1,924,663	2,023,258	171,097	367,299	356,758
Student nutrition	2,719,018	2,867,074	3,169,251	563,928	565,963	770,710
Other expenses	3,442,963	4,075,813	4,662,475	250,336	357,692	469,024
Depreciation and amortization	2,474,307	3,008,736	3,068,520	33,533	51,271	316,899
Occupancy	5,728,087	5,579,670	6,644,401	2,226,920	2,132,055	2,619,048
Proposition construction expense	6,045,071	1,774,796	393,778	17,144	659,674	99,081
Interest	2,911,469	3,147,911	3,119,510	0	0	0
Subtotal	85,659,347	90,311,305	96,840,719	11,945,130	13,431,930	15,202,344
Fund Development	481,110	469,743	594,290	0	0	0
Management and general:						
Salaries and benefits	5,420,886	6,251,236	6,181,705	0	0	0
Depreciation	987,972	930,830	1,255,996	3,726	5,697	35,211
Insurance	123,673	0	0	5,694	0	0
Occupancy	1,414,169	1,473,405	2,299,924	247,436	236,895	259,026
Operating Expenses	4,223,386	4,087,693	4,452,145	187,384	244,325	272,042
Interest	916,865	858,211	1,155,573	5,304	287	185
Subtotal	13,086,951	13,601,375	15,345,343	449,544	487,204	566,464
Total Expenses	99,227,408	104,382,423	112,780,352	12,394,674	13,919,134	15,768,808
Operating Transfers						
Operating transfer in	8,892,929	9,016,037	9,955,649	7,340	1,980	378
Operating Transfer out	(8,892,929)	(9,016,037)	(9,955,649)	(1,339,663)	(1,391,184)	(2,204,486)
Total Operating Transfers	0	0	0	(1,332,323)	(1,389,204)	(2,204,108)
Change in Unrestricted Net Assets before extraordinary item	3,719,640	(1,052,006)	(3,251,283)	2,270,902	1,394,387	1,085,814
Extraordinary item						
Extraordinary item - transfer of net assets	0	0	0	0	0	(8,555,424)
Change in Unrestricted Net Assets	3,719,640	(1,052,006)	(3,251,283)	2,270,902	1,394,387	(7,469,610)
Temporarily restricted net assets						
Contributions and grants	0		2,753,626	0	0	0
Net assets released from restrictions	0		0	0	0	0
Increase (decrease) in Temporarily Restricted Net Assets	0	0	2,753,626	0	0	0
Change in Net Assets	3,719,640	(1,052,006)	(497,657)	2,270,902	1,394,387	(7,469,610)
Net Assets, Beginning of the Year	28,437,868	32,157,508	31,105,502	4,522,161	6,793,063	8,187,450
Net Assets, End of the Year	32,157,508	31,105,502	30,607,845	6,793,063	8,187,450	717,840

Financial Position (As of 2013-14)

GREEN DOT PUBLIC SCHOOLS
Statement of Financial Position
Fiscal Year Ended June 30,

Fiscal Year Ended June 30,	GDPS CONSOLIDATED			RELATED SCHOOLS ONLY		
	2012	2013	2014	2012	2013	2014
ASSETS						
Current Assets:						
Restricted cash and cash equivalents				0	7,185,684	6,671,995
Cash & cash equivalents	21,215,414	13,812,938	23,530,047	1,500	0	0
Restricted cash and cash equivalents	13,618,222	15,661,958	14,381,302	0	0	0
Accounts Receivable	23,143,835	32,392,798	20,968,978	4,214,649	5,757,629	3,795,306
Prepaid expenses and other current assets	463,989	1,103,717	642,328	72,347	71,912	62,661
Intra-company receivable				3,031,363	3,450,282	0
Total Current Assets	58,441,460	62,971,411	59,522,655	7,319,859	16,465,507	10,529,962
Non-Current Assets:						
Restricted cash and cash equivalents		1,478,743	1,736,987	0	0	322,140
Debt issue costs, net	2,941,738	2,836,806	2,731,876	0	0	0
Security deposits	338,785	645,285	409,228	11,129	13,129	0
Noncurrent receivable	403,253	403,253	400,433	0	0	0
Fixed Assets	104,337,939	107,457,684	114,005,809	346,563	1,103,596	5,814,560
Less: Accumulated depreciation	11,720,325	14,986,037	18,961,583	122,535	179,503	2,091,070
Total Non-Current Assets	96,301,390	97,835,734	100,322,750	235,157	937,222	4,045,630
TOTAL ASSETS	154,742,850	160,807,145	159,845,405	7,555,016	17,402,729	14,575,592
LIABILITIES						
Current Liabilities:						
Accounts payable and accruals	13,113,612	11,187,680	12,960,387	296,091	811,366	1,405,394
Interest payable	423,929	388,581	417,854	0	0	0
Deferred revenue	11,636,621	18,382,604	16,965,887	10,279	7,190,989	7,413,687
Current portion of long-term obligations	1,396,627	2,236,583	5,897,118	20,000	20,000	20,000
Intra-company payable				378,439	496,106	4,242,772
Total Current Liabilities	26,570,789	32,195,448	36,241,246	704,809	8,518,461	13,081,853
Long-term Obligations:						
Non-current portion of long-term obligations	96,014,553	97,506,195	92,996,314	57,144	696,818	775,899
Total LIABILITIES	122,585,342	129,701,643	129,237,560	761,953	9,215,279	13,857,752
NET ASSETS						
Unrestricted	32,157,508	31,105,502	27,854,219	6,793,063	8,187,450	717,840
Temporarily Restricted			2,753,626	0	0	0
Total Net Assets	32,157,508	31,105,502	30,607,845	6,793,063	8,187,450	717,840
TOTAL LIABILITIES AND NET ASSETS	154,742,850	160,807,145	159,845,405	7,555,016	17,402,729	14,575,592

Approved FY 2016 Budget (Related Schools)

Related Group of Schools
Approved Fiscal Year Budget - 2016

Account	Animo Pat Brown	Animo South Los Angeles	Animo Watts	Animo James B. Taylor	Total Related Group
REVENUES					
LCFF Revenue	5,560,800	5,519,461	5,232,671	4,023,510	20,336,442
ADA-Driven Revenue	115,115	115,638	108,129	79,385	418,267
SPED Revenue	427,947	429,891	401,975	342,067	1,601,879
Federal Entitlements	252,615	228,007	209,972	326,594	1,017,188
Facilities Revenue	409,659	312,248	370,442	194,191	1,286,540
Grants & Other Non-Discretionary Revenue	-	-	-	224,603	224,603
Food Service Revenue	179,626	219,211	222,508	140,945	762,290
School-Site Revenue	22,220	65,545	75,550	11,000	174,315
Total Revenues	6,967,983	6,890,000	6,621,247	5,342,294	25,821,524
EXPENDITURES					
Salaries	2,651,375	2,621,157	2,318,766	1,857,933	9,449,231
Supplemental	23,144	48,490	18,705	17,988	108,327
Overtime	630	8,898	6,131	9,547	25,205
Bonus & Stipend (excl. Athletics)	17,536	30,486	29,581	22,461	100,064
Substitute Services	67,550	69,910	64,360	66,140	267,960
Certificated & Classified Benefits	838,977	836,461	799,942	627,360	3,102,740
Total Personnel Costs	3,599,212	3,615,402	3,237,484	2,601,428	13,053,526
Books, Educational Materials & Supplies	196,310	151,252	113,709	137,827	599,097
Employee Development & Educational Support	10,436	23,956	8,756	10,872	54,020
Other Employee Related Expenses	3,960	7,306	5,429	3,860	20,555
Student Events & Supplies	42,484	86,460	77,800	28,450	235,194
Athletics	-	27,500	15,300	-	42,800
Education Services (excl. FT teacher)	98,867	130,654	159,871	264,517	653,910
IT Expenses	84,996	105,525	104,184	109,361	404,065
Equipment	35,400	32,299	28,826	95,646	192,172
Custodial & Facilities Maintenance	198,219	119,435	106,255	93,822	517,731
Facilities Occupancy	762,463	670,441	648,925	657,813	2,739,642
Services, Other Operating Expenses	309,940	397,074	331,609	357,296	1,395,919
Non-Discretionary Expenses	55,980	55,195	52,699	40,607	204,481
Total Operating Costs	1,799,055	1,807,097	1,653,362	1,800,071	7,059,585
Total Shared Costs	1,064,816	1,056,049	1,003,373	645,453	3,769,691
Net Income (GAAP)	504,899	411,452	727,028	295,342	1,938,721