



Thursday, December 2, 2021
Rocketship Public Schools National Board of Directors Meeting (2021-22 Q2)

Meeting Time: 1pm PT

Webinar link: <https://rocketshipschools.zoom.us/j/86154070696>

Public Comment: Members of the public can make comment on off-agenda items at the start of the meeting, and on agenda items immediately preceding the board's discussion of each item. Please use the webinar's "raise hand" feature to indicate you would like to make a comment. You will be recognized once the public comment time begins and will be unmuted by the host and permitted to make comment for a duration of up to 3 minutes.

1. Opening Items

- A. Call to order
- B. Public comment on off-agenda items

2. Consent Items

- A. Approve minutes from the October 13th, 2021 meeting of the Board of Directors
- B. Reappoint Alex Terman to the Rocketship Education Board of Directors through the end of December 2023 and confirm his role as Board Treasurer
- C. Reappoint Greg Stanger to the Rocketship Education Board of Directors through the end of December 2023 and confirm his role as Board Secretary
- D. Reappoint Daniel Velasco to the Rocketship Education Board of Directors through the end of December 2023
- E. Approve resolution extending emergency Brown Act procedures under AB 361
- F. Approve resolution authorizing the Tennessee Executive Director to close TN schools in cases of public health emergencies
- G. Approve revised Student Discipline Policy for TN
- H. Approve revised Local Wellness Policy for TN
- I. Approve revised Local Wellness Policy for CA

3. Agenda Items

- A. Mission Moment: Texas Groundbreaking
- B. Board updates: CEO, Regional, Board Chair, Committee Chair, Development, and COVID
- C. Approve the First Interim Reports for Rocketship Redwood City Prep
- D. Public hearing of the Educator Effectiveness Block Grant for all California Rocketship schools: Rocketship Mateo Sheedy, Rocketship Si Se Puede, Rocketship Los Suenos, Rocketship Mosaic, Rocketship Discovery Prep, Rocketship Brilliant Minds, Rocketship Alma, Rocketship Spark, Rocketship Fuerza, Rocketship Rising Stars, Rocketship Redwood City Prep, Rocketship Futuro, and Rocketship Delta Prep
- E. Approve Rocketship 2020-21 Audit
- F. Texas Update

4. Closed Session

A. Conference with Legal Counsel — Anticipated Litigation: Significant exposure to litigation pursuant to California Government Code § 54956.9. Number of cases: 1

B. Public Employee Performance Evaluation Pursuant to Gov. Code Section 54957: CEO

5. Adjourn

THE ORDER OF BUSINESS AND TIMINGS MAY BE CHANGED WITHOUT NOTICE: Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice, provided that the Board takes action to effectuate such change.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY: Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting may request assistance by contacting us at compliance@rsed.org.

SPANISH & VIETNAMESE TRANSLATION: If you need Spanish or Vietnamese audio translation in order to access the Rocketship Board meeting, please send a request to compliance@rsed.org at least 24 hours before the start of the meeting. If you would like to make a public comment in Spanish or Vietnamese and would like us to translate to English for the Board, please send a request to compliance@rsed.org at least 24 hours before the start of the meeting.

Si necesita traducción de audio al español para acceder a la reunión de la Mesa Directiva de Rocketship, envíe una solicitud a compliance@rsed.org por lo menos 24 horas antes del inicio de la reunión.

Si desea hacer un comentario público en español y desea que lo traduzcamos al inglés para la Mesa Directiva, envíe una solicitud a compliance@rsed.org por lo menos 24 horas antes del inicio de la reunión.

Rocketship Public Schools Board Meeting

December 8, 2021



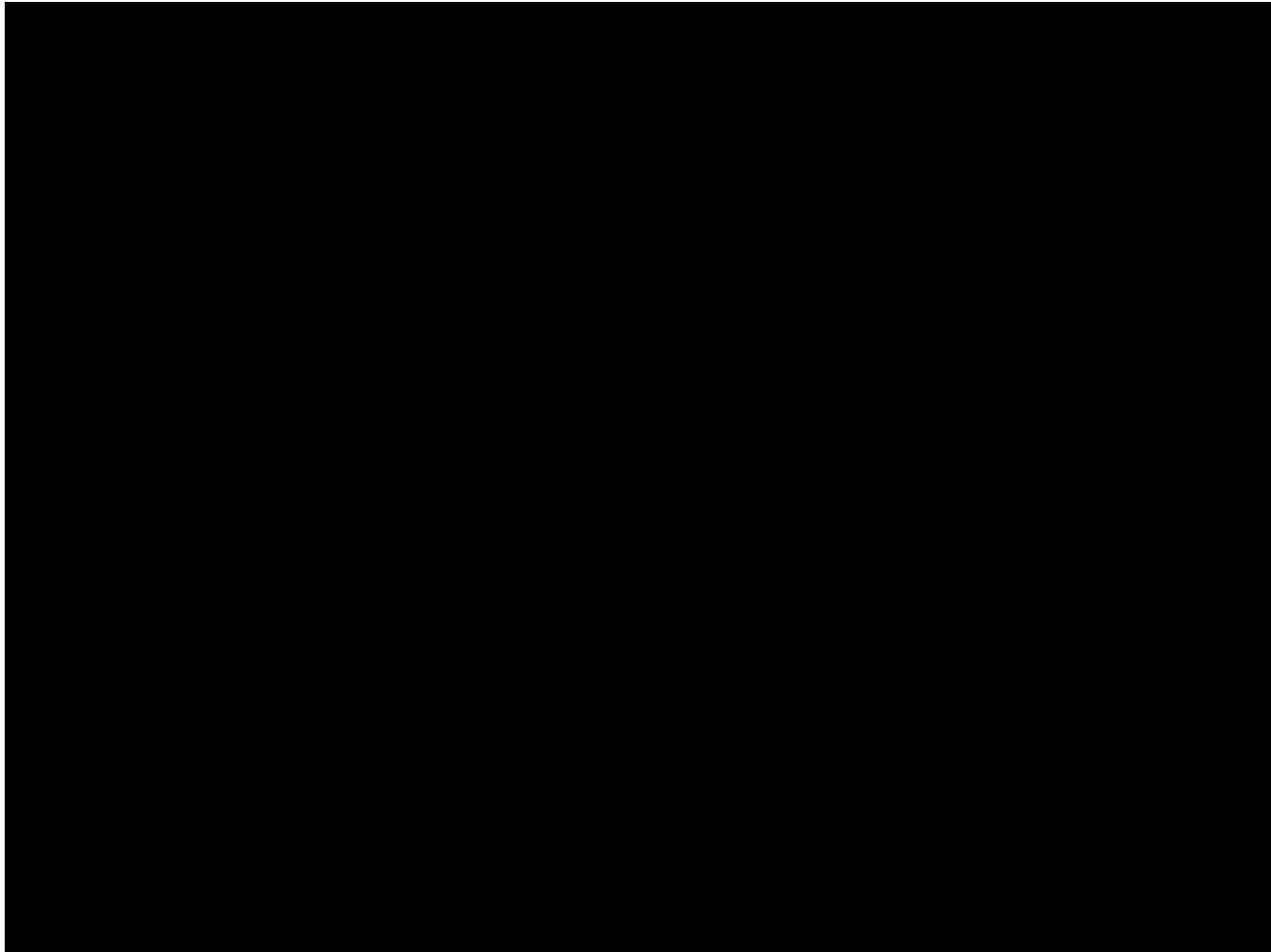
Mission Moment: Texas groundbreaking



Rocketship Public Schools Texas Groundbreaking



Rocketship Public Schools Texas Groundbreaking



To: Board Members
From: Preston Smith, Co-Founder & CEO
Date: December 2, 2021
Re: CEO's Update

This memo is an update on the successes and challenges we've had at Rocketship since our last board meeting in October.

QUALITY—Great schools...

All schools in the top 10% among low-income districts

All Rocketship schools across our national network are fully open for the 2021-22 school year! Though it may be harder to see our Rocketeers' smiles under their masks, being back in person has accelerated learning, relationship building, and growth for our students and teachers alike. As we continue to navigate the challenges of teaching and learning during a global pandemic, we remain guided by our steadfast belief that great public schools are powerful forces for equity and excellence.

This school year has been like none other as we have navigated the Delta variant, higher rates of infection and spread than existed a year ago, quarantines, staffing shortages, vaccines, and more. It has been an incredible amount of complexity and challenges for our teams to navigate and they have truly risen to the occasion to [Meet the Moment](#). Over the past four months, the quarantines have significantly decreased, our staff vaccination rate has continued to grow, and our talent recruitment team has been incredible in helping us navigate the staffing challenges coupled with the strength of our culture and total rewards program at Rocketship.



As we enter December, 92% of our team members across the network are vaccinated. Moreover, the vaccine mandate we implemented in Milwaukee, DC, and for National NeST has resulted in a 100% vaccination rate for all staff members on these teams. Along the way, we retained over 99% of our team members. This is a tremendous testament to the power of our internal campaign based on science and

facts, our team's trust and relationships, the excellence of our team members and managers, and our collective commitment as an organization in ensuring that we keep our kids and communities safe. The Bay Area implemented its vaccine mandate in October and all staff must be fully vaccinated by December 15th, 2021. Our largest region is well on its way to reaching this deadline with 95% of all Bay Area team members already vaccinated. And in Tennessee, where the local vaccination rate is barely above 50%, our current team is nearly 80% vaccinated. This is a 25% increase since September. Staff vaccinations have been critical in keeping our team members safe and healthy, while also helping us far more effectively navigate and mitigate quarantines and staffing shortages. This has been essential in us ensuring that our talented team members are able to be present regularly and continue to invest in and grow our Rocketeers' achievement and excellence.

The FDA has now [granted](#) emergency authorization for the Pfizer vaccine in children ages 5-11 and [our Rocketeers have already begun receiving their first doses](#)! In early October, we formed a Student Vaccination Working Group with representatives from all regions & many NeST teams. Since then, we've been hard at work planning for both initial communications to families as well as sustained efforts to connect our communities to resources to inform their decisions about student vaccination. At this time, students are not required to be vaccinated. We expect local and [state agencies to address vaccination requirements for students](#) once vaccines receive full FDA approval for children under 12. In the meantime, our vaccination outreach effort for students and families is focused on *connecting* families to local resources, sharing vaccination locations families can easily access, and providing clear facts and information from health experts to help families make an informed decision for their Rocketeer(s).



As always, all of our schools continue to strive for large academic gains each year. This school year it is even more critical as we work to fully and rapidly address unfinished learning for our Rocketeers. Our schools and educators have been doing tremendous work over the past four months as they have reignited our in-person instructional model. Our enhanced model features even greater resources towards interventions (academic and social-emotional), further expansion of our community schools model including CareCorps, expanded mental health supports, investments in tutors and assistant teachers, and more. It has been inspiring to see our model back in-action, fueled by a rich, culturally responsive and research-based pedagogy and we are all hopeful for what the data on our upcoming NWEA assessment, a nationally norm referenced and adaptive assessment, will inform us about our Rocketeer's learning, progress, and areas for us to continue to address this school year.

SCALABILITY—Personalized learning for all...

Be the premier educational organization for personalized learning through a high-quality elementary model that is sustainable, replicable, and purposefully integrates technology

With our Rocketeers now back on campus, our educators are seeing firsthand the trauma inflicted by both the pandemic and ongoing racial violence. As we work to accelerate student learning, we are continuing to prioritize the needs of the whole child. To fully engage in their learning, children must feel safe, valued, and understood. We cannot accelerate learning if we do not put relationships at the center of our school model. That is why I am excited to see the continued expansion and evolution of our community schools model across all regions.

The expansion of our community schools model has been powered by the competitive grant we won from the California Community Schools Partnership Program (CCSPP). Rocketship was one of just 20 programs that were awarded funding in this highly competitive program. Our enhanced community school model is focused on: 1) coordinating with local support programs to address the full-range of possible learning barriers including healthcare, food assistance, counseling services, housing assistance, and more; 2) expanding family engagement initiatives that deepen the relationship between family and school; and 3) providing students with extended learning time and experiential learning activities designed to help students' take more ownership of their education and foster more joy in learning. The last 18 months have underscored the importance of our relationship-centered school model and I am proud of the way our teams and schools are identifying and innovating critical ways we can continue to grow stronger.

We are all aware that the "enrichment gap" is another example of inequity in public education. Thus, it has been powerful to see our Rocketeers return to in-person learning and experience our learning lab model, which continues to elevate in regards to the experience that it provides our Rocketeers. By utilizing and elevating JetPackED - our powerful tool that enables us to weave together a meaningful and comprehensive online learning experience and individualized practice for our Rocketeers - we have been able to successfully integrate online learning programs (OLPs) into our classrooms

and homework, which has opened up a quarter of our Rocketeers day in the learning lab to experiences like art, dance, developmental play, and several more experiential learning programs that enrich student learning, promote character development, and improve critical thinking.



Moreover, JetPackED is now being utilized across five school districts in seven states and is elevating the academic opportunities and mastery of over eleven thousand students. By aggregating usage, progress and mastery data in one comprehensive dashboard and providing daily updates to students, parents and staff the platform enables students to have greater agency over their learning and parents and educators are able to set goals that are aligned to the individualized needs of students so that they can practice key skills and master them at the right pace and time for their learning. Our parents can support their children with full transparency on their work every day. And above all, time is optimized to drive student success both online and offline and support whole child growth like every child deserves. We are very excited to see JetPackED continue to contribute to student success and achievement far beyond our Rocketship school learning communities.

IMPACT—Strong communities and families...

Serve 14,000+ Rocketeers and families by 2023

This fall, we broke ground on two new Rocketship schools that will begin serving new communities in August 2022. In partnership with parents, community leaders in Fort Worth, Texas and Nashville, Tennessee worked together to bring Rocketship to new cities and neighborhoods.

Opening in Fort Worth's Stop 6 neighborhood, this school marks one of the first new major development investments in the southeast Berry Street community in more than a decade. Mayor Pro Tem Gyna Bivens, Former Fort Worth ISD Superintendent Walter Dansby, Rocketship Texas leaders, and parents commemorated the occasion with remarks before the ceremonial breaking of the ground. [The Fort Worth Star Telegram](#) covered the event, interviewing Rocketship Texas Superintendent SaJade Miller who said:



"There is a unique character and spirit in this community, and I am thrilled to be a part of it once again...We are building a true community school, by parents, for parents that will holistically meet the needs of our students."

In Nashville, construction is now underway on our music-enriched elementary school set to open in the Antioch neighborhood of southeast Nashville at the start of next school year. Councilwoman Joy Styles and Executive Director of the Tennessee Public Charter School Commission Tess Stovall joined community leaders, parents, and Rocketship leaders to commemorate the [groundbreaking](#) last month. This school will showcase the language of music as a form of communication that brings together people from different races and cultures.

ROCKETSHIP

PUBLIC SCHOOLS

This will be the third Nashville campus for Rocketship Public Schools Tennessee. Our first two schools in Nashville have been named Reward Schools by the Tennessee Department of Education - the state's highest honor for student performance and progress. We expect this new Nashville school will have similar success as we strive to help all students reach their full potential.

In Washington DC, we had the honor of naming our Rocketship Infinity Community Prep campus after Mrs. Romaine Thomas, a long-time resident and leader within Ward 5. At the dedication ceremony on

November 18, we celebrated the lifelong community service of Mrs. Thomas, who turned 92 years old earlier this month. As an educator, Mrs. Thomas knew that students needed to connect with their own history in order to see a future for themselves. At Rocketship DC, we know that our students need to connect to their history and cultural heritage in order to fully form their own identity and vision for the future. That is why we decided to name this campus after a strong, local community leader and how we chose Mrs. Romaine Thomas as our namesake. Mrs. Thomas received the National Distinguished Principal Award by the U.S. Secretary of Education while leading John Henry

Ketcham Elementary School. She has also served as a leader in local civic organizations, advocating for Ward 5, children, seniors and people with disabilities. Through her commitment to community service, Mrs. Thomas helped further the work of organizations such as the Woodridge Civic Association, the District of Columbia's Federation of Civic Associations, the DC chapter of AARP, and the DC Commission on Aging.



DEI— Equitable and inclusive Rocketship community...

60% or more of Rocketship leaders will reflect & represent the racial & ethnic identities of students we serve by 2023

Last year, we formed the DEI Council to build upon the network-wide DEI initiative we launched three years ago. Thanks to leaders across our network who are leaning into our DEI priorities we are making major progress in our work to dismantle or (re)design (when appropriate), reinforce, and/or implement systems and policies to promote more diverse, equitable, and inclusive practices within Rocketship.

This year, the DEI Council identified four key priorities based on findings from last year's equity audit as well as a deeper analysis of staff satisfaction surveys and review of data measuring our organizational culture. These priorities are as follows:

1. *Human Resources*: evaluations, compensation, promotion policies
2. *Talent*: recruitment, selection, development
3. *Professional development*: culturally responsive PD scope and sequence
4. *The Rocketship Way*: organizational culture and operating norms

The DEI Council's "Rocketship Way" committee recently launched a network wide study to interrogate and evaluate the strengths and blindspots in our organizational culture and identify opportunities for us to create an even more inclusive and equitable culture across our network. This expansive study includes an innovative anonymous audio survey that we are asking all staff members to complete along with a series of focus groups with randomly selected team members across the network. Over 300 team members across the network will be invited to participate in a focus group discussion. Building a more inclusive and equitable culture at Rocketship starts with listening to all the voices and perspectives that create our collective culture. I am proud that we are continuing to prioritize and invest in this critical work.



**CHARTER SCHOOL
BUDGET FINANCIAL REPORT - ALTERNATIVE FORM
2021-22 FIRST INTERIM - Summary**

Charter School Name: Rocketship Redwood City
(continued)
CDS #: 41-69005-0132076
Charter Approving Entity: Redwood City School District
County: San Mateo
Charter #: 1736
Fiscal Year: 2021-22

| | | | | Adopted Budget vs. First Interim Increase (Decrease) | |
|--|-------------|----------------------------------|---------------------------------|---|-------------------------|
| Description | Object Code | 2021-22 Adopted Budget (X) | 2021-22 First Interim (Z) | \$ Difference (Z) vs. (X) | % Change (Z) vs. (X) |
| A. REVENUES | | | | | |
| 1. LCFF/Revenue Limit Sources | 8010-8099 | 3,170,463.77 | 3,007,032.41 | (163,431.36) | -5.15% |
| 2. Federal Revenues | 8100-8299 | 550,160.60 | 510,239.12 | (39,921.48) | -7.26% |
| 3. Other State Revenues | 8300-8599 | 927,940.86 | 959,577.26 | 31,636.40 | 3.41% |
| 4. Other Local Revenues | 8600-8799 | 292,293.00 | 281,987.00 | (10,306.00) | -3.53% |
| 5. TOTAL REVENUES | | 4,940,858.23 | 4,758,835.79 | (182,022.44) | -3.68% |
| B. EXPENDITURES | | | | | |
| 1. Certificated Salaries | 1000-1999 | 1,423,943.53 | 1,355,243.53 | (68,700.00) | (0.05) |
| 2. Non-certificated Salaries | 2000-2999 | 877,012.53 | 731,689.53 | (145,323.00) | (0.17) |
| 3. Employee Benefits | 3000-3999 | 635,243.32 | 582,035.35 | (53,207.97) | (0.08) |
| 4. Books and Supplies | 4000-4999 | 597,914.12 | 578,357.45 | (19,556.67) | (0.03) |
| 5. Services and Other Operating Expenditures | 5000-5999 | 1,363,192.73 | 1,470,816.71 | 107,623.98 | 0.08 |
| 6. Capital Outlay (Objects 6100-6170, 6200-6500 modified accrual basis only) | 6000-6999 | 0.00 | 0.00 | - | |
| 7. Other Outgo | 7100-7499 | 625.00 | 626.00 | 1.00 | 0.00 |
| 8. TOTAL EXPENDITURES | | 4,897,931.24 | 4,718,768.57 | (179,162.66) | -3.66% |
| C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8) | | 42,926.99 | 40,067.21 | (2,859.78) | -6.66% |
| D. OTHER FINANCING SOURCES / USES | | | | | |
| 1. Other Sources | 8930-8979 | 0.00 | 0.00 | - | |
| 2. Less: Other Uses | 7630-7699 | 0.00 | 0.00 | - | |
| 3. Contributions Between Unrestricted and Restricted Accounts (must net to zero) | 8980-8999 | 0.00 | 0.00 | - | |
| 4. TOTAL OTHER FINANCING SOURCES / USES | | - | - | - | |
| E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4) | | 42,926.99 | 40,067.21 | (2,859.78) | -6.66% |
| F. FUND BALANCE, RESERVES | | | | | |
| 1. Beginning Fund Balance | | | | | |
| a. As of July 1 | 9791 | 628,860.65 | 855,399.61 | 226,538.96 | 36.02% |
| b. Adjustments to Beginning Balance | 9793, 9795 | - | - | - | |
| c. Adjusted Beginning Balance | | 628,860.65 | 855,399.61 | | |
| 2. Ending Fund Balance, June 30 (E + F.1.c.) | | 671,787.64 | 895,466.82 | | |
| Components of Ending Fund Balance : | | | | | |
| a. Nonspendable | | | | | |
| Revolving Cash (equals object 9130) | 9711 | - | - | - | |
| Stores (equals object 9320) | 9712 | - | - | - | |
| Prepaid Expenditures (equals object 9330) | 9713 | - | - | - | |
| All Others | 9719 | - | - | - | |
| b. Restricted | 9740 | - | - | - | |
| c. Committed | | | | | |
| Stabilization Arrangements | 9750 | - | - | - | |
| Other Commitments | 9760 | - | - | - | |
| d. Assigned | | | | | |
| Other Assignments | 9780 | - | - | - | |
| e. Unassigned/Unappropriated | | | | | |
| Reserve for Economic Uncertainties | 9789 | 146,937.94 | 141,563.06 | (5,374.88) | -3.66% |
| Unassigned/Unappropriated Amount | 9790 | 524,849.70 | 753,903.77 | 229,054.06 | 43.64% |

**CHARTER SCHOOL
BUDGET FINANCIAL REPORT - ALTERNATIVE FORM
2021-22 First Interim Report - Detail**

Charter School Name: Rocketship Redwood City
(continued)
CDS #: 41-69005-0132076
Charter Approving Entity: Redwood City School District
County: San Mateo
Charter #: 1736
Fiscal Year: 2021-22

This charter school uses the following basis of accounting:

- ☐ **Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
- ☒ **Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

| Description | Object Code | 2021-22 Adopted Budget | | | 2021-22 Actuals thru 10/31 | | | 2021-22 First Interim | | |
|--|-----------------|------------------------|--------------|--------------|----------------------------|------------|--------------|-----------------------|--------------|--------------|
| | | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| A. REVENUES | | | | | | | | | | |
| 1. LCFF/Revenue Limit Sources | | | | | | | | | | |
| State Aid - Current Year | 8011 | 473,373.00 | - | 473,373.00 | 132,202.21 | - | 132,202.21 | 451,769.40 | - | 451,769.40 |
| Education Protection Account State Aid - Current Year | 8012 | 60,046.77 | - | 60,046.77 | 16,527.55 | - | 16,527.55 | 56,856.24 | - | 56,856.24 |
| Charter Schools Gen. Purpose Entitlement - State Aid | 8015 | - | - | - | - | - | - | - | - | - |
| State Aid - Prior Years | 8019 | - | - | - | - | - | - | - | - | - |
| Tax Relief Subventions | 8020-8039 | - | - | - | - | - | - | - | - | - |
| County and District Taxes | 8040-8079 | - | - | - | - | - | - | - | - | - |
| Miscellaneous Funds | 8080-8089 | - | - | - | - | - | - | - | - | - |
| LCFF/Revenue Limit Transfers: | | | | | | | | | | |
| PERS Reduction Transfer | 8092 | - | - | - | - | - | - | - | - | - |
| Charter Schools Funding in lieu of Property Taxes | 8096 | 2,637,044.00 | - | 2,637,044.00 | 730,572.66 | - | 730,572.66 | 2,498,406.77 | - | 2,498,406.77 |
| Other LCFF/Revenue Limit Transfers | 8091, 8097 | - | - | - | - | - | - | - | - | - |
| Total, LCFF/Revenue Limit Sources | | 3,170,463.77 | - | 3,170,463.77 | 879,302.42 | - | 879,302.42 | 3,007,032.41 | - | 3,007,032.41 |
| 2. Federal Revenues | | | | | | | | | | |
| No Child Left Behind | 8290 | - | 156,409.30 | 156,409.30 | - | 43,755.03 | 43,755.03 | - | 149,879.04 | 149,879.04 |
| Special Education - Federal | 8181, 8182 | - | 37,509.23 | 37,509.23 | - | 10,323.00 | 10,323.00 | - | 35,535.00 | 35,535.00 |
| Child Nutrition - Federal | 8220 | - | 218,065.08 | 218,065.08 | - | 79,248.76 | 79,248.76 | - | 206,626.08 | 206,626.08 |
| Other Federal Revenues | 8110, 8260-8299 | - | 138,177.00 | 138,177.00 | - | 0.01 | 0.01 | - | 118,199.00 | 118,199.00 |
| Total, Federal Revenues | | - | 550,160.60 | 550,160.60 | - | 133,326.80 | 133,326.80 | - | 510,239.12 | 510,239.12 |
| 3. Other State Revenues | | | | | | | | | | |
| Special Education - State | StateRevSE | - | 209,627.97 | 209,627.97 | - | 66,360.39 | 66,360.39 | - | 217,840.20 | 217,840.20 |
| All Other State Revenues | StateRevAO | 64,199.69 | 654,113.20 | 718,312.89 | 40,328.90 | 46,517.30 | 86,846.20 | 69,324.84 | 672,412.22 | 741,737.06 |
| Total, Other State Revenues | | 64,199.69 | 863,741.17 | 927,940.86 | 40,328.90 | 112,877.69 | 153,206.59 | 69,324.84 | 890,252.42 | 959,577.26 |
| 4. Other Local Revenues | | | | | | | | | | |
| All Other Local Revenues | LocalRevAO | 281,987.00 | 10,306.00 | 292,293.00 | 112.34 | - | 112.34 | 281,987.00 | - | 281,987.00 |
| Total, Local Revenues | | 281,987.00 | 10,306.00 | 292,293.00 | 112.34 | - | 112.34 | 281,987.00 | - | 281,987.00 |
| 5. TOTAL REVENUES | | 3,516,650.45 | 1,424,207.78 | 4,940,858.23 | 919,743.66 | 246,204.49 | 1,165,948.15 | 3,358,344.25 | 1,400,491.54 | 4,758,835.79 |
| B. EXPENDITURES | | | | | | | | | | |
| 1. Certificated Salaries | | | | | | | | | | |
| Certificated Teachers' Salaries | 1100 | 687,000.00 | 272,316.67 | 959,316.67 | 192,415.37 | 106,953.76 | 299,369.13 | 687,000.00 | 203,616.67 | 890,616.67 |
| Certificated Pupil Support Salaries | 1200 | - | - | - | - | - | - | - | - | - |
| Certificated Supervisors' and Administrators' Salaries | 1300 | 314,000.00 | - | 314,000.00 | 108,146.00 | - | 108,146.00 | 314,000.00 | - | 314,000.00 |
| Other Certificated Salaries | 1900 | 15,000.00 | 135,626.87 | 150,626.87 | 11,410.91 | 37,017.00 | 48,427.91 | 15,000.00 | 135,626.87 | 150,626.87 |
| Total, Certificated Salaries | | 1,016,000.00 | 407,943.53 | 1,423,943.53 | 311,972.28 | 143,970.76 | 455,943.04 | 1,016,000.00 | 339,243.53 | 1,355,243.53 |
| 2. Non-certificated Salaries | | | | | | | | | | |
| Non-certificated Instructional Aides' Salaries | 2100 | - | 490,021.19 | 490,021.19 | - | 73,100.25 | 73,100.25 | - | 352,728.19 | 352,728.19 |
| Non-certificated Support Salaries | 2200 | 151,707.50 | 10,000.00 | 161,707.50 | 40,476.79 | - | 40,476.79 | 140,677.50 | 10,000.00 | 150,677.50 |
| Non-certificated Supervisors' and Administrators' Sal. | 2300 | 85,600.00 | - | 85,600.00 | 35,436.04 | - | 35,436.04 | 85,600.00 | - | 85,600.00 |
| Clerical and Office Salaries | 2400 | 82,118.84 | - | 82,118.84 | 43,427.64 | - | 43,427.64 | 85,118.84 | - | 85,118.84 |
| Other Non-certificated Salaries | 2900 | 29,475.00 | 28,090.00 | 57,565.00 | 27,437.59 | - | 27,437.59 | 29,475.00 | 28,090.00 | 57,565.00 |
| Total, Non-certificated Salaries | | 348,901.34 | 528,111.19 | 877,012.53 | 146,778.06 | 73,100.25 | 219,878.31 | 340,871.34 | 390,818.19 | 731,689.53 |
| 3. Employee Benefits | | | | | | | | | | |
| STRS | 3101-3102 | 141,412.20 | 96,981.05 | 238,393.25 | 50,236.64 | 23,770.92 | 74,007.56 | 147,439.63 | 79,329.58 | 226,769.21 |
| PERS | 3201-3202 | - | - | - | - | - | - | - | - | - |
| OASDI / Medicare / Alternative | 3301-3302 | 51,644.29 | 35,417.85 | 87,062.14 | 13,782.85 | 6,521.76 | 20,304.61 | 48,729.81 | 26,218.97 | 74,948.78 |
| Health and Welfare Benefits | 3401-3402 | 151,761.42 | 104,078.58 | 255,840.00 | 51,982.08 | 24,596.83 | 76,578.91 | 151,126.64 | 81,313.36 | 232,440.00 |
| Unemployment Insurance | 3501-3502 | 13,524.44 | 9,275.12 | 22,799.56 | (304.74) | (144.19) | (448.93) | 13,432.18 | 7,227.15 | 20,659.33 |
| Workers' Compensation Insurance | 3601-3602 | 10,210.07 | 7,002.10 | 17,212.17 | 2,501.96 | 1,183.88 | 3,685.84 | 10,147.28 | 5,459.72 | 15,607.00 |
| OPEB, Allocated | 3701-3702 | - | - | - | - | - | - | - | - | - |
| OPEB, Active Employees | 3751-3752 | - | - | - | - | - | - | - | - | - |
| PERS Reduction (for revenue limit funded schools) | 3801-3802 | - | - | - | - | - | - | - | - | - |
| Other Employee Benefits | 3901-3902 | 8,266.80 | 5,669.40 | 13,936.20 | 7,737.77 | 3,661.35 | 11,399.12 | 7,549.20 | 4,061.83 | 11,611.03 |
| Total, Employee Benefits | | 376,819.21 | 258,424.10 | 635,243.32 | 125,936.57 | 59,590.54 | 185,527.11 | 378,424.73 | 203,610.62 | 582,035.35 |
| 4. Books and Supplies | | | | | | | | | | |
| Approved Textbooks and Core Curricula Materials | 4100 | 49,336.32 | 24,463.68 | 73,800.00 | 22,628.54 | - | 22,628.54 | 49,336.32 | 24,463.68 | 73,800.00 |
| Books and Other Reference Materials | 4200 | 23,200.00 | 2,000.00 | 25,200.00 | 8,945.88 | - | 8,945.88 | 23,200.00 | 2,000.00 | 25,200.00 |
| Materials and Supplies | 4300 | 117,059.10 | 37,500.00 | 154,559.10 | 83,783.82 | - | 83,783.82 | 115,269.10 | 37,500.00 | 152,769.10 |
| Noncapitalized Equipment | 4400 | 45,670.06 | 78,829.52 | 124,499.58 | 24,218.08 | 38,752.80 | 62,970.88 | 40,281.15 | 77,265.33 | 117,546.48 |
| Food | 4700 | 3,226.36 | 216,629.08 | 219,855.44 | 4,591.92 | 70,685.18 | 75,277.10 | 3,090.00 | 205,951.87 | 209,041.87 |
| Total, Books and Supplies | | 238,491.85 | 359,422.28 | 597,914.12 | 144,168.24 | 109,437.98 | 253,606.22 | 231,176.57 | 347,180.88 | 578,357.45 |
| 5. Services and Other Operating Expenditures | | | | | | | | | | |
| Subagreements for Services | 5100 | - | - | - | - | - | - | - | - | - |
| Travel and Conferences | 5200 | 13,800.00 | - | 13,800.00 | 4,715.50 | - | 4,715.50 | 5,800.00 | - | 5,800.00 |
| Dues and Memberships | 5300 | 6,109.83 | - | 6,109.83 | 1,054.06 | - | 1,054.06 | 6,013.00 | - | 6,013.00 |
| Insurance | 5400 | 8,070.83 | - | 8,070.83 | 14.14 | - | 14.14 | 7,725.00 | - | 7,725.00 |
| Operations and Housekeeping Services | 5500 | 131,300.00 | 5,000.00 | 136,300.00 | 74,713.40 | - | 74,713.40 | 131,300.00 | 5,000.00 | 136,300.00 |
| Rentals, Leases, Repairs, and Noncap. Improvements | 5600 | 84,556.73 | - | 84,556.73 | 39,039.17 | - | 39,039.17 | 84,284.00 | - | 84,284.00 |
| Transfers of Direct Costs | 5700 | - | - | - | - | - | - | - | - | - |
| Professional/Consulting Services and Operating Expend. | 5800 | 906,494.41 | 188,151.09 | 1,094,645.50 | 219,159.57 | 66,176.99 | 285,336.56 | 848,162.10 | 362,919.61 | 1,211,081.71 |
| Communications | 5900 | 19,709.83 | - | 19,709.83 | 11,665.23 | - | 11,665.23 | 19,613.00 | - | 19,613.00 |
| Total, Services and Other Operating Expenditures | | 1,170,041.64 | 193,151.09 | 1,363,192.73 | 350,361.07 | 66,176.99 | 416,538.06 | 1,102,897.10 | 367,919.61 | 1,470,816.71 |

**CHARTER SCHOOL
BUDGET FINANCIAL REPORT - ALTERNATIVE FORM
2021-22 First Interim Report - Detail**

Charter School Name: Rocketship Redwood City
(continued)
CDS #: 41-69005-0132076
Charter Approving Entity: Redwood City School District
County: San Mateo
Charter #: 1736
Fiscal Year: 2021-22

This charter school uses the following basis of accounting:

- ☐ **Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
☒ **Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

| Description | Object Code | 2021-22 Adopted Budget | | | 2021-22 Actuals thru 10/31 | | | 2021-22 First Interim | | |
|--|-------------|------------------------|--------------|--------------|----------------------------|--------------|--------------|-----------------------|--------------|--------------|
| | | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total | Unrestricted | Restricted | Total |
| 6. Capital Outlay (Objects 6100-6170, 6200-6500 for modified accrual basis only) | | | | | | | | | | |
| Land and Land Improvements | 6100-6170 | - | - | - | - | - | - | - | - | - |
| Buildings and Improvements of Buildings | 6200 | - | - | - | - | - | - | - | - | - |
| Books and Media for New School Libraries or Major | | | | | | | | | | |
| Expansion of School Libraries | 6300 | - | - | - | - | - | - | - | - | - |
| Equipment | 6400 | - | - | - | - | - | - | - | - | - |
| Equipment Replacement | 6500 | - | - | - | - | - | - | - | - | - |
| Depreciation Expense (for accrual basis only) | 6900 | - | - | - | - | - | - | - | - | - |
| Total, Capital Outlay | | - | - | - | - | - | - | - | - | - |
| 7. Other Outgo | | | | | | | | | | |
| Tuition to Other Schools | 7110-7143 | - | - | - | - | - | - | - | - | - |
| Transfers of Pass-through Revenues to Other LEAs | 7211-7213 | - | - | - | - | - | - | - | - | - |
| Transfers of Apportionments to Other LEAs - Spec. Ed. | 7221-7223SE | - | - | - | - | - | - | - | - | - |
| Transfers of Apportionments to Other LEAs - All Other | 7221-7223AO | - | - | - | - | - | - | - | - | - |
| All Other Transfers | 7281-7299 | - | - | - | - | - | - | - | - | - |
| Debt Service: | | | | | | | | | | |
| Interest | 7438 | 625.00 | - | 625.00 | 333.32 | - | 333.32 | 626.00 | - | 626.00 |
| Principal (for modified accrual basis only) | 7439 | - | - | - | - | - | - | - | - | - |
| Total, Other Outgo | | 625.00 | - | 625.00 | 333.32 | - | 333.32 | 626.00 | - | 626.00 |
| 8. TOTAL EXPENDITURES | | 3,150,879.04 | 1,747,052.19 | 4,897,931.24 | 1,079,549.54 | 452,276.52 | 1,531,826.06 | 3,069,995.74 | 1,648,772.83 | 4,718,768.57 |
| C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8) | | 365,771.41 | (322,844.42) | 42,926.99 | (159,805.88) | (206,072.03) | (365,877.91) | 288,348.51 | (248,281.30) | 40,067.21 |
| D. OTHER FINANCING SOURCES / USES | | | | | | | | | | |
| 1. Other Sources | 8930-8979 | - | - | - | | | - | - | - | - |
| 2. Less: Other Uses | 7630-7699 | - | - | - | | | - | - | - | - |
| 3. Contributions Between Unrestricted and Restricted Accounts (must net to zero) | 8980-8999 | (321,787.26) | 321,787.26 | - | (206,072.03) | 206,072.03 | - | (248,281.30) | 248,281.30 | - |
| 4. TOTAL OTHER FINANCING SOURCES / USES | | (321,787.26) | 321,787.26 | - | (206,072.03) | 206,072.03 | - | (248,281.30) | 248,281.30 | - |
| E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4) | | 43,984.15 | (1,057.16) | 42,926.99 | (365,877.91) | - | (365,877.91) | 40,067.21 | - | 40,067.21 |
| F. FUND BALANCE, RESERVES | | | | | | | | | | |
| 1. Beginning Fund Balance | | | | | | | | | | |
| a. As of July 1 | 9791 | 627,803.49 | 1,057.16 | 628,860.65 | 855,399.61 | - | 855,399.61 | 855,399.61 | - | 855,399.61 |
| b. Adjustments to Beginning Balance | 9793, 9795 | - | - | - | - | - | - | - | - | - |
| c. Adjusted Beginning Balance | | 627,803.49 | 1,057.16 | 628,860.65 | 855,399.61 | - | 855,399.61 | 855,399.61 | - | 855,399.61 |
| 2. Ending Fund Balance, June 30 (E + F.1.c.) | | 671,787.64 | - | 671,787.64 | 489,521.70 | - | 489,521.70 | 895,466.82 | - | 895,466.82 |
| Components of Ending Fund Balance : | | | | | | | | | | |
| a. Nonspendable | | | | | | | | | | |
| Revolving Cash (equals object 9130) | 9711 | - | - | - | - | - | - | - | - | - |
| Stores (equals object 9320) | 9712 | - | - | - | - | - | - | - | - | - |
| Prepaid Expenditures (equals object 9330) | 9713 | - | - | - | - | - | - | - | - | - |
| All Others | 9719 | - | - | - | - | - | - | - | - | - |
| b. Restricted | 9740 | - | - | - | - | - | - | - | - | - |
| c. Committed | | | | | | | | | | |
| Stabilization Arrangements | 9750 | - | - | - | - | - | - | - | - | - |
| Other Commitments | 9760 | - | - | - | - | - | - | - | - | - |
| d. Assigned | | | | | | | | | | |
| Other Assignments | 9780 | - | - | - | - | - | - | - | - | - |
| e. Unassigned/Unappropriated | | | | | | | | | | |
| Reserve for Economic Uncertainties | 9789 | 146,937.94 | | 146,937.94 | 45,954.78 | | 45,954.78 | 141,563.06 | | 141,563.06 |
| Unassigned/Unappropriated Amount | 9790 | 524,849.70 | - | 524,849.70 | 443,566.92 | - | 443,566.92 | 753,903.77 | - | 753,903.77 |

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
2021-22 First Interim**

Charter School Name: Rocketship Redwood City
(continued) _____
CDS #: 41-69005-0132076
Charter Approving Entity: Redwood City School District
County: San Mateo
Charter #: 1736
Fiscal Year: 2021-22

This charter school uses the following basis of accounting:

- ☐ **Accrual Basis** (Applicable Capital Assets / Interest on Long-Term Debt / Long-Term Liabilities objects are 6900, 7438, 9400-9499, and 9660-9669)
☒ **Modified Accrual Basis** (Applicable Capital Outlay / Debt Service objects are 6100-6170, 6200-6500, 7438, and 7439)

| Description | Object Code | FY 2021-22 | | | 2022-23 Projections | 2023-24 Projections |
|--|-----------------|--------------|--------------|--------------|------------------------|------------------------|
| | | Unrestricted | Restricted | Total | | |
| A. REVENUES | | | | | | |
| 1. LCFF/Revenue Limit Sources | | | | | | |
| State Aid - Current Year | 8011 | 451,769.40 | 0.00 | 451,769.40 | 490,966.56 | 507,443.24 |
| Education Protection Account State Aid - Current Year | 8012 | 56,856.24 | 0.00 | 56,856.24 | 59,800.01 | 59,799.99 |
| Charter Schools Gen. Purpose Entitlement - State Aid | 8015 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| State Aid - Prior Years | 8019 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Tax Relief Subventions | 8020-8039 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| County and District Taxes | 8040-8079 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous Funds | 8080-8089 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| LCFF/Revenue Limit Transfers: | | | | | | |
| PERS Reduction Transfer | 8092 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Charter Schools Funding in lieu of Property Taxes | 8096 | 2,498,406.77 | 0.00 | 2,498,406.77 | 2,705,411.76 | 2,786,343.74 |
| Other LCFF/Revenue Limit Transfers | 8091, 8097 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total, LCFF/Revenue Limit Sources | | 3,007,032.41 | 0.00 | 3,007,032.41 | 3,256,178.33 | 3,353,586.97 |
| 2. Federal Revenues | | | | | | |
| No Child Left Behind | 8290 | 0.00 | 149,879.04 | 149,879.04 | 155,961.58 | 175,547.58 |
| Special Education - Federal | 8181, 8182 | 0.00 | 35,535.00 | 35,535.00 | 37,375.00 | 37,375.00 |
| Child Nutrition - Federal | 8220 | 0.00 | 206,626.08 | 206,626.08 | 217,325.16 | 217,325.16 |
| Other Federal Revenues | 8110, 8260-8299 | 0.00 | 118,199.00 | 118,199.00 | 443,128.00 | 422,489.00 |
| Total, Federal Revenues | | 0.00 | 510,239.12 | 510,239.12 | 853,789.74 | 852,736.74 |
| 3. Other State Revenues | | | | | | |
| Special Education - State | StateRevSE | 0.00 | 217,840.20 | 217,840.20 | 238,622.00 | 238,622.00 |
| All Other State Revenues | StateRevAO | 69,324.84 | 672,412.22 | 741,737.06 | 312,619.97 | 205,477.22 |
| Total, Other State Revenues | | 69,324.84 | 890,252.42 | 959,577.26 | 551,241.97 | 444,099.22 |
| 4. Other Local Revenues | | | | | | |
| All Other Local Revenues | LocalRevAO | 281,987.00 | 0.00 | 281,987.00 | 262,000.00 | 262,000.00 |
| Total, Local Revenues | | 281,987.00 | 0.00 | 281,987.00 | 262,000.00 | 262,000.00 |
| 5. TOTAL REVENUES | | 3,358,344.25 | 1,400,491.54 | 4,758,835.79 | 4,923,210.05 | 4,912,422.93 |
| B. EXPENDITURES | | | | | | |
| 1. Certificated Salaries | | | | | | |
| Certificated Teachers' Salaries | 1100 | 687,000.00 | 203,616.67 | 890,616.67 | 847,872.60 | 873,647.84 |
| Certificated Pupil Support Salaries | 1200 | 0.00 | 0.00 | 0.00 | - | 0.00 |
| Certificated Supervisors' and Administrators' Salaries | 1300 | 314,000.00 | 0.00 | 314,000.00 | 323,350.00 | 332,600.00 |
| Other Certificated Salaries | 1900 | 15,000.00 | 135,626.87 | 150,626.87 | 126,538.21 | 128,768.97 |
| Total, Certificated Salaries | | 1,016,000.00 | 339,243.53 | 1,355,243.53 | 1,297,760.81 | 1,335,016.81 |
| 2. Non-certificated Salaries | | | | | | |
| Non-certificated Instructional Aides' Salaries | 2100 | 0.00 | 352,728.19 | 352,728.19 | 351,242.25 | 354,322.59 |
| Non-certificated Support Salaries | 2200 | 140,677.50 | 10,000.00 | 150,677.50 | 151,707.50 | 151,707.50 |
| Non-certificated Supervisors' and Administrators' Sal. | 2300 | 85,600.00 | 0.00 | 85,600.00 | 88,200.00 | 90,800.00 |
| Clerical and Office Salaries | 2400 | 85,118.84 | 0.00 | 85,118.84 | 87,964.78 | 90,436.08 |
| Other Non-certificated Salaries | 2900 | 29,475.00 | 28,090.00 | 57,565.00 | 29,475.00 | 29,475.00 |
| Total, Non-certificated Salaries | | 340,871.34 | 390,818.19 | 731,689.53 | 708,589.53 | 716,741.17 |

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
2021-22 First Interim**

Charter School Name: Rocketship Redwood City
(continued) _____
CDS #: 41-69005-0132076
Charter Approving Entity: Redwood City School District
County: San Mateo
Charter #: 1736
Fiscal Year: 2021-22

| Description | Object Code | FY 2021-22 | | | 2022-23 Projections | 2023-24 Projections |
|--|-------------|--------------|--------------|--------------|------------------------|------------------------|
| | | Unrestricted | Restricted | Total | | |
| 3. Employee Benefits | | | | | | |
| STRS | 3101-3102 | 147,439.63 | 79,329.58 | 226,769.21 | 245,007.31 | 252,123.21 |
| PERS | 3201-3202 | 0.00 | 0.00 | 0.00 | - | 0.00 |
| OASDI / Medicare / Alternative | 3301-3302 | 48,729.81 | 26,218.97 | 74,948.78 | 72,348.13 | 73,511.94 |
| Health and Welfare Benefits | 3401-3402 | 151,126.64 | 81,313.36 | 232,440.00 | 212,940.00 | 212,940.00 |
| Unemployment Insurance | 3501-3502 | 13,432.18 | 7,227.15 | 20,659.33 | 19,853.50 | 20,307.58 |
| Workers' Compensation Insurance | 3601-3602 | 10,147.28 | 5,459.72 | 15,607.00 | 15,002.63 | 15,343.18 |
| OPEB, Allocated | 3701-3702 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| OPEB, Active Employees | 3751-3752 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| PERS Reduction (for revenue limit funded schools) | 3801-3802 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Employee Benefits | 3901-3902 | 7,549.20 | 4,061.83 | 11,611.03 | 11,241.43 | 11,371.86 |
| Total, Employee Benefits | | 378,424.73 | 203,610.62 | 582,035.35 | 576,393.01 | 585,597.78 |
| 4. Books and Supplies | | | | | | |
| Approved Textbooks and Core Curricula Materials | 4100 | 49,336.32 | 24,463.68 | 73,800.00 | 58,400.00 | 58,400.00 |
| Books and Other Reference Materials | 4200 | 23,200.00 | 2,000.00 | 25,200.00 | 25,200.00 | 25,200.00 |
| Materials and Supplies | 4300 | 115,269.10 | 37,500.00 | 152,769.10 | 114,379.10 | 114,379.10 |
| Noncapitalized Equipment | 4400 | 40,281.15 | 77,265.33 | 117,546.48 | 85,024.18 | 83,524.98 |
| Food | 4700 | 3,090.00 | 205,951.87 | 209,041.87 | 219,167.02 | 219,167.02 |
| Total, Books and Supplies | | 231,176.57 | 347,180.88 | 578,357.45 | 502,170.30 | 500,671.10 |
| 5. Services and Other Operating Expenditures | | | | | | |
| Subagreements for Services | 5100 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Travel and Conferences | 5200 | 5,800.00 | 0.00 | 5,800.00 | 13,800.00 | 13,800.00 |
| Dues and Memberships | 5300 | 6,013.00 | 0.00 | 6,013.00 | 6,125.00 | 3,075.00 |
| Insurance | 5400 | 7,725.00 | 0.00 | 7,725.00 | 8,125.00 | 8,125.00 |
| Operations and Housekeeping Services | 5500 | 131,300.00 | 5,000.00 | 136,300.00 | 136,300.00 | 136,300.00 |
| Rentals, Leases, Repairs, and Noncap. Improvements | 5600 | 84,284.00 | 0.00 | 84,284.00 | 84,604.00 | 99,500.00 |
| Transfers of Direct Costs | 5700 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Professional/Consulting Services and Operating Expend. | 5800 | 848,162.10 | 362,919.61 | 1,211,081.71 | 1,622,136.41 | 1,493,709.43 |
| Communications | 5900 | 19,613.00 | 0.00 | 19,613.00 | 19,725.00 | 19,725.00 |
| Total, Services and Other Operating Expenditures | | 1,102,897.10 | 367,919.61 | 1,470,816.71 | 1,890,815.41 | 1,774,234.43 |
| 6. Capital Outlay (Obj. 6100-6170, 6200-6500 for mod. accr. basis only) | | | | | | |
| Land and Land Improvements | 6100-6170 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Buildings and Improvements of Buildings | 6200 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Books and Media for New School Libraries or Major Expansion of School Libraries | 6300 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Equipment | 6400 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Equipment Replacement | 6500 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation Expense (for accrual basis only) | 6900 | 0.00 | 0.00 | 0.00 | | |
| Total, Capital Outlay | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7. Other Outgo | | | | | | |
| Tuition to Other Schools | 7110-7143 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers of Pass-through Revenues to Other LEAs | 7211-7213 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers of Apportionments to Other LEAs - Spec. Ed. | 7221-7223SE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers of Apportionments to Other LEAs - All Other | 7221-7223AO | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| All Other Transfers | 7280-7299 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Debt Service: | | | | | | |
| Interest | 7438 | 626.00 | 0.00 | 626.00 | 626.00 | 625.00 |
| Principal (for modified accrual basis only) | 7439 | 0.00 | 0.00 | 0.00 | | |
| Total, Other Outgo | | 626.00 | 0.00 | 626.00 | 626.00 | 625.00 |
| 8. TOTAL EXPENDITURES | | 3,069,995.74 | 1,648,772.83 | 4,718,768.57 | 4,976,355.06 | 4,912,886.28 |
| C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8) | | 288,348.51 | (248,281.30) | 40,067.21 | (53,145.02) | (463.35) |

**CHARTER SCHOOL
MULTI-YEAR PROJECTION - ALTERNATIVE FORM
2021-22 First Interim**

Charter School Name: Rocketship Redwood City
(continued) _____
CDS #: 41-69005-0132076
Charter Approving Entity: Redwood City School District
County: San Mateo
Charter #: 1736
Fiscal Year: 2021-22

| Description | Object Code | FY 2021-22 | | | 2022-23 Projections | 2023-24 Projections |
|---|-------------|--------------|------------|------------|------------------------|------------------------|
| | | Unrestricted | Restricted | Total | | |
| D. OTHER FINANCING SOURCES / USES | | | | | | |
| 1. Other Sources | 8930-8979 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2. Less: Other Uses | 7630-7699 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. Contributions Between Unrestricted and Restricted Accounts (must net to zero) | 8980-8999 | (248,281.30) | 248,281.30 | 0.00 | 0.00 | 0.00 |
| 4. TOTAL OTHER FINANCING SOURCES / USES | | (248,281.30) | 248,281.30 | 0.00 | 0.00 | 0.00 |
| E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4) | | 40,067.21 | 0.00 | 40,067.21 | (53,145.02) | (463.35) |
| F. FUND BALANCE, RESERVES | | | | | | |
| 1. Beginning Fund Balance | | | | | | |
| a. As of July 1 | 9791 | 855,399.61 | 0.00 | 855,399.61 | 895,466.82 | 842,321.81 |
| b. Adjustments to Beginning Balance | 9793, 9795 | 0.00 | 0.00 | 0.00 | | |
| c. Adjusted Beginning Balance | | 855,399.61 | 0.00 | 855,399.61 | 895,466.82 | 842,321.81 |
| 2. Ending Fund Balance, June 30 (E + F.1.c.) | | 895,466.82 | 0.00 | 895,466.82 | 842,321.81 | 841,858.46 |
| Components of Ending Fund Balance: | | | | | | |
| a. Nonspendable | | | | | | |
| Revolving Cash (equals object 9130) | 9711 | | | | | |
| Stores (equals object 9320) | 9712 | | | | | |
| Prepaid Expenditures (equals object 9330) | 9713 | | | | | |
| All Others | 9719 | | | | | |
| b. Restricted | 9740 | | | | | |
| c. Committed | | | | | | |
| Stabilization Arrangements | 9750 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Commitments | 9760 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| d. Assigned | | | | | | |
| Other Assignments | 9780 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| e. Unassigned/Unappropriated | | | | | | |
| Reserve for Economic Uncertainties | 9789 | 141,563.06 | 0.00 | 141,563.06 | | |
| Unassigned/Unappropriated Amount | 9790 | 753,903.77 | 0.00 | 753,903.77 | 842,321.81 | 841,858.46 |

**Rocketship Redwood City Budget Report - Cash Flow Worksheet
2021/22**

| | | July | August | September | October | November | December | January | February | March | April | May | June | Accruals | TOTAL |
|---|-------------|------------------|------------------|-----------------|-----------------|------------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------|------------------|
| A. BEGINNING CASH | 9110 | 567,530 | 459,522 | 184,855 | 724,937 | 638,648 | 466,430 | 469,601 | 435,601 | 455,678 | 568,400 | 599,582 | 635,706 | | |
| B. RECEIPTS | | | | | | | | | | | | | | | |
| LCFF Sources | | | | | | | | | | | | | | | |
| State Aid, EPA | 8011-8019 | 26,843 | 26,889 | 48,426 | 46,572 | 45,796 | 45,796 | 45,796 | 45,796 | 45,796 | 45,796 | 45,796 | (17,536) | | 451,769 |
| In Lieu Property Taxes | 8096 | 132,702 | 132,079 | 237,024 | 228,768 | 224,955 | 224,955 | 224,955 | 224,955 | 224,955 | 224,955 | 224,955 | 193,146 | | 2,498,407 |
| Other LCFF/Revenue Limit Transfers | 8091, 8097 | | | | | | | | | | | | | | 0 |
| Federal Revenue | 8100-8299 | 10,102 | 27,159 | 49,644 | 46,423 | 47,149 | 47,149 | 47,149 | 47,149 | 47,149 | 47,149 | 47,149 | 46,872 | | 510,239 |
| Other State Revenue | 8300-8599 | 25,094 | 27,808 | 61,154 | 39,150 | 82,068 | 82,068 | 82,068 | 82,068 | 82,068 | 82,068 | 82,068 | 231,892 | | 959,577 |
| Other Local Revenue | 8600-8799 | 28 | 30 | 28 | 27 | 23,332 | 36,935 | 36,935 | 36,935 | 36,935 | 36,935 | 36,935 | 36,935 | | 281,987 |
| All Other Financing Sources | 8930-8979 | | | | | | | | | | | | | | 0 |
| Other Receipts/Non-Revenue | | (196,495) | (80,263) | 114,133 | (129,010) | (56,645) | 12,114 | (108,614) | (11,062) | 106,545 | (11,062) | (11,062) | 84,442 | | (286,979) |
| TOTAL RECEIPTS | | (1,726) | 133,701 | 510,408 | 231,930 | 366,656 | 449,017 | 328,290 | 425,841 | 543,448 | 425,841 | 425,841 | 575,752 | 0 | 4,415,000 |
| C. DISBURSEMENTS | | | | | | | | | | | | | | | |
| Certificated Salaries | 1000-1999 | 129,442 | 114,588 | 107,314 | 104,600 | 113,061 | 113,061 | 113,061 | 113,061 | 113,061 | 113,061 | 113,061 | 107,877 | | 1,355,244 |
| Classified Salaries | 2000-2999 | 23,168 | 47,285 | 85,622 | 63,802 | 66,318 | 66,318 | 63,196 | 63,196 | 63,196 | 63,196 | 63,196 | 63,196 | | 731,690 |
| Employee Benefits | 3000-3999 | 39,845 | 51,348 | 47,353 | 46,980 | 52,699 | 49,116 | 49,116 | 49,116 | 49,116 | 49,116 | 49,116 | 49,116 | | 582,035 |
| Books and Supplies | 4000-4999 | 44,817 | 63,822 | 98,011 | 46,956 | 53,642 | 53,642 | 53,642 | 33,587 | 33,587 | 33,587 | 31,532 | 31,532 | | 578,357 |
| Services and Operating Expenditures | 5000-5999 | 70,403 | 88,986 | 111,407 | 145,742 | 132,058 | 131,679 | 129,283 | 139,105 | 133,502 | 129,283 | 129,283 | 130,086 | | 1,470,817 |
| Capital Outlay | 6000-6999 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| Other Outgo | 7000-7499 | 83 | 83 | 83 | 83 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | | 751 |
| All Other Financing Uses | 7630-7699 | | | | | | | | | | | | | | 0 |
| Other Disbursements/ Non Expenditures | | (201,476) | 42,254 | (479,464) | (89,946) | 121,045 | 31,980 | (46,059) | 7,647 | 38,213 | 6,365 | 3,478 | 160,819 | | (405,144) |
| TOTAL DISBURSEMENTS | | 106,283 | 408,367 | (29,673) | 318,218 | 538,874 | 445,847 | 362,290 | 405,764 | 430,726 | 394,659 | 389,718 | 542,677 | 0 | 4,313,750 |
| D. PRIOR YEAR TRANSACTIONS, Other | | | | | | | | | | | | | | | |
| Accounts Receivable | 9200-9399 | | | | | | | | | | | | | | 0 |
| Accounts Payable | 9500-9630, | | | | | | | | | | | | | | 0 |
| (Liabilities, including Deferred Revenue) | 9650 | | | | | | | | | | | | | | 0 |
| TOTAL PRIOR YEAR TRANSACTIONS, Other | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| E. NET INCREASE/DECREASE (B - C + D) | | (108,009) | (274,666) | 540,081 | (86,288) | (172,218) | 3,170 | (34,000) | 20,077 | 112,722 | 31,182 | 36,124 | 33,075 | 0 | 101,250 |
| F. ENDING CASH (A + E) | | 459,522 | 184,855 | 724,937 | 638,648 | 466,430 | 469,601 | 435,601 | 455,678 | 568,400 | 599,582 | 635,706 | 668,781 | | |
| G. ENDING CASH, PLUS ACCRUALS | | | | | | | | | | | | | | | 668,780 |

**Rocketship Redwood City Budget Report - Cash Flow Worksheet
2022/23**

| | | July | August | September | October | November | December | January | February | March | April | May | June | Accruals | TOTAL |
|---|------------|-----------|----------|-----------|-----------|----------|----------|---------|----------|---------|---------|---------|---------|----------|-----------|
| A. BEGINNING CASH | 9110 | 668,781 | 525,018 | 452,152 | 452,874 | 344,295 | 335,910 | 349,843 | 372,761 | 400,192 | 418,105 | 441,301 | 466,721 | | |
| B. RECEIPTS | | | | | | | | | | | | | | | |
| LCFF Sources | | | | | | | | | | | | | | | |
| State Aid, EPA | 8011-8019 | 27,539 | 27,539 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | | 550,767 |
| In Lieu Property Taxes | 8096 | 135,272 | 135,272 | 243,487 | 243,487 | 243,487 | 243,487 | 243,487 | 243,487 | 243,487 | 243,487 | 243,487 | 243,487 | | 2,705,412 |
| Other LCFF/Revenue Limit Transfers | 8091, 8097 | | | | | | | | | | | | | | 0 |
| Federal Revenue | 8100-8299 | 46,841 | 57,707 | 76,011 | 76,011 | 76,011 | 76,011 | 76,011 | 76,011 | 76,011 | 76,011 | 76,011 | 65,144 | | 853,790 |
| Other State Revenue | 8300-8599 | 52,632 | 26,844 | 119,598 | 39,241 | 39,241 | 39,241 | 39,241 | 39,241 | 39,241 | 39,241 | 39,241 | 38,242 | | 551,242 |
| Other Local Revenue | 8600-8799 | 21,667 | 22,333 | 22,333 | 22,333 | 21,667 | 21,667 | 21,667 | 21,667 | 21,667 | 21,667 | 21,667 | 21,667 | | 262,000 |
| All Other Financing Sources | 8930-8979 | | | | | | | | | | | | | | 0 |
| Other Receipts/Non-Revenue | | 45,946 | 49,109 | (39,847) | (53,536) | (56,699) | 26,786 | 0 | 0 | 0 | 0 | 0 | 5,766 | | (22,475) |
| TOTAL RECEIPTS | | 329,897 | 318,805 | 471,151 | 377,104 | 373,275 | 456,759 | 429,974 | 429,974 | 429,974 | 429,974 | 429,974 | 423,875 | 0 | 4,900,736 |
| C. DISBURSEMENTS | | | | | | | | | | | | | | | |
| Certificated Salaries | 1000-1999 | 108,147 | 108,147 | 108,147 | 108,147 | 108,147 | 108,147 | 108,147 | 108,147 | 108,147 | 108,147 | 108,147 | 108,147 | | 1,297,761 |
| Classified Salaries | 2000-2999 | 59,049 | 59,049 | 59,049 | 59,049 | 59,049 | 59,049 | 59,049 | 59,049 | 59,049 | 59,049 | 59,049 | 59,049 | | 708,590 |
| Employee Benefits | 3000-3999 | 48,033 | 48,033 | 48,033 | 48,033 | 48,033 | 48,033 | 48,033 | 48,033 | 48,033 | 48,033 | 48,033 | 48,033 | | 576,393 |
| Books and Supplies | 4000-4999 | 55,822 | 84,782 | 84,782 | 36,965 | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 | 29,977 | | 502,170 |
| Services and Operating Expenditures | 5000-5999 | 131,537 | 137,431 | 178,412 | 158,578 | 165,243 | 160,448 | 158,576 | 164,621 | 160,243 | 158,576 | 158,576 | 158,576 | | 1,890,815 |
| Capital Outlay | 6000-6999 | 653 | 653 | 653 | 653 | 653 | 653 | 653 | 653 | 653 | 653 | 653 | 653 | | 7,836 |
| Other Outgo | 7000-7499 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | | 626 |
| All Other Financing Uses | 7630-7699 | | | | | | | | | | | | | | 0 |
| Other Disbursements/ Non Expenditures | | 70,367 | (46,476) | (8,699) | 74,206 | (29,494) | 36,467 | 2,569 | (7,989) | 5,907 | 2,291 | 67 | 66 | | 99,281 |
| TOTAL DISBURSEMENTS | | 473,659 | 391,671 | 470,429 | 485,683 | 381,660 | 442,826 | 407,056 | 402,543 | 412,061 | 406,778 | 404,554 | 404,552 | 0 | 5,083,472 |
| D. PRIOR YEAR TRANSACTIONS, Other | | | | | | | | | | | | | | | |
| Accounts Receivable | 9200-9399 | | | | | | | | | | | | | | 0 |
| Accounts Payable | 9500-9630, | | | | | | | | | | | | | | |
| (Liabilities, including Deferred Revenue) | 9650 | | | | | | | | | | | | | | 0 |
| TOTAL PRIOR YEAR TRANSACTIONS, Other | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| E. NET INCREASE/DECREASE (B - C + D) | | (143,763) | (72,866) | 722 | (108,579) | (8,385) | 13,933 | 22,918 | 27,431 | 17,913 | 23,196 | 25,420 | 19,323 | 0 | (182,736) |
| F. ENDING CASH (A + E) | | 525,018 | 452,152 | 452,874 | 344,295 | 335,910 | 349,843 | 372,761 | 400,192 | 418,105 | 441,301 | 466,721 | 486,044 | | |
| G. ENDING CASH, PLUS ACCRUALS | | | | | | | | | | | | | | | 486,045 |

**Rocketship Redwood City First Interim Assumptions
2021-22**

| <u>Enrollment Assumptions</u> | <u>FY 2021-22</u> | <u>FY 2022-23</u> | <u>FY 2023-24</u> |
|--|--|--------------------------|--------------------------|
| Grades K-3 | 213 | 248 | 248 |
| Grades 4-6 | 96 | 77 | 77 |
| Grades 7-8 | | | |
| <u>Grades 9-12</u> | | | |
| Total Enrollment | 309 | 325 | 325 |
| <u>ADA%</u> | 92.0% | 92.0% | 92.0% |
| Total ADA | 284.3 | 299.0 | 299.0 |
| Free and Reduced Lunch Students (FRL) | 247 | 260 | 260 |
| English Language Learners (EL) | 198 | 208 | 208 |
| Foster Youth | 0 | 0 | 0 |
| Unduplicated Count (FRL, EL, Foster Youth) | 282 | 297 | 297 |
| Special Education Students | 28 | 29 | 29 |
| Resident LEA Unduplicated % for LCFF Concentration Grant | 60% | 60% | 60% |
| Percentage of LCFF gap closing increment projected | 21% | 21% | 21% |
| <u>Funding Rates:</u> | <u>FY 2021-22</u> | <u>FY 2022-23</u> | <u>FY 2023-24</u> |
| LCFF Funding Rates | | | |
| Grades K-3 | \$ 10,590 | \$ 10,915 | \$ 11,253 |
| Grades 4-6 | \$ 10,590 | \$ 10,915 | \$ 11,253 |
| Grades 7-8 | \$ - | \$ - | \$ - |
| Grades 9-12 | \$ - | \$ - | \$ - |
| <u>Federal Revenues:</u> | | | |
| Special Education per student: | \$ 125 | \$ 125 | \$ 125 |
| Child Nutrition per student: | \$ 669 | \$ 669 | \$ 669 |
| Other Federal Revenue - Provide listing, including amounts | Title I - \$425/FRL ADA Title II - \$22,000/School Title III - \$114/ELL ADA Title IV - \$10,000/School Medicaid Reimbursement ~\$3,000 ESSER II Funding: \$115,199 (FY22), \$162,639 (FY23) ESSER III Funding: \$277,489 (FY23), \$419,489 (FY24) | | |
| <u>State Revenues:</u> | | | |
| Special Education per student | \$ 715 | \$ 715 | \$ 715 |
| Child Nutrition per student | \$ 67 | \$ 67 | \$ 67 |
| Lottery per ADA: | \$ 199 | \$ 199 | \$ 199 |
| Other State Revenue - Provide listing, including amounts | Mandate Block Grant ~ \$5,000 CA ELO AB 86: \$210,499 (FY22) CA Community School Partnership Program: \$321,429 (FY22), \$107,143(FY23) After School Education and Safety Grant Program: \$121,500 | | |
| <u>Local Revenue</u> - Provide listing, including amounts | Uniform Sales ~\$2,000 Measure U Funding: \$80,000 (FY22), \$60,000 (FY23, FY24) Grants: \$200,000 (FY22, FY23, FY24) | | |

**Rocketship Redwood City First Interim Assumptions
2021-22**

Expenditure Assumptions

FY 2021-22

FY 2022-23

FY 2023-24

Certificated Salaries:

Number of FTEs - Teachers
Number of FTEs - Pupil Support Salaries
Number of FTEs - Supervisor/Admin Salaries
Number of FTEs - Other Certificated Salaries
COLA percentage increase

| | | |
|----|------|------|
| 11 | 10 | 10 |
| - | - | - |
| 3 | 3 | 3 |
| 2 | 2 | 2 |
| | 2.5% | 3.1% |

Provide description of significant changes from prior reporting period

FY22 headcount and compensation expenses include new roles that will be covered by COVID relief funding. All covid related expenses in FY23 and FY24 are held in a covid contingency account, which sits in Services & Other Operating Expenditures. We anticipate this school will continue to maintain additional staff for covid support in FY23 and FY24. However, we will re-evaluate and allocate out covid funds from contingency expense on an annual basis.

Non Certificated Salaries:

Number of FTEs - Instructional Aides' Salaries
Number of FTEs - Non-certificated Support Salaries
Number of FTEs - Supervisor/Admin Salaries
Number of FTEs - Clerical and Office Salaries
Number of FTEs - Other Non-Certificated Salaries

| | | |
|----|---|---|
| 10 | 8 | 8 |
| 4 | 4 | 4 |
| 1 | 1 | 1 |
| 1 | 1 | 1 |
| - | - | - |

Provide description of significant changes from prior reporting period

Please see the comment above; this is also applicable to non certificated salaries.

Benefits

STRS (rate)
Number of STRS employees
Non-certificated retirement (rate)
Number of employees non-STRS retirement
Health and welfare (per FTE)
Number eligible employees for health benefits
Unemployment insurance (rate)
Workers Comp Insurance (rate)

| | | |
|----------|----------|----------|
| 16.9% | 19.1% | 19.1% |
| 16 | 15 | 15 |
| 0.0% | 0.0% | 0.0% |
| 16 | 14 | 14 |
| \$ 7,800 | \$ 7,800 | \$ 7,800 |
| 32 | 29 | 29 |
| 1.0% | 1.0% | 1.0% |
| 0.8% | 0.8% | 0.8% |

Books and Supplies

Provide description of significant changes from prior reporting period

Services & Other Operating Expenditures

Provide description of significant changes from prior reporting period

As noted above, covid related expenses in FY23 and FY24 are being held in contingency expense, which is included in Services & Other Operating Expenditures; these expenses have been allocated out to specific line items in FY22. We will review and allocate out FY23 and FY24 covid expenses to individual accounts on an annual basis.

Capital Outlay

Provide description of significant changes from prior reporting period

Rocketship Redwood City First Interim Assumptions
2021-22

| | |
|--------------------------------|--|
| <u>Other Outgo</u> | |
| <u>Other Financing Sources</u> | |
| <u>Other Financing Uses</u> | |

**CHARTER SCHOOL
BUDGET FINANCIAL REPORT - ALTERNATIVE FORM
2021-22 FIRST INTERIM**

Charter School Name: Rocketship Redwood City
(continued) _____
CDS #: 41-69005-0132076
Charter Approving Entity: Redwood City School District
County: San Mateo
Charter #: 1736
Fiscal Year: 2021-22

To the entity that approved the charter school:

(x) 2021-22 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report has been approved, and is hereby filed by the charter school pursuant to *Education Code* Section 47604.33.

Signed: Matthew Shaw
(Original signature required)
Charter School Official
(Original signature required)

Date: Nov 29, 2021

Print
Name: Matthew Shaw

Title: Chief Financial Officer (Interim)

To the County Superintendent of Schools:

() 2021-22 CHARTER SCHOOL FIRST INTERIM FINANCIAL REPORT -- ALTERNATIVE FORM: This report is hereby filed with the County Superintendent pursuant to *Education Code* Section 47604.33.

Signed: _____
Authorized Representative of
Charter Approving Entity
(Original signature required)

Date: _____

Print
Name: Dr. John Baker

Title: District Superintendent

For additional information on the First Interim Report, please contact:

For Approving Entity:

Priscilla Aquino-Dichoso
Name

Chief Business Official
Title

650-423-2232
Phone

paquinodichoso@rcsdk8.net
E-mail

For Charter School:

Matthew Shaw
Name

Chief Financial Officer (Interim)
Title

773-680-0446
Phone

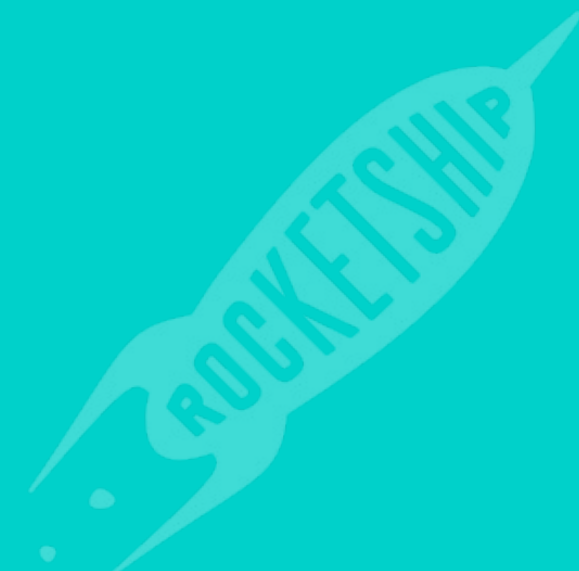
mshaw@mdsadvisors.com

This report has been verified for mathematical accuracy by the County Superintendent of Schools, pursuant to *Education Code* Section 47604.33.

County Representative

Date

California



Educator Effectiveness Block Grant: \$1.2 Million (for use through FY26)

The enacted CA state budget provides \$1.5 billion one-time Proposition 98 General Fund to support professional development in specified high-need topics, including accelerated learning, social-emotional learning, re-engaging students, restorative practices and implicit bias training.

Provide professional learning for teachers, administrators, paraprofessionals who work with pupils and classified staff that interact with pupils, with a focus on any of the following areas:

- Coaching and mentoring of staff serving in an instructional setting and beginning teacher or administrator induction with a focus on retaining teachers, offering structured feedback and coaching systems organized around social-emotional learning, and supporting learning communities for educators.
- Programs that lead to effective, standards-aligned instruction and improve instruction in literacy across all subject areas.
- Practices and strategies that re-engage pupils and lead to accelerated learning.
- Strategies to implement approaches that improve student wellbeing.
- Practices to create a positive school climate.

Allocation by School

| Schedule of Allocations for the Educator Effectiveness Block Grant | |
|--|---|
| Fiscal Year 2021-22 | |
| Local Educational Agency Name | FY 2021-22 Educator Effectiveness Allocation |
| Rocketship Delta Prep | \$107,503 |
| Rocketship Futuro Academy | \$97,743 |
| Rocketship Redwood City | \$55,201 |
| Rocketship Mateo Sheedy Elementary | \$91,873 |
| Rocketship Si Se Puede Academy | \$62,762 |
| Rocketship Los Suenos Academy | \$79,939 |
| Rocketship Discovery Prep | \$91,945 |
| Rocketship Academy Brilliant Minds | \$115,379 |
| Rocketship Alma Academy | \$91,873 |
| Rocketship Fuerza Community Prep | \$90,133 |
| Rocketship Rising Stars | \$91,800 |
| Rocketship Mosaic Elementary | \$118,302 |
| Rocketship Spark Academy | \$108,542 |
| | \$1,202,995 |

Proposing approval to use \$1.2M funds for the following Professional Development training for all staff until 2026

3rd Assistant Principal

- Continuing to fund investments beyond the ESSER sunset (ESSER funds must be expended by September 30, 2024)
 - Continuing to employ 3 assistant principals per school
 - Ongoing staff PD

Professional Development Trainings

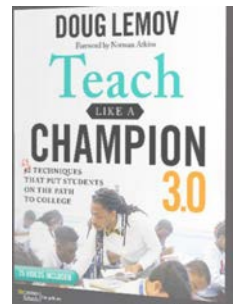
- **Burn in Mindset** - Helps leaders and experienced educators sustain their high performance through 1:1 coaching focused on preventing burnout. Burn-in Mindset uses science to enrich the daily teaching experience, empowering high-performing educators to learn new skills, sustain their well-being, reignite their passion, and model healthy behaviors for their students and colleagues.
- **Teach Like a Champion** - Aims to help schools create classrooms that are radically better for children, especially in communities where systemic inequities and discrimination have left students with limited access to a high quality education by dramatically improving teaching through the study of exceptional teachers.
- **Guided Language Acquisition Design** (Be GLAD) is professional development opportunity aimed at fostering a risk-free, cross-culturally sensitive environment, where Language Learners can acquire academic language, literacy, and 21st century skills
- **Together Teacher/Leader** - Trains teachers, principals, nonprofits, school district central offices, and charter management organization back offices to maximize their time by creating customized organizational systems that hold up to fast-paced, high-volume, on-the-move professions.



Proposing approval to use 1.2M funds for the following Professional Development training for all staff until 2026

- **Professional Development Trainings (cont...)**

- **Lavina Group** - Helps partner schools and networks achieve world-class literacy and math instruction, through world-class leader and teacher training.
- **Leading Elephants** - Transforms the way leaders at social impact organizations work to sustain performance, especially during times of change, and lift their teams to the heights of their potential.
- **Relay** - Prepares current and future teachers and education leaders to reach diverse groups of students and transform student lives.
- **Latinos for Education** - Leads a coalition of Latino education leaders serving as decision makers and advocates to increase access and more equitable pathways for Latino children.



Educator Effectiveness Block Grant

At the December 8 meeting, we will be requesting that the board approve the above proposal for use of the Educator Effectiveness Block Grant Funds.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020)**

OPERATING:

California

**Rocketship Mateo Sheedy Elementary #0850
Rocketship Si Se Puede Academy #1061
Rocketship Los Suenos Academy #1127
Rocketship Mosaic Elementary #1192
Rocketship Discovery Prep #1193
Rocketship Brilliant Minds #1393
Rocketship Alma Academy #1394
Rocketship Spark Academy #1526
Rocketship Fuerza Community Prep #1687
Rocketship Redwood City Prep #1736
Rocketship Rising Stars #1778
Rocketship Delta Prep #1965
Rocketship Futuro Academy #1805**

Tennessee

**Rocketship Nashville Northeast Elementary
Rocketship United Academy**

Wisconsin

**Rocketship Southside Community Prep
Rocketship Transformation Prep**

DC

**Rocketship Rise Academy
Rocketship Legacy Prep
Rocketship Infinity Community Prep**

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
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CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Rocketship Education, Inc. and its Affiliates
Redwood City, California

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Rocketship Education, Inc. and its Affiliates (RSEA), a nonprofit California public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 consolidated financial statements are free of material misstatement.

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

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

Board of Directors
Rocketship Education, Inc. and its Affiliates

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of RSEA as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis 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*. The accompanying supplementary schedules required by the required by the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel (Local Education Agency Organization Structure, Schedule of Instructional Time, Schedule of Average Daily Attendance, Reconciliation of Annual Financial Report with Audited Financial Statements) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying supplementary schedules of the consolidating statements of financial position, activities and cash flows are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited RSEA's 2020 consolidated financial statements, and we expressed an unmodified opinion on those statements in our report dated December 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
Rocketship Education, Inc. and its Affiliates

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated REPORT DATE on our consideration of RSEA'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 internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness on RSEA'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 RSEA's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

| | Rocketship Education | Rocketship Education Wisconsin Inc. | Rocketship Education DC Public Charter School, Inc. | Launchpad Development Company | Eliminations | 2021 Total | 2020 Total |
|--|-------------------------|---|---|-------------------------------------|------------------------|-----------------------|-----------------------|
| ASSETS | | | | | | | |
| CURRENT ASSETS | | | | | | | |
| Cash and Cash Equivalents | \$ 32,627,469 | \$ 1,713,752 | \$ 7,856,440 | \$ 5,422,615 | \$ - | \$ 47,620,276 | \$ 36,215,753 |
| Restricted Cash | - | - | - | 14,098,510 | - | 14,098,510 | 12,547,596 |
| Accounts Receivable | 24,944,005 | 327,539 | 1,122,871 | 524,583 | - | 26,918,998 | 18,555,403 |
| Deferred Rent Asset | - | - | - | 526,821 | (526,821) | - | - |
| Grants Receivable | - | 17,000 | - | - | - | 17,000 | 900,000 |
| Prepaid Expenses and Deposits | 5,338,341 | 92,980 | 271,041 | 337,414 | - | 6,039,776 | 4,024,684 |
| Total Current Assets | 62,909,815 | 2,151,271 | 9,250,352 | 20,909,943 | (526,821) | 94,694,560 | 72,243,436 |
| LONG-TERM ASSETS | | | | | | | |
| Intracompany Receivable | 7,113,587 | - | - | - | (7,113,587) | - | - |
| Security Deposits | 449,709 | - | - | - | (400,000) | 49,709 | 28,330 |
| Deferred Rent Asset | - | - | - | 6,640,661 | (6,640,661) | - | - |
| Property, Plant, and Equipment, Net | 4,417,820 | 24,511 | 23,869 | 157,332,385 | - | 161,798,585 | 137,529,685 |
| Total Long-Term Assets | 11,981,116 | 24,511 | 23,869 | 163,992,769 | (14,154,248) | 161,868,017 | 137,558,015 |
| Total Assets | <u>\$ 74,890,931</u> | <u>\$ 2,175,782</u> | <u>\$ 9,274,221</u> | <u>\$ 184,902,712</u> | <u>\$ (14,681,069)</u> | <u>\$ 256,562,577</u> | <u>\$ 209,801,451</u> |
| LIABILITIES AND NET ASSETS | | | | | | | |
| CURRENT LIABILITIES | | | | | | | |
| Accounts Payable and Accrued Liabilities | \$ 10,129,303 | \$ 284,236 | \$ 1,695,834 | \$ 267,384 | \$ - | \$ 12,376,757 | \$ 8,237,562 |
| Accrued Interest | 41,440 | - | - | 766,033 | - | 807,473 | 730,670 |
| Deferred Rent Liability | - | - | - | - | - | - | 35,276 |
| Deferred Revenues | 2,930,710 | - | - | 11,343 | - | 2,942,053 | 1,593,373 |
| Current Portion of Loans Payable | 2,890,204 | - | - | 5,408,669 | - | 8,298,873 | 4,006,297 |
| Total Current Liabilities | 15,991,657 | 284,236 | 1,695,834 | 6,453,429 | - | 24,425,156 | 14,603,178 |
| LONG-TERM LIABILITIES | | | | | | | |
| Security Deposits | - | - | - | 400,000 | (400,000) | - | - |
| Accrued Interest | 233,082 | - | - | - | - | 233,082 | 196,643 |
| Deferred Rent Liability | 4,010,089 | 111,100 | 2,366,804 | 6,214,765 | (7,167,482) | 5,535,276 | 5,689,509 |
| Intracompany Payable | - | 4,219,438 | 2,894,149 | 20,573 | (7,113,587) | 20,573 | - |
| Loans Payable | 3,677,638 | - | - | 184,439,534 | - | 188,117,172 | 164,694,827 |
| Total Long-Term Liabilities | 7,920,809 | 4,330,538 | 5,260,953 | 191,074,872 | (14,681,069) | 193,906,103 | 170,580,979 |
| NET ASSETS | | | | | | | |
| Without Donor Restriction | 50,978,465 | (2,455,992) | 2,317,434 | (12,625,589) | - | 38,214,318 | 23,717,294 |
| With Donor Restriction | - | 17,000 | - | - | - | 17,000 | 900,000 |
| Total Net Assets | 50,978,465 | (2,438,992) | 2,317,434 | (12,625,589) | - | 38,231,318 | 24,617,294 |
| Total Liabilities And Net Assets | <u>\$ 74,890,931</u> | <u>\$ 2,175,782</u> | <u>\$ 9,274,221</u> | <u>\$ 184,902,712</u> | <u>\$ (14,681,069)</u> | <u>\$ 256,562,577</u> | <u>\$ 209,801,451</u> |

See accompanying Notes to Consolidated Financial Statements.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

| | Rocketship Education | Rocketship Education Wisconsin Inc. | Rocketship Education DC Public Charter School, Inc. | Launchpad Development Company | Eliminations | 2021 Total | 2020 Total |
|---|-------------------------|---|--|-------------------------------------|--------------|----------------------|----------------------|
| NET ASSETS WITHOUT DONOR RESTRICTIONS | | | | | | | |
| REVENUES | | | | | | | |
| LCFF State Aid & Property Tax Revenue | \$ 68,946,084 | \$ - | \$ - | \$ - | \$ - | \$ 68,946,084 | \$ 66,915,020 |
| Apportionment Revenue | 13,187,808 | 6,168,045 | 22,387,847 | - | - | 41,743,700 | 35,399,299 |
| Other State Revenue | 14,788,771 | 192,533 | 8,399,305 | - | - | 23,380,609 | 20,884,624 |
| Federal Revenue | 13,904,581 | 1,462,844 | 4,119,769 | - | - | 19,487,194 | 11,965,795 |
| Other Local Revenue | 5,274,103 | 3,460 | 2,916,147 | 19,513,288 | (25,066,881) | 2,640,117 | 886,809 |
| Contributions | 4,580,388 | 358,002 | 860,053 | - | - | 5,798,443 | 6,323,553 |
| Amounts Released from Restriction | 900,000 | - | - | - | - | 900,000 | 187,450 |
| Total Without Donor Restriction Revenues | 121,581,735 | 8,184,884 | 38,683,121 | 19,513,288 | (25,066,881) | 162,896,147 | 142,562,550 |
| EXPENSES | | | | | | | |
| Program Expenses: | | | | | | | |
| Educational programs | 83,481,132 | 6,731,332 | 30,673,451 | - | (19,483,728) | 101,402,187 | 98,929,764 |
| Program Supports | 7,952,463 | - | - | 21,531,424 | (475,000) | 29,008,887 | 26,861,068 |
| Supporting Services: | | | | | | | |
| Administration and General | 16,459,966 | 1,227,377 | 4,466,701 | 501,298 | (5,108,153) | 17,547,189 | 16,606,399 |
| Fundraising | 440,860 | - | - | - | - | 440,860 | 345,147 |
| Total Supporting Services | 16,900,826 | 1,227,377 | 4,466,701 | 501,298 | (5,108,153) | 17,988,049 | 16,951,546 |
| Total Expenses | 108,334,421 | 7,958,709 | 35,140,152 | 22,032,722 | (25,066,881) | 148,399,123 | 142,742,378 |
| INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS | 13,247,314 | 226,175 | 3,542,969 | (2,519,434) | - | 14,497,024 | (179,828) |
| NET ASSETS WITH DONOR RESTRICTION | | | | | | | |
| Amounts Released from Restriction | (900,000) | - | - | - | - | (900,000) | (187,450) |
| Contributions | - | 17,000 | - | - | - | 17,000 | 900,000 |
| INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTION | (900,000) | 17,000 | - | - | - | (883,000) | 712,550 |
| INCREASE (DECREASE) IN NET ASSETS | 12,347,314 | 243,175 | 3,542,969 | (2,519,434) | - | 13,614,024 | 532,722 |
| Net Assets, Beginning of Year | 38,731,151 | (2,782,167) | (1,225,535) | (10,106,155) | - | 24,617,294 | 24,084,572 |
| NET ASSETS, END OF YEAR | <u>\$ 51,078,465</u> | <u>\$ (2,538,992)</u> | <u>\$ 2,317,434</u> | <u>\$ (12,625,589)</u> | <u>\$ -</u> | <u>\$ 38,231,318</u> | <u>\$ 24,617,294</u> |

See accompanying Notes to Consolidated Financial Statements.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

| | Programs | | | Management and General | Fundraising | Eliminations | Total 2021 Expenses | Total 2020 Expenses |
|-------------------------------|-------------------------|----------------------|-----------------------|---------------------------|-------------------|--------------|------------------------|------------------------|
| | Educational Programs | Program Supports | Total | | | | | |
| Salaries | \$ 52,314,656 | \$ 6,030,762 | \$ 58,345,418 | \$ 8,126,517 | \$ 356,247 | \$ - | \$ 66,828,182 | \$ 62,373,909 |
| Employee Benefits | 8,536,974 | 551,624 | 9,088,598 | 583,897 | 58,238 | - | 9,730,733 | 7,562,911 |
| Pension | 4,858,524 | 455,219 | 5,313,743 | 198,040 | - | - | 5,511,783 | 4,545,283 |
| Payroll Taxes | 2,612,357 | 375,799 | 2,988,156 | 533,209 | - | - | 3,521,365 | 3,488,943 |
| Management Fees | - | - | - | 20,771,422 | - | (20,771,422) | - | - |
| District Fee | - | - | - | 1,183,610 | - | - | 1,183,610 | 955,533 |
| Accounting Expenses | - | - | - | 264,784 | - | - | 264,784 | 423,683 |
| Legal Expenses | - | - | - | 894,912 | - | - | 894,912 | 637,787 |
| Instructional Materials | 2,748,730 | 199,721 | 2,948,451 | (10,255) | 10,255 | - | 2,948,451 | 3,316,399 |
| Other Fees For Services | 14,296,044 | 946,773 | 15,242,817 | 1,917,939 | 4,222 | - | 17,164,978 | 17,967,479 |
| Advertising | - | - | - | 81,334 | - | - | 81,334 | 118,555 |
| Office Expenses | 1,912,452 | - | 1,912,452 | 309,430 | 8,088 | - | 2,229,970 | 2,906,902 |
| Information Technology | 6,441,254 | 21,885 | 6,463,139 | 798,189 | 1,850 | - | 7,263,178 | 3,413,075 |
| Printing and Postage | 169,848 | - | 169,848 | 80,624 | - | - | 250,472 | 395,094 |
| Occupancy | 22,300,972 | 5,658,295 | 27,959,267 | 466,066 | - | (19,483,728) | 8,941,605 | 7,597,805 |
| Travel | 649,298 | - | 649,298 | 135,727 | - | - | 785,025 | 1,954,354 |
| Conferences and Meetings | - | - | - | 21,273 | - | - | 21,273 | 16,520 |
| Insurance | 160,451 | - | 160,451 | 453,690 | - | - | 614,141 | 528,233 |
| Bad Debt | - | - | - | - | - | - | - | 47,124 |
| Depreciation and Amortization | 224,749 | 4,583,070 | 4,807,819 | 111,198 | - | - | 4,919,017 | 4,569,248 |
| Interest Expense | - | 9,841,459 | 9,841,459 | 319,813 | - | - | 10,161,272 | 9,568,359 |
| Capital Expenses | 12 | 35,517 | 35,529 | 2,884 | - | - | 38,413 | 218,054 |
| Other Expenses | 3,659,594 | 783,763 | 4,443,357 | 1,074,308 | 1,960 | (475,000) | 5,044,625 | 10,137,128 |
| Subtotal | 120,885,915 | 29,483,887 | 150,369,802 | 38,318,611 | 440,860 | (40,730,150) | 148,399,123 | |
| Eliminations | (19,483,728) | (475,000) | (19,958,728) | (20,771,422) | - | 40,730,150 | - | |
| Total 2021 | <u>\$ 101,402,187</u> | <u>\$ 29,008,887</u> | <u>\$ 130,411,074</u> | <u>\$ 17,547,189</u> | <u>\$ 440,860</u> | <u>\$ -</u> | <u>\$ 148,399,123</u> | |
| Total 2020 | <u>\$ 98,929,764</u> | <u>\$ 26,861,068</u> | <u>\$ 125,790,832</u> | <u>\$ 16,606,399</u> | <u>\$ 345,147</u> | | | <u>\$ 142,742,378</u> |

See accompanying Notes to Consolidated Financial Statements.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

| | Rocketship Education | Rocketship Education Wisconsin Inc. | Rocketship Education DC Public Charter School, Inc. | Launchpad Development Company | Eliminations | 2021 Total | 2020 Total |
|--|-------------------------|---|--|-------------------------------------|--------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING | | | | | | | |
| ACTIVITIES | | | | | | | |
| Change in Net Assets | \$ 12,247,314 | \$ 343,175 | \$ 3,542,969 | \$ (2,519,434) | \$ - | \$ 13,614,024 | \$ 532,722 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | | | | | | |
| Depreciation Expense | 322,610 | 7,012 | 6,325 | 4,224,391 | - | 4,560,338 | 4,205,615 |
| Transfers and Losses on Disposal of Assets | - | - | - | 62,490 | - | 62,490 | 41,744 |
| Amortization Expense | - | - | - | 238,597 | - | 238,597 | 363,633 |
| Forgiveness of Debt | - | (537,473) | (1,150,162) | - | - | (1,687,635) | - |
| (Increase) Decrease in Operating Assets: | | | | | | | |
| Accounts Receivable | (7,316,639) | (237,531) | (713,990) | (115,158) | - | (8,383,318) | (5,313,437) |
| Grants Receivable | 900,000 | (17,000) | - | - | - | 883,000 | (725,000) |
| Prepaid Expenses and Deposits | (2,454,430) | 8,576 | 67,266 | 342,115 | - | (2,036,473) | (413,544) |
| Deferred Rent Asset | - | - | - | 1,164,813 | (1,164,813) | - | - |
| Increase (Decrease) in Operating Liabilities: | | | | | | | |
| Accounts Payable and Accrued Liabilities | 4,104,434 | 139,326 | 387,916 | (360,236) | - | 4,271,440 | (2,395,184) |
| Deferred Revenues | 1,348,680 | - | - | - | - | 1,348,680 | 671,623 |
| Deferred Rent Liability | (79,331) | 58,297 | (362,066) | (971,225) | 1,164,813 | (189,512) | 1,017,932 |
| Net Cash Provided (Used) by Operating Activities | 9,072,638 | (235,618) | 1,778,258 | 2,066,353 | - | 12,681,631 | (2,013,896) |
| CASH FLOWS FROM INVESTING | | | | | | | |
| ACTIVITIES | | | | | | | |
| Purchases of Property, Plant, and Equipment | - | - | (24,453) | (28,866,919) | - | (28,891,372) | (980,966) |
| Net Cash Used by Investing Activities | - | - | (24,453) | (28,866,919) | - | (28,891,372) | (980,966) |
| CASH FLOWS FROM FINANCING | | | | | | | |
| ACTIVITIES | | | | | | | |
| Intracompany Loans | 118,410 | 106,528 | (29,411) | (194,309) | - | 1,218 | - |
| Proceeds from Debt | 1,645,000 | - | - | 32,723,897 | - | 34,368,897 | 8,387,635 |
| Repayment of Debt | (1,039,656) | - | - | (2,508,118) | - | (3,547,774) | (3,646,908) |
| Net Cash Provided (Used) by Financing Activities | 723,754 | 106,528 | (29,411) | 28,364,307 | - | 29,165,178 | 4,740,727 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 9,796,392 | (129,090) | 1,724,394 | 1,563,741 | - | 12,955,437 | 1,745,865 |
| Cash and Cash Equivalents, Beginning of Year | 22,831,077 | 1,842,842 | 6,132,046 | 17,957,384 | - | 48,763,349 | 47,017,484 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 32,627,469</u> | <u>\$ 1,713,752</u> | <u>\$ 7,856,440</u> | <u>\$ 19,521,125</u> | <u>\$ -</u> | <u>\$ 61,718,786</u> | <u>\$ 48,763,349</u> |
| CASH AND CASH EQUIVALENTS | | | | | | | |
| Cash and Cash Equivalents | \$ 32,627,469 | \$ 1,713,752 | \$ 7,856,440 | \$ 5,422,615 | \$ - | \$ 47,620,276 | \$ 36,215,753 |
| Restricted Cash | - | - | - | 14,098,510 | - | 14,098,510 | 12,547,596 |
| Total | <u>\$ 32,627,469</u> | <u>\$ 1,713,752</u> | <u>\$ 7,856,440</u> | <u>\$ 19,521,125</u> | <u>\$ -</u> | <u>\$ 61,718,786</u> | <u>\$ 48,763,349</u> |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION | | | | | | | |
| Forgiveness of Debt | \$ - | \$ 537,473 | \$ 1,150,162 | \$ - | \$ - | \$ 1,687,635 | \$ 7,761,957 |
| Cash Paid for Interest, Net | <u>\$ 285,747</u> | <u>\$ 64,651</u> | <u>\$ -</u> | <u>\$ 9,286,401</u> | <u>\$ -</u> | <u>\$ 9,636,799</u> | <u>\$ 7,761,957</u> |

See accompanying Notes to Consolidated Financial Statements.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Rocketship Education, Inc. and its Affiliates (RSEA) are organized to manage, operate, guide, direct, and promote a network of public elementary charter schools.

The charter schools are funded principally through public education monies. The charters may be revoked by their sponsor for material violations of the charter, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law.

Principles of Consolidation

The accompanying financial statements include the accounts of Rocketship Education, Inc. (RSED) and its schools. All significant intercompany accounts and transactions within RSED and its schools have been eliminated in the consolidating financial statements. Additionally, the accompanying financial statements include the accounts of Rocketship Education Wisconsin Inc., Rocketship Education D.C. Public Charter School Inc., and Launchpad Development Company (LDC) and its wholly owned LLCs. All significant intercompany accounts and transactions within LDC have been eliminated in the consolidating financial statements. Finally, all significant intercompany accounts and transactions between RSED and Launchpad have been eliminated in consolidation.

Rocketship Education (RSED)

Rocketship Education, Inc. (RSED) is a California nonprofit public benefit corporation that was incorporated in 2006 and is organized to manage, operate, guide, direct, and promote a network of public elementary charter schools. Divisions of RSED include:

- ***Rocketship Support Network (RSN)*** – Centralized resources providing management, back-office support and organizational strategy.
- ***Rocketship Mateo Sheedy Elementary (RMS)*** – California charter school
- ***Rocketship Si Se Puede Academy (RSSP)*** – California charter school
- ***Rocketship Los Suenos Academy (RLS)*** – California charter school
- ***Rocketship Mosaic Elementary School (ROMO)*** – California charter school
- ***Rocketship Discovery Prep (RDP)*** – California charter school
- ***Rocketship Brilliant Minds (RBM)*** – California charter school
- ***Rocketship Alma Academy (RSA)*** – California charter school
- ***Rocketship Spark Academy (RSK)*** – California charter school
- ***Rocketship Fuerza Community Prep (RFZ)*** – California charter school
- ***Rocketship Redwood City Prep (RRWC)*** – California charter school
- ***Rocketship Rising Stars (RRS)*** – California charter school
- ***Rocketship Futuro Academy – (RFA)*** California charter school
- ***Rocketship Delta Prep (RDL)*** – California charter school
- ***Rocketship Nashville Northeast Elementary (RNNE)*** – Tennessee charter school
- ***Rocketship United Academy (RUA)*** – Tennessee charter school

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation (Continued)

Rocketship Education Wisconsin Inc.

RSED incorporated Rocketship Education Wisconsin Inc., as a nonprofit public benefit corporation in October 2012 to hold the charter for its elementary school in Wisconsin, Rocketship Southside Community Prep (RSCP) and Rocketship Transformation Prep (RTP).

Rocketship Education D.C., Public Charter School, Inc.

Rocketship Education D.C., Public Charter School, Inc. (RSDC) incorporated as a nonprofit public benefit corporation during 2014 for the purpose of operating charter schools in Washington, DC. The District of Columbia Public Charter School Board (PCSB) approved RSDC to establish up to eight charter schools beginning in July 2016. Rocketship Education and RSDC entered into a Network Services Agreement to provide services for the DC region. RSDC operates three campuses, Rocketship RISE (RISE), Rocketship Legacy Prep (RLP), and Rocketship Infinity Community Prep (RIC).

Launchpad Development Company

Launchpad Development Company (LDC) was incorporated as a 509(a)(3) nonprofit public benefit corporation in November 2009. LDC is a supporting organization of RSED. LDC provides facilities and development services provided that such services are consistent with RSED's exempt purpose. Divisions of LDC include:

- ***Launchpad (LP)*** – investment/asset management and administrative services
- ***Launchpad Development One LLC (LLC1)*** – RMS facilities
- ***Launchpad Development Two LLC (LLC2)*** – RSSP facilities
- ***Launchpad Development Three, LLC (LLC3)*** – RLS facilities
- ***Launchpad Development Four LLC (LLC4)*** – ROMO facilities
- ***Launchpad Development Five LLC (LLC5)*** – RDP facilities
- ***Launchpad Development Eight LLC (LLC8)*** – RSA facilities
- ***Launchpad Development Ten LLC (LLC10)*** – RSK facilities development
- ***Launchpad Development Eleven LLC (LLC11)*** – RBM facilities
- ***Launchpad Development Twelve LLC (LLC12)*** – RFZ facilities
- ***Launchpad Development Fifteen LLC (LLC15)*** – RRWC facilities development
- ***Launchpad Development Sixteen LLC (LLC16)*** – RRS Facilities
- ***Launchpad Development Seventeen LLC (LLC17)*** – RFA facilities development
- ***Launchpad Development Eighteen LLC (LLC18)*** – RDL facilities development
- ***Launchpad Development Milwaukee One LLC (MLLC1)*** – RSCP facilities
- ***Launchpad Development Milwaukee Two LLC (MLLC2)*** – RTP facilities development
- ***Launchpad Development One Nashville LLC (NLLC1)*** – RNNE facilities
- ***Launchpad Development Two Nashville LLC (NLLC2)*** – RUA facilities
- ***Launchpad Development Two Nashville LLC (NLLC3)*** – Facilities development
- ***Launchpad Development One DC LLC (DLLC1)*** – RISE facilities
- ***Launchpad Development Two DC LLC (DLLC2)*** – RLP facilities
- ***Launchpad Development Three DC LLC (DLLC3)*** – Facilities development
- ***Launchpad Development One TX LLC (TEX01)*** – Facilities development
- ***Launchpad Development Two TX LLC (TEX02)*** – Facilities development

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The consolidated financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

RSEA presents its consolidated financial statements as a California nonprofit public benefit corporation in accordance with Financial Accounting Standards which govern generally accepted accounting principles for non-profit organizations.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited.

Cash and Cash Equivalents

RSEA defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed 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 (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash

Restricted cash includes certain cash balances that are maintained according to debt reserve requirements and donor restrictions.

Accounts Receivable

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2021.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, if purchased or at estimated fair value, if donated. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets ranging from 3 to 35 years. RSEA capitalizes all expenditures for land, buildings, and equipment in excess of \$5,000.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Conditional Grants

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when RSEA has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2021, RSEA has conditional grants of \$26,079,462 that have not been recognized as revenue in the statement of activities because conditions have not been met. As of June 30, 2021, RSEA has received conditional grants of \$2,930,710 that are recognized as deferred revenue in the statement of financial position because conditions have not yet been met.

Revenue Recognition

Amounts received from the California Department of Education are conditional and are recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The RSEA is a non-profit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. RSEA files and exempt return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Comparative Totals

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with RSEA's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Evaluation of Subsequent Events

RSEA has evaluated subsequent events through REPORT DATE, the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those without donor or other restrictions limiting their use within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents, accounts receivable and grants receivable for the total amount of \$74,539,274. As part of RSEA's liquidity management plan, RSEA invests cash in excess of daily requirements in short-term investments and money market funds.

NOTE 3 CREDIT CONCENTRATION RISK

RSEA maintains bank accounts with several institutions. Accounts at each of these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. RSEA occasionally has the need to maintain a cash balance in excess of the FDIC limit. RSEA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 ACCOUNTS RECEIVABLE

Due from federal and state governments consists of funds due as of June 30, 2021. Management believes that these receivables are fully collectible, therefore no provision was recorded as of June 30, 2021.

NOTE 5 GRANTS RECEIVABLE

Grants receivable of \$17,000 consist of unconditional promises to give. Payments on promises to give are expected to be received during the year ended June 30, 2022. As of June 30, 2021 grant amounts connected with these promises to give have been recorded as grants receivable and have been classified as contributions with donor restriction due to implied time restriction. Management believes all of these amounts are collectible; therefore no provisions for uncollectible accounts were recorded.

NOTE 6 PROPERTY, PLANT, AND EQUIPMENT

Property and equipment consisted of the following:

| | RSED | LDC | RSEA Total |
|--------------------------------|---------------------|-----------------------|-----------------------|
| Land | \$ - | \$ 25,347,995 | \$ 25,347,995 |
| Furniture and Equipment | 947,576 | 443,031 | 1,390,607 |
| Buildings | 5,953,488 | 154,407,597 | 160,361,085 |
| Other | - | 1,740,393 | 1,740,393 |
| Less: Accumulated Depreciation | (2,434,864) | (24,606,631) | (27,041,495) |
| Total | <u>\$ 4,466,200</u> | <u>\$ 157,332,385</u> | <u>\$ 161,798,585</u> |

Depreciation and amortization expense was \$4,560,338 for the year ended June 30, 2021.

NOTE 7 DEBT**Convertible Debt****RSN – Charter School Growth Fund**

In February 2009, RSN entered into a \$2.3 million Subordinate Loan Agreement with Charter School Growth Fund (CSGF) at an effective interest rate of 4.0%. Of this amount, \$2.0 million plus associated interest will be forgiven and converted into a grant provided that RSN meet specified educational, financial and growth outcomes.

In October 2010, RSN and CSGF amended and restated the original Subordinate Loan Agreement to reflect a total loan of \$3.4 million at an effective interest rate of 3.25% and \$400,000 forgiven and converted into a grant. As of June 30, 2014, RSN has borrowed the complete \$3.4 million. Of the amended amount, \$2.35 million plus associated interest will be forgiven and converted into a grant provided that RSN meet specified educational, financial and growth outcomes.

As of June 30, 2015, RSN had substantively met the school year benchmarks and converted all of the \$2.35 million of principal into a grant.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 DEBT (CONTINUED)

Convertible Debt (Continued)

RSN – Charter School Growth Fund (Continued)

In April 2018, RSN and CSGF amended and restated the 2009 loan agreement (second amendment), modifying debt maturity dates.

In February 2019, RSN and CSGF amended and restated the 2009 loan agreement (third amendment), modifying debt maturity dates. In June 2020, RSN and CSGF amended and restated the 2009 loan agreement (fourth amendment), modifying debt maturity dates. As of June 30, 2021, balance on this loan is \$950,000. This loan is on a repayment schedule that is fully paid by June 30, 2025.

During the 2014/15 school year, RFZ, RNNE, RRWC and RUA each entered into \$100,000 Subordinated Loan Agreements with effective interest rates of 1.0%. In June 2020, RSN and CSGF amended and restated the 2015 loan agreement (first amendment), modifying debt maturity dates. As of June 30, 2021, the loans RFZ and RNNE have been paid off. The balances for RRWC and RUA are each at \$100,000 at June 30, 2021.

During the 2015/16 school year, RSN and CSGF entered into three \$100,000 Subordinated Loan Agreements with effective interest rates of 1.0 percent. The loans were made to support RRS, RFA, and RPP. In June 2020, RSN and CSGF amended and restated the 2015 loan agreement (first amendment), modifying debt maturity dates. As of June 30, 2021, balance on each of the three loans is \$100,000. The loans are scheduled to be repaid in full on June 30, 2022.

Loans Payable

Rocketship's Schools - California School Finance Authority Revolving Loan Program

As of June 30, 2021, one of Rocketship's California schools Delta Prep has a revolving loan payable to the California School Finance Authority (CSFA) with a balance of \$124,996. This loan has an effective interest rate of 2.41%. Principal is payable over a three-year period, with installment payments deducted from apportionment revenue each year. Final maturity is 2024.

LLC4 - ROMO Bonds Payable (Series 2011A and 2011B Bonds)

In September 2011, Launchpad completed bond financing in the amount of \$10.1 million (the Series 2011 Bonds), proceeds from which were used to refinance existing debt and to fund certain project expenses remaining for the ROMO construction project. Interest is paid semi-annually at a coupon rate of 8.5% to 8.75%.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 DEBT (CONTINUED)

Loans Payable (Continued)

LLC4 - ROMO Bonds Payable (Series 2011A and 2011B Bonds) (Continued)

The Series 2011 Bonds are divided into \$9.6 million Series 2011A Bonds and \$515,000 Series 2011B Bonds (taxable), maturing December 2041 and December 2018, respectively. Both Series 2011A and Series 2011B are subject to mandatory redemptions prior to their stated maturity by a Sinking Accounts Payment Fund established in December 2018 and December 2013, respectively. In September 2021, we issued OG2-2021AB Series \$16.7M to refinance Series 2011 and Series 2012 bonds. This refinancing process will be completed on December 1, 2021 with the payoff the Series 2011 and Series 2012 bonds.

LLC8 – RSA Bonds Payable (Series 2012A and 2012B Bonds)

In September 2012, Launchpad completed bond financing in the amount of \$9.46 million (the Series 2012 Bonds), proceeds from which were used to refinance existing debt and to fund certain project expenses remaining for the RSA construction project. Interest is paid semi-annually at a coupon rate of 6.25% to 8.5%.

The Series 2012 Bonds are divided into \$9.105 million Series 2012A Bonds and \$355,000 million Series 2012B Bonds (taxable), maturing June 2043 and matured June 2016, respectively. Both Series 2012A and Series 2012B are subject to mandatory redemptions prior to their stated maturity by a Sinking Accounts Payment Fund established in June 2017 and June 2014, respectively. In September 2021, we issued OG2-2021AB Series \$16.7M to refinance Series 2011 and Series 2012 bonds. This refinancing process will be completed on December 1, 2021 with the payoff the Series 2011 and Series 2012 bonds.

LDC – Obligated Group Bonds (Series 2014A and 2014B)

In February 2014, LDC completed bond financing in the amount of \$32.855 million (the Series 2014 Bonds), proceeds from which were used to refinance existing debt for LLC2 and fund project expenses for the RBM and RFZ construction projects. Interest is paid semi-annually at a coupon rate of 6.00% to 7.25%.

The Series 2014 Bonds are divided into \$31.935 million Series 2014A Bonds and \$920,000 Series 2014B Bonds (taxable), maturing between June 2023 and 2043 (Series 2014A) and June 2018 (Series 2014B). Both Series 2014A and Series 2014B are subject to mandatory redemptions prior to their stated maturity by a Sinking Accounts Payment Fund established in June 2018, 2024 and 2035 (Series 2014A) and June 2016 (Series 2014B). In June 2021, Series 2014A Bond experienced a principal maturity of \$580K.

LDC – Obligated Group Bonds (Series 2015A and 2015B)

In August 2015, LDC completed bond financing in the amount of \$6.385 million (the Series 2015 Bonds), proceeds from which were used to refinance existing debt and fund project expenses for LLC1 construction projects. Interest is paid semi-annually at a coupon rate of 4.25%.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 DEBT (CONTINUED)

Loans Payable (Continued)

LDC – Obligated Group Bonds (Series 2015A and 2015B) (Continued)

The Series 2015 Bonds are divided into \$6.135 million Series 2015A Bonds and \$250,000 Series 2015B Bonds (taxable), maturing between March 2028 (Series 2015A) and matured June 2016 (Series 2015B). The Series 2015B Bonds were repaid during the fiscal year 2015/16. Series 2015A Bonds are subject to mandatory redemptions prior to their stated maturity by a Sinking Accounts Payment Fund established in June 2016. In June 2021, Series 2015A Bond experienced a principal maturity of \$480K.

LDC – Obligated Group Bonds (Series 2016A and 2016B)

In February 2016, LDC completed bond financing in the amount of \$28.605 million (the Series 2016 Bonds), proceeds from which were used to fund project expenses for LLC1, LLC10, and LLC16 construction projects. Interest is paid semi-annually at coupon rates between 4.50% and 5.00%.

The Series 2016 Bonds are divided into \$28.080 million Series 2016A Bonds and \$525,000 Series 2016B Bonds (taxable), maturing between June 2021 and 2046 (Series 2016A) and June 2018 (Series 2016B). Both Series 2016A and Series 2016B are subject to mandatory redemptions prior to their stated maturity by a Sinking Accounts Payment Fund established in June 2018, 2022, 2027, 2032 and 2037 (Series 2016A) and June 2017 (Series 2016B). In June 2021, Series 2016A Bond experienced a principal maturity of \$525K.

LDC – Obligated Group Bonds (Series 2017A, 2017B, 2017C, 2017D, 2017E and 2017F)

In February 2017, LDC completed bond financing in the amount of \$42.16 million (the Series 2017 Bonds), proceeds from which were used to fund project expenses and building financing for LLC3, LLC5, LLC15, MLLC1 and NLLC1. Interest is paid semi-annually at coupon rates between 4.50% and 6.25%.

The Series 2017 Bonds are divided into \$23.098 million Series 2017A Bonds, \$3.665 million Series 2017B Bonds (taxable), \$7.160 million Series 2017C Bonds, \$250,000 Series 2017D Bonds, \$7.740 million Series 2017E Bonds, and \$250,000 Series 2017F Bonds. The Series 2017 Bonds mature between June 2027 and 2052 (Series 2017A), June 2025 (Series 2017B), June 2040 (Series 2017C), June 2019 (Series 2017D), between June 2047 and 2052 (Series 2017E) and June 2019 (Series 2017F). All are subject to mandatory redemptions prior to their stated maturity by a Sinking Accounts Payment Fund established in June 2018 and 2039 (Series 2017A and B), June 2034 (Series 2017C), 2017 (Series 2017D and F), and June 2039 (Series 2017E).

In December 2017, the redemption right related to the 2017A and 2017B RRWC project funding was exercised, with \$9.16M of bonds redeemed.

In June 2021, Series 2017B Bond experienced a principal maturity of \$185K.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 DEBT (CONTINUED)

Loans Payable (Continued)

LDC – Obligated Group Bonds (Series 2017G and 2017H)

In December 2017, LDC completed bond financing in the amount of \$16.225 million (the Series 2017 Bonds), proceeds from which were used to fund project expenses and building financing for LLC18. Interest is paid semi-annually at coupon rates between 4.05% and 6.0%.

The Series 2017 Bonds are divided into \$15.56 million Series 2017G Bonds and \$665,000 Series 2017H Bonds (taxable). The Series 2017 Bonds mature between June 2025 and 2053 (Series 2017G) and between June 2022 and 2025 (Series 2017H).

MKE2 LLC – IIF Acquisition Loan

In April 2019, MKE2 LLC entered into a \$900,000 loan agreement with Illinois Investment Fund (IIF) to provide interim financing for MKE2 LLC's project development in Milwaukee, Wisconsin. The loan has an interest rate of 5.875% and matures on April 1, 2021.

In June 2020, the \$900,000 loan was refinanced with another loan from Illinois Investment Fund (IIF) in the amount of \$2.7M to further develop the project. The loan has an interest rate of 5.5% initial rate and matures in July 2022.

NASH2 LLC – CIF Acquisition Loan

In May 2019, NASH2 LLC entered into a \$7.3 million loan agreement with Charter Impact Fund, Inc. to provide financing for NASH2 LLC's project development in Milwaukee, Wisconsin. The loan has an interest rate of 4.25% and matures on June 1, 2049.

LDC – Obligated Group Bonds (Series 2019A and 2019B)

In May 2019, LDC Completed bond financing in the amount of \$28.075 million (the Series 2019 Bonds), proceeds from which were used to fund project expenses and building financing for LLC One DC. Interest is paid semi-annually at coupon rates between 5.0% and 5.3%.

The Series 2019 Bonds are divided into \$27.14 million Series 2019A Bonds and \$935,000 Series 2019B Bonds (taxable). The Series 2019 Bonds mature between June 2029 and 2056 (Series 2019A) and between June 2020 and 2023 (Series 2019B). In June 2021, Series 2019B Bond experienced a principal maturity of \$285K.

LDC – Obligated Group Bonds (Series 2021A and 2021B)

In February 2021, LDC Completed bond financing in the amount of \$28.175 million (the Series 2021 Bonds), proceeds from which were used to fund project expenses and building financing for LLC TWO DC. Interest is paid semi-annually at coupon rates between 4.25% and 5.0%.

The Series 2021 Bonds are divided into \$27.14 million Series 2021A Bonds and \$1.04 million Series 2021B Bonds (taxable). The Series 2021 Bonds mature between June 2026 and 2061 (Series 2021A) and between June 2023 and 2026 (Series 2021B).

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 DEBT (CONTINUED)**Loans Payable (Continued)**

Amortization expense for cost of issuance and discounts/premiums for all bond series was \$238,597 for the year ended June 30, 2021.

SBA PPP Loans

In May 2020, RSEA received two loans from the Paycheck Protection Program administered by SBA in conjunction with Heritage Bank of Commerce. Loan one was issued to Rocketship Education DC Public Charter School for \$1.15M with an effective interest rate of 1.0%. Loan two was issued to Rocketship Education Wisconsin for \$537K with an effective interest of 1.0%. As of June 30, 2021, both of these Paycheck Protection Program loans have been forgiven including all accrued interest.

Charter Asset Management Line of Credit

In June 2020, RSEA entered into a line of credit facility with Charter Asset Management for a \$5M revolving line of credit, subject to increase to \$10M if the State of California or the Department of Education deferred payment of any funds to be paid to RSEA. Upon execution of this credit facility, Rocketship Education initiated the first draw of \$4M with an initial effective interest rate of 6.0%. As of June 30, 2021, the balance outstanding on this line of credit is \$3,347,846.

TEXAS ONE LLC – Kleinheinz Family Foundation

In January 2021, Texas One LLC entered into a \$738,673 loan agreement with Kleinheinz Family Foundation to provide financing for Texas One LLC's project development in Fort Worth TX. The loan has an interest rate of 3.5% and matures on January 21, 2023.

Charter Asset Management – RFA Receivable Loan

In Q4 FY2021, Charter Asset Management provided a loan of \$1.645M against accounts receivable from Rocketship Futuro Academy of \$1.683M. The entire loan balance was outstanding at June 30, 2021. The RFA receivable and associated financing was fully repaid and resolved in September 2021.

Future maturities of debt in summary:

| <u>Year Ended June 30,</u> | <u>RSED</u> | <u>LDC</u> | <u>Total</u> |
|---|---------------------|-----------------------|-----------------------|
| 2022 | \$ 2,890,204 | \$ 5,408,669 | \$ 8,298,873 |
| 2023 | 1,548,026 | 4,028,136 | 5,576,162 |
| 2024 | 1,083,731 | 3,445,507 | 4,529,238 |
| 2025 | 884,892 | 3,746,812 | 4,631,704 |
| 2026 | 160,989 | 4,123,391 | 4,284,380 |
| Thereafter | - | 171,184,066 | 171,184,066 |
| Subtotal | 6,567,842 | 191,936,581 | 198,504,423 |
| Cost of Issuance and Discounts/Premiums | - | (2,088,378) | (2,088,378) |
| Total | <u>\$ 6,567,842</u> | <u>\$ 189,848,203</u> | <u>\$ 196,416,045</u> |

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 OPERATING LEASES

RSN Administrative Offices

In October 2012, RSN entered into a five-year lease for office facilities payable at \$10,612, plus common area maintenance, payable monthly. The lease includes a waiver of rent (\$10,611) contingent upon RSN's status as a nonprofit public benefit corporation. The lease was renewed on November 1, 2017. During the year ended June 30, 2021, net assets released from restriction from in-kind rent was \$181,468 (net of prior year discount) and lease expense totaled \$170,641.

RSN leases administrative offices in San Jose, California, Concord, California, under various operating leases. Lease expense for all regional administrative offices totaled \$284,537 for the year ended June 30, 2021.

LLC11-RBM Site Land Lease

30-year land lease, \$7,917 payable monthly, subject to adjustment in 2023. Lease expense recognized for the year ended June 30, 2021 was \$95,004.

LLC12-RFZ Site Land Lease

35-year land lease, \$26,400 payable monthly during the year ended June 30, 2021. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. For the year ended June 30, 2021, total lease expense of \$387,177 has been recorded and lease payments totaled \$316,800.

RFZ Site Land Lease

34-year land lease for addition to RFZ site, payable between \$3,016 and \$3,062 monthly during the year ended June 30, 2021. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. For the year ended June 30, 2021, total lease expense of \$38,237.

RRWC Facility Lease

Two-year lease for facilities with the authorizing district. Lease expense recognized for the year ended June 30, 2021 was \$25,105.

RFA facility lease

One-year lease for facilities with the authorizing district. Lease expense recognized for the year ended June 30, 2021 was \$481,381. A five-year lease was renewed in July 2021.

DLLC2-RLP Facility Lease

29-year facility lease signed in 2018 ended February 20, 2021. A new 40-year lease started February 11, 2021. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. For the year ended June 30, 2021 total lease expense of \$1,683,037 has been recorded and lease payments totaled \$1,251,862 was paid.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 OPERATING LEASES (CONTINUED)

LLC DC3-RIC Facility Lease

29-year lease started September 2020. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. For the year ended June 30, 2021 total lease expense of \$3,024,679 has been recorded and lease payments totaled \$1,675,404 was paid.

The following is a schedule of future minimum lease payments required under the operating leases:

| <u>Year Ending June 30.</u> | <u>RSN</u> | <u>RFZ</u> | <u>RPS</u> | <u>LLC10</u> |
|-----------------------------|-------------------|---------------------|-------------------|---------------------|
| 2022 | \$ 186,352 | \$ 37,291 | \$ 81,029 | \$ 111,132 |
| 2023 | 95,030 | 37,850 | 76,423 | 111,132 |
| 2024 | | 38,418 | | 116,689 |
| 2025 | - | 38,994 | - | 116,689 |
| 2026 | - | 39,579 | - | 116,689 |
| Thereafter | - | 1,037,967 | - | 1,023,683 |
| Total | <u>\$ 281,382</u> | <u>\$ 1,230,099</u> | <u>\$ 157,452</u> | <u>\$ 1,596,014</u> |

| <u>Year Ending June 30.</u> | <u>LLC11</u> | <u>LLC12</u> | <u>LLC DC3</u> | <u>RSEA Total</u> |
|-----------------------------|---------------------|----------------------|-----------------------|-----------------------|
| 2022 | \$ 95,000 | \$ 316,800 | \$ 2,349,929 | \$ 3,177,533 |
| 2023 | 95,000 | 332,640 | 2,593,085 | 3,341,160 |
| 2024 | 97,850 | 348,480 | 2,825,659 | 3,427,096 |
| 2025 | 97,850 | 348,480 | 2,909,781 | 3,511,794 |
| 2026 | 97,850 | 348,480 | 3,017,288 | 3,619,886 |
| Thereafter | 1,753,290 | 9,428,646 | 89,282,687 | 102,526,273 |
| Total | <u>\$ 2,236,840</u> | <u>\$ 11,123,526</u> | <u>\$ 102,978,429</u> | <u>\$ 119,603,742</u> |

NOTE 9 EMPLOYEE RETIREMENT

State Teachers' Retirement System (STRS)

Qualified certificated employees are covered under a multiemployer defined benefit pension plan maintained by agencies of the state of California. The certificated employees are members of the State Teachers' Retirement System (STRS).

The risks of participating in these multiemployer defined benefit pension plan are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature and detailed in Teachers' Retirement Law, and (c) if the School chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the plan. RSEA has no plans to withdraw from these multiemployer plans.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

State Teachers' Retirement System (STRS) (Continued)

RSEA contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2020 total STRS plan net assets are \$283 billion, the total actuarial present value of accumulated plan benefits is \$405 billion, contributions from all employers totaled \$6.1 billion, and the plan is 67.1% funded. The Schools did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, California 95826 and www.calstrs.com.

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.205% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for the year ended June 30, 2021 was 19.1% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

RSEA's contributions to STRS for each of the last three fiscal years are as follows:

| <u>Year Ended June 30,</u> | STRS | |
|----------------------------|----------------------------------|--------------------------------|
| | <u>Required Contribution</u> | <u>Percent Contributed</u> |
| 2019 | \$ 3,158,678 | 100 % |
| 2020 | 3,497,023 | 100 % |
| 2021 | 4,105,830 | 100 % |

Tennessee Consolidated Retirement System – Legacy Pension Plan

Teachers with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014 of RSEA are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

Tennessee Consolidated Retirement System – Legacy Pension Plan (Continued)

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5% of salary. RSEA makes employer contributions at the rate set by the board of trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. TCRS may intercept the state shared taxes of the sponsoring governmental entity of the schools if the required employer contributions are not remitted. Employer contributions by RSEA for the year ended June 30, 2021 to the Teacher Legacy Pension Plan was 9.04% of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability. RSEA did not contribute more than 5% of the total contributions to the plan. The TCRS issues a financial report that can be obtained at www.treasury.tn.gov/tcrs.

Tennessee Consolidated Retirement System – Teacher Retirement Plan

Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by schools after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS.

Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers contribute 5% of salary. RSEA makes employer contributions at the rate set by the board of trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4%, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. TCRS may intercept the state shared taxes of the sponsoring governmental entity of the school if the required employer contributions are not remitted. Employer contributions by RSEA for the year ended June 30, 2021 to the Teacher Retirement Plan were 4.00% of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

RSEA did not contribute more than 5% of the total contributions to the plan. The TCRS issues a financial report that can be obtained at www.treasury.tn.gov/tcrs.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 EMPLOYEE RETIREMENT (CONTINUED)

Defined Contribution Plan

RSEA offers an Internal Revenue Code Section 403(b) retirement plan to each of its qualifying employees. RSEA matches the lessor of 5% of annual salary or \$2,500. During the year ended June 30, 2021 RSEA contributed \$909,782 to this plan.

NOTE 10 RELATED PARTY TRANSACTIONS

Facility Leases

In 2015, RMS amended and restated its existing lease with LLC1 into a 31-year facility lease through 2046. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$868,335 has been recorded. For school year 2010/21, lease payments under this agreement totaled \$1,076,044.

In 2014, RSSP amended and restated its existing lease with LLC2 into a 29-year facility lease agreement through 2043. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$1,032,223 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$1,108,390.

In 2017, RLS amended and restated its existing lease with LLC3 into a 35-year facility lease through 2052. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$859,654 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$808,468.

In 2011, ROMO entered into a 30-year lease with LLC4 through 2042. The lease was amended in July 2012. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$945,810 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$946,063.

In 2017, RDP amended and restated its existing lease with LLC5 into a 35-year facility lease through 2052. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$746,524 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$692,695.

In 2014, RBM entered into a 29-year facility lease agreement with LLC11 through 2043. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$1,103,935 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$1,212,784.

In 2012, RSA entered into a 15-year lease with LLC8 through 2027. The lease agreement was amended July 2012. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$721,536 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$724,543.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 RELATED PARTY TRANSACTIONS (CONTINUED)

Facility Leases (Continued)

In 2016, RSK entered into a 30-year facility lease agreement with LLC10 through 2046. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$877,798 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$1,093,570.

In 2014, RFZ entered into a 29-year facility lease agreement with LLC12 through 2043. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$1,408,961 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$1,483,117.

In 2016, RRS entered into a 30-year facility lease agreement with LLC16 through 2046. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$845,520 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$1,083,570.

In 2017, RDL entered into a 25-year facility lease agreement with LLC18 through 2032. Lease commencement occurred in August 2018. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$1,143,274 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$947,583.

In 2017, RNNE entered into a 35-year facility lease agreement with NLLC1 through 2052. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$572,704 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$645,589.

In 2019, RUA entered into a 30-year facility lease agreement with NLLC2 through 2049. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$506,775 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$504,546.

In June 2019, RTP entered into a 5-year facility lease agreement with LDMKE2 through 2054. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$228,372 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$169,446.

In 2017, RSCP amended its original 10-year facility lease agreement with MLLC1. The new lease runs 35 years through 2052. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. Total lease expense of \$423,312 has been recorded. For school year 2020/21, lease payments under this agreement totaled \$423,941.

In 2019, RISE entered into a 37-year facility lease agreement with DLLC1 through 2056. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. For the year ended June 30, 2021 total lease expense of \$1,822,808 has been recorded and lease payments totaled \$1,876,071.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 RELATED PARTY TRANSACTIONS (CONTINUED)

Facility Leases (Continued)

In February 2021 RLP entered into a new 40-year facility lease agreement with DLLC2. Due to an uneven payment schedule, lease expense is recorded on a straight-line basis over the life of the lease. For the year ended June 30, 2021 total lease expense of \$719,868 has been recorded and lease payments totaled \$13,917.

Future estimated payments under these leases as of June 30, 2021 are as follows:

| <u>June 30.</u> | <u>RMS</u> | <u>RSSP</u> | <u>RLS</u> | <u>ROMO</u> | <u>RDP</u> | <u>RBM</u> |
|-----------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2022 | 1,005,223 | 1,036,436 | 750,535 | 947,569 | 655,931 | 1,127,060 |
| 2023 | 1,007,628 | 1,040,018 | 747,100 | 947,800 | 653,779 | 1,130,463 |
| 2024 | 1,007,990 | 1,037,237 | 741,820 | 946,756 | 653,878 | 1,130,577 |
| 2025 | 1,009,005 | 1,042,133 | 801,145 | 947,354 | 707,265 | 1,129,887 |
| 2026 | 1,010,770 | 1,040,124 | 898,359 | 948,513 | 655,931 | 1,133,469 |
| Thereafter | 15,969,898 | 17,775,006 | 22,952,268 | 14,830,392 | 20,071,501 | 19,431,873 |
| Total | <u>\$ 21,010,515</u> | <u>\$ 22,970,954</u> | <u>\$ 26,891,227</u> | <u>\$ 19,568,384</u> | <u>\$ 23,398,285</u> | <u>\$ 25,083,329</u> |

| <u>June 30.</u> | <u>RSA</u> | <u>RSK</u> | <u>RFZ</u> | <u>RRS</u> | <u>RDL</u> | <u>RNNE</u> |
|-----------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2022 | 723,929 | 1,013,542 | 1,379,039 | 1,003,542 | 1,020,688 | 575,000 |
| 2023 | 726,844 | 1,015,552 | 1,394,328 | 1,005,552 | 1,180,137 | 575,000 |
| 2024 | 724,678 | 1,015,458 | 1,414,378 | 1,005,458 | 1,176,719 | 575,000 |
| 2025 | 726,027 | 1,015,999 | 1,413,874 | 1,005,999 | 1,177,668 | 575,000 |
| 2026 | 722,295 | 1,017,283 | 1,417,644 | 1,007,283 | 1,178,826 | 575,000 |
| Thereafter | 12,235,398 | 16,118,900 | 25,494,188 | 15,918,899 | 31,683,569 | 14,949,998 |
| Total | <u>\$ 15,859,171</u> | <u>\$ 21,196,734</u> | <u>\$ 32,513,451</u> | <u>\$ 20,946,733</u> | <u>\$ 37,417,607</u> | <u>\$ 17,824,998</u> |

| <u>June 30.</u> | <u>RUA</u> | <u>RTP</u> | <u>RSCP</u> | <u>RISE</u> | <u>RLP</u> | <u>DC3</u> | <u>Total</u> |
|-----------------|----------------------|-------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| 2022 | 504,697 | 168,425 | 425,000 | 1,880,888 | 1,316,522 | 2,349,929 | \$ 17,883,955 |
| 2023 | 504,850 | 168,425 | 425,000 | 1,862,963 | 1,844,093 | 2,593,085 | 18,822,617 |
| 2024 | 505,005 | 168,425 | 425,000 | 1,861,300 | 1,839,022 | 2,825,659 | 19,054,360 |
| 2025 | 505,161 | | 425,000 | 1,864,810 | 1,825,158 | 2,909,781 | 19,081,266 |
| 2026 | 505,319 | | 425,000 | 1,861,840 | 1,828,736 | 3,017,288 | 19,243,681 |
| Thereafter | 11,627,257 | - | 11,049,998 | 55,918,110 | 63,898,620 | 89,282,687 | 459,208,562 |
| Total | <u>\$ 14,152,289</u> | <u>\$ 505,275</u> | <u>\$ 13,174,998</u> | <u>\$ 65,249,911</u> | <u>\$ 72,552,149</u> | <u>\$ 102,978,429</u> | <u>\$ 553,294,440</u> |

Rocketship Education Wisconsin Inc. Line of Credit from RSN

In 2014, Rocketship Education Wisconsin Inc. entered into a revolving line of credit agreement (RSW LOC) with RSN in the amount of \$650,000 to support the operation of RSCP. The agreement was amended June 30, 2015, and extended to \$1.5 million. Interest is charged at a LIBOR based rate, not to exceed 4.0% on outstanding balances under the facility. On June 30, 2014 an advance of \$650,000 was issued, followed by an advance of \$850,000 on June 30, 2015, totaling \$1.5 million. During school year 2019/20 and 2020/21, RSCP paid RSN quarterly interest payments totaling \$60,000 per year.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 RELATED PARTY TRANSACTIONS (CONTINUED)

Management Services

RMS, RSSP, RLS, ROMO, RDP, RBM, RSA, RSK, RFZ, RRWC, RRS, RFA, RDL, RNNE, RUA, RSC, RISE, and RLP all receive management and support services from RSN for which they pay management fees.

For the year ended June 30, 2021, management fees were as follows:

| | |
|-------------------|-----------------------------|
| Mateo Sheedy | \$ 1,039,078 |
| Si Se Puede | 845,758 |
| Los Suenos | 969,179 |
| Mosaic | 1,307,965 |
| Discovery | 974,695 |
| Brilliant Minds | 1,317,868 |
| Alma | 989,130 |
| Spark | 1,248,501 |
| Rising Stars | 1,275,088 |
| Fuerza Community | 1,343,567 |
| Delta Legacy | 1,064,224 |
| Futuro | 1,058,395 |
| Redwood City | 537,931 |
| Nashville NE | 1,015,377 |
| United | 1,151,513 |
| Wisconsin Schools | 1,070,881 |
| D.C. Schools | 4,037,272 |
| Total | <u><u>\$ 21,246,422</u></u> |

Donated Services

RSN provided certain organizational support services, including accounting, finance, and human resources, as well as shared office space to Launchpad (donated services) during the year. For the year ended June 30, 2021, the amount of donated services recorded from RSN to Launchpad was \$400,000.

All related party transactions have been eliminated for consolidation.

NOTE 11 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, payroll taxes, other fees for services, office expenses, printing and postage, information technology, and other expenses, which are allocated on the basis of estimates of time and effort.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 COMMITMENTS AND CONTINGENCIES

RSEA 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, management believes all compliance requirements have been met.

The extent of the impact of COVID-19 on the operational and financial performance of RSEA will depend on certain developments, including the duration and spread of the outbreak, impact on state and federal funding, donors, employees and vendors; all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations of RSEA is uncertain.

During the year, the principal amount of \$1,687,635, along with accrued interest, was forgiven by the financial institution. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

SUPPLEMENTARY INFORMATION

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2021**

Rocketship Education, Inc. (RSED) is a California nonprofit public benefit corporation that was incorporated in 2006 and is organized to manage, operate, guide, direct, and promote a network of public elementary charter schools.

California Charter Schools:

Rocketship Mateo Sheedy Elementary (RMS), chartered by the Santa Clara County Office of Education, Charter Number: 0850 – Established 2007, Expires 2027

Rocketship Si Se Puede Academy (RSSP), chartered by the Santa Clara County Office of Education, Charter Number: 1061 – Established 2009, Expires 2024

Rocketship Los Suenos Academy (RLS), chartered by the Santa Clara County Office of Education, Charter Number: 1127 – Established 2009, Expires 2027

Rocketship Mosaic Elementary School (ROMO), chartered by the Franklin-McKinley Elementary School District, Charter Number: 1192 – Established 2011, Expires 2026

Rocketship Discovery Prep (RDP), chartered by the Santa Clara County Office of Education, Charter Number: 1193 – Established 2010, Expires 2026

Rocketship Brilliant Minds (RBM), chartered by the Santa Clara County Office of Education, Charter Number: 1393 – Established 2012, Expires 2024

Rocketship Alma Academy (RSA), chartered by the Santa Clara County Office of Education, Charter Number: 1394 – Established 2012, Expires 2024

Rocketship Spark Academy (RSK), chartered by the Franklin-McKinley Elementary School District, Charter Number: 1526 – Established 2013, Expires 2025

Rocketship Fuerza Community Prep (RFZ), chartered by the Santa Clara County Office of Education, Charter Number: 1687 – Established 2014, Expires 2026

Rocketship Redwood City Prep (RRWC), chartered by the Redwood City Elementary School District, Charter Number: 1736 – Established 2015, Expires 2026

Rocketship Rising Stars (RRS), chartered by the Santa Clara County Office of Education, Charter Number: 1778 – Established 2016, Expires 2026

Rocketship Futuro Academy (RFA), chartered by the State Board of Education, Charter Number: 1805 – Established 2016, Expires 2026

Rocketship Delta Prep (RDL), chartered by the Antioch Unified School District, Charter Number: 1965 – Expires 2025

Tennessee Charter Schools:

Rocketship Nashville Northeast Elementary (RNNE)

Rocketship United Academy (RUA)

Wisconsin Charter Schools (Operated by Rocketship Education Wisconsin, Inc.):

Rocketship Southside Community Prep (RSCP)

Rocketship Transformation Prep (RTP)

Washington, DC Charter Schools (Operated by Rocketship Education D.C. Public Charter School, Inc.):

Rocketship Rise Academy (RISE)

Rocketship Legacy Prep (RLP)

Rocketship Infinity Community Prep (RIC)

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2021**

BOARD OF DIRECTORS

| <u>Name</u> | <u>Office</u> | <u>Term Expires (2-Year Term)</u> |
|-----------------------|---------------|-----------------------------------|
| Louis Jordan | Board Chair | 2021 |
| Alex Terman | Treasurer | 2021 |
| Greg Stanger | Secretary | 2021 |
| Deborah McGriff | Member | 2021 |
| Raymond Raven | Member | 2021 |
| Ralph Weber | Member | 2021 |
| Jolene Slotter | Member | 2021 |
| Michael Fox | Member | 2021 |
| Jean-Claude Brizard | Member | 2021 |
| June Nwabara | Member | 2022 |
| Charmaine Detweiler | Member | 2021 |
| Julia Stiglitz | Member | 2021 |
| Daniel Velasco | Member | 2021 |
| Mai Huong Ho Tran | Member | 2022 |
| Yolanda Bernal Samano | Member | 2022 |

ADMINISTRATION

| | |
|----------------------|---|
| Preston Smith | Co-Founder, CEO and President |
| Keysha Bailey | Chief Financial Officer |
| Lynn Liao | Chief Talent Officer |
| Carolyn Davies Lynch | Chief Operating Officer |
| Cheye Calvo | Chief Growth and Community Engagement Officer |
| Christopher Murphy | Chief Communications Officer |

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SCHOOLS
JUNE 30, 2021

| | | California | | | | | | |
|--|---------------|--------------|--------------|--------------|--------------|--------------|-----------------|---------------|
| | RSN | Mateo Sheedy | Si Se Puede | Los Suenos | Mosaic | Discovery | Brilliant Minds | Total Page 1 |
| ASSETS | | | | | | | | |
| CURRENT ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ 4,939,216 | \$ 1,074,520 | \$ 2,543,316 | \$ 1,474,287 | \$ 3,931,102 | \$ 941,764 | \$ 3,720,144 | \$ 18,624,349 |
| Accounts Receivable | 165,546 | 1,471,678 | 1,238,556 | 1,272,714 | 1,642,907 | 1,530,666 | 1,458,459 | 8,780,526 |
| Grants Receivable | - | - | - | - | - | - | - | - |
| Prepaid Expenses and Deposits | 2,150,933 | 649,253 | 31,570 | 272,187 | 30,918 | 293,469 | 41,075 | 3,469,405 |
| Total Current Assets | 7,255,695 | 3,195,451 | 3,813,442 | 3,019,188 | 5,604,927 | 2,765,899 | 5,219,678 | 30,874,280 |
| LONG-TERM ASSETS | | | | | | | | |
| Intracompany Receivable | 12,242,701 | - | 696 | 3,000 | - | - | - | 12,246,397 |
| Security Deposits | 24,709 | - | - | 100,000 | 100,000 | 100,000 | - | 324,709 |
| Property, Plant, and Equipment, Net | 73,591 | 1,064,287 | 749,051 | 762,816 | 533,166 | 457,154 | 91,417 | 3,731,482 |
| Total Long-Term Assets | 12,341,001 | 1,064,287 | 749,747 | 865,816 | 633,166 | 557,154 | 91,417 | 16,302,588 |
| Total Assets | \$ 19,596,696 | \$ 4,259,738 | \$ 4,563,189 | \$ 3,885,004 | \$ 6,238,093 | \$ 3,323,053 | \$ 5,311,095 | \$ 47,176,868 |
| LIABILITIES AND NET ASSETS | | | | | | | | |
| CURRENT LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Liabilities | \$ 4,243,570 | \$ 310,901 | \$ 512,192 | \$ 292,854 | \$ 537,576 | \$ 506,483 | \$ 386,300 | \$ 6,789,876 |
| Accrued Interest | 41,440 | - | - | - | - | - | - | 41,440 |
| Deferred Rent Liability | - | - | - | - | - | - | - | - |
| Deferred Revenue | - | 215,997 | 208,496 | 239,188 | 254,708 | 175,670 | 299,462 | 1,393,521 |
| Current Portion of Loans Payable | 782,706 | - | - | - | - | - | - | 782,706 |
| Total Current Liabilities | 5,067,716 | 526,898 | 720,688 | 532,042 | 792,284 | 682,153 | 685,762 | 9,007,543 |
| LONG-TERM LIABILITIES | | | | | | | | |
| Accrued Interest | 155,400 | - | - | - | - | - | - | 155,400 |
| Deferred Rent Liability | - | - | 185,561 | - | 571,937 | - | 712,131 | 1,469,629 |
| Intracompany Payable | - | - | - | - | - | 1,733,520 | - | 1,733,520 |
| Loans Payable | 3,515,140 | - | - | - | - | - | - | 3,515,140 |
| Total Long-Term Liabilities | 3,670,540 | - | 185,561 | - | 571,937 | 1,733,520 | 712,131 | 6,873,689 |
| NET ASSETS | | | | | | | | |
| Without Donor Restrictions | 10,858,440 | 3,732,840 | 3,656,940 | 3,352,962 | 4,873,872 | 907,380 | 3,913,202 | 31,295,636 |
| With Donor Restrictions | - | - | - | - | - | - | - | - |
| Total Net Assets | 10,858,440 | 3,732,840 | 3,656,940 | 3,352,962 | 4,873,872 | 907,380 | 3,913,202 | 31,295,636 |
| Total Liabilities and Net Assets | \$ 19,596,696 | \$ 4,259,738 | \$ 4,563,189 | \$ 3,885,004 | \$ 6,238,093 | \$ 3,323,053 | \$ 5,311,095 | \$ 47,176,868 |

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SCHOOLS (CONTINUED)
JUNE 30, 2021

| | | California | | | | | | | |
|-------------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | From Page 1 | Alma | Spark | Fuerza | Redwood City | Rising Stars | Delta | Futuro | Total Page 2 |
| ASSETS | | | | | | | | | |
| CURRENT ASSETS | | | | | | | | | |
| Cash and Cash Equivalents | \$ 18,624,349 | \$ 1,045,369 | \$ 2,804,805 | \$ 2,757,881 | \$ 567,532 | \$ 2,888,929 | \$ 445,484 | \$ 845,423 | \$ 29,979,772 |
| Accounts Receivable | 8,780,526 | 2,331,513 | 2,199,286 | 2,541,127 | 590,618 | 2,241,072 | 2,591,540 | 2,761,262 | 24,036,944 |
| Grants Receivable | - | - | - | - | - | - | - | - | - |
| Prepaid Expenses and Deposits | 3,469,405 | 35,151 | 816,009 | 39,478 | 54,762 | 657,359 | 67,081 | 40,073 | 5,179,318 |
| Total Current Assets | 30,874,280 | 3,412,033 | 5,820,100 | 5,338,486 | 1,212,912 | 5,787,360 | 3,104,105 | 3,646,758 | 59,196,034 |
| LONG-TERM ASSETS | | | | | | | | | |
| Intracompany Receivable | 12,246,397 | - | - | - | - | - | - | - | 12,246,397 |
| Security Deposits | 324,709 | 100,000 | - | - | - | - | - | 25,000 | 449,709 |
| Property, Plant, and Equipment, Net | 3,731,482 | 358,466 | 162,715 | 43,409 | - | 249 | 41,998 | 6,927 | 4,345,246 |
| Total Long-Term Assets | 16,302,588 | 458,466 | 162,715 | 43,409 | - | 249 | 41,998 | 31,927 | 17,041,352 |
| Total Assets | <u>\$ 47,176,868</u> | <u>\$ 3,870,499</u> | <u>\$ 5,982,815</u> | <u>\$ 5,381,895</u> | <u>\$ 1,212,912</u> | <u>\$ 5,787,609</u> | <u>\$ 3,146,103</u> | <u>\$ 3,678,685</u> | <u>\$ 76,237,386</u> |
| LIABILITIES AND NET ASSETS | | | | | | | | | |
| CURRENT LIABILITIES | | | | | | | | | |
| Accounts Payable | \$ 6,789,876 | \$ 482,435 | \$ 507,960 | \$ 323,420 | \$ 244,805 | \$ 361,030 | \$ 360,633 | \$ 448,107 | \$ 9,518,266 |
| Accrued Interest | 41,440 | - | - | - | - | - | - | - | 41,440 |
| Deferred Rent Liability | - | - | - | - | - | - | - | - | - |
| Deferred Revenue | 1,393,521 | 168,823 | 256,180 | 299,884 | 105,250 | 295,093 | 195,719 | 216,240 | 2,930,710 |
| Current Portion of Loans Payable | 782,706 | - | - | - | 100,000 | 100,000 | 62,498 | 1,745,000 | 2,790,204 |
| Total Current Liabilities | 9,007,543 | 651,258 | 764,140 | 623,304 | 450,055 | 756,123 | 618,850 | 2,409,347 | 15,280,620 |
| LONG-TERM LIABILITIES | | | | | | | | | |
| Accrued Interest | 155,400 | - | - | 4,344 | 6,056 | 5,676 | 2,378 | 43,809 | 217,663 |
| Deferred Rent Liability | 1,469,629 | 148,627 | - | 1,438,808 | - | - | 948,216 | - | 4,005,280 |
| Intracompany Payable | 1,733,520 | 475,161 | - | 3,700 | 485,727 | - | 982,585 | 206,273 | 3,886,966 |
| Loans Payable | 3,515,140 | - | - | - | - | - | 62,498 | - | 3,577,638 |
| Total Long-Term Liabilities | 6,873,689 | 623,788 | - | 1,446,852 | 491,783 | 5,676 | 1,995,677 | 250,082 | 11,687,547 |
| NET ASSETS | | | | | | | | | |
| Without Donor Restriction | 31,295,636 | 2,595,453 | 5,218,675 | 3,311,739 | 271,074 | 5,025,810 | 531,576 | 1,019,256 | 49,269,219 |
| With Donor Restriction | - | - | - | - | - | - | - | - | - |
| Total Net Assets | 31,295,636 | 2,595,453 | 5,218,675 | 3,311,739 | 271,074 | 5,025,810 | 531,576 | 1,019,256 | 49,269,219 |
| Total Liabilities and Net Assets | <u>\$ 47,176,868</u> | <u>\$ 3,870,499</u> | <u>\$ 5,982,815</u> | <u>\$ 5,381,895</u> | <u>\$ 1,212,912</u> | <u>\$ 5,787,609</u> | <u>\$ 3,146,103</u> | <u>\$ 3,678,685</u> | <u>\$ 76,237,386</u> |

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SCHOOLS (CONTINUED)
JUNE 30, 2021

| | From Page 2 | Tennessee | | | | | | | | |
|-------------------------------------|----------------------|---------------------|---------------------|-----------------------|-----------------------|----------------------|---------------------|---------------------|-----------------------|----------------------|
| | | Nashville NE | United | Partners Community | Eliminations | RSED Total | Wisconsin | DC | Eliminations | Total |
| ASSETS | | | | | | | | | | |
| CURRENT ASSETS | | | | | | | | | | |
| Cash and Cash Equivalents | \$ 29,979,772 | \$ 529,408 | \$ 2,625,594 | \$ (507,305) | \$ - | \$ 32,627,469 | \$ 1,713,752 | \$ 7,856,440 | \$ - | \$ 42,197,661 |
| Accounts Receivable | 24,036,944 | 461,559 | 445,502 | - | - | 24,944,005 | 327,539 | 1,122,871 | - | 26,394,415 |
| Grants Receivable | - | - | - | - | - | - | 17,000 | - | - | 17,000 |
| Prepaid Expenses and Deposits | 5,179,318 | 92,635 | 66,388 | - | - | 5,338,341 | 92,980 | 271,041 | - | 5,702,362 |
| Total Current Assets | 59,196,034 | 1,083,602 | 3,137,484 | (507,305) | - | 62,909,815 | 2,151,271 | 9,250,352 | - | 74,311,438 |
| LONG-TERM ASSETS | | | | | | | | | | |
| Intracompany Receivable | 12,246,397 | - | - | - | (5,132,810) | 7,113,587 | - | - | (7,113,587) | - |
| Security Deposits | 449,709 | - | - | - | - | 449,709 | - | - | - | 449,709 |
| Property, Plant, and Equipment, Net | 4,345,246 | 59,071 | 13,503 | - | - | 4,417,820 | 24,511 | 23,869 | - | 4,466,200 |
| Total Long-Term Assets | 17,041,352 | 59,071 | 13,503 | - | (5,132,810) | 11,981,116 | 24,511 | 23,869 | (7,113,587) | 4,915,909 |
| Total Assets | <u>\$ 76,237,386</u> | <u>\$ 1,142,673</u> | <u>\$ 3,150,987</u> | <u>\$ (507,305)</u> | <u>\$ (5,132,810)</u> | <u>\$ 74,890,931</u> | <u>\$ 2,175,782</u> | <u>\$ 9,274,221</u> | <u>\$ (7,113,587)</u> | <u>\$ 79,227,347</u> |
| LIABILITIES AND NET ASSETS | | | | | | | | | | |
| CURRENT LIABILITIES | | | | | | | | | | |
| Accounts Payable | \$ 9,518,266 | \$ 402,991 | \$ 208,046 | \$ - | \$ - | \$ 10,129,303 | \$ 284,236 | \$ 1,695,834 | \$ - | \$ 12,109,373 |
| Accrued Interest | 41,440 | - | - | - | - | 41,440 | - | - | - | 41,440 |
| Deferred Rent Liability | - | - | - | - | - | - | - | - | - | - |
| Deferred Revenue | 2,930,710 | - | - | - | - | 2,930,710 | - | - | - | 2,930,710 |
| Current Portion of Loans Payable | 2,790,204 | - | 100,000 | - | - | 2,890,204 | - | - | - | 2,890,204 |
| Total Current Liabilities | 15,280,620 | 402,991 | 308,046 | - | - | 15,991,657 | 284,236 | 1,695,834 | - | 17,971,727 |
| LONG-TERM LIABILITIES | | | | | | | | | | |
| Accrued Interest | 217,663 | 4,844 | 6,055 | 4,520 | - | 233,082 | - | - | - | 233,082 |
| Deferred Rent Liability | 4,005,280 | - | 4,809 | - | - | 4,010,089 | 111,100 | 2,366,804 | - | 6,487,993 |
| Intracompany Payable | 3,886,966 | 733,868 | 455,258 | 56,718 | (5,132,810) | - | 4,219,438 | 2,894,149 | (7,113,587) | - |
| Loans Payable | 3,577,638 | - | - | 100,000 | - | 3,677,638 | - | - | - | 3,677,638 |
| Total Long-Term Liabilities | 11,687,547 | 738,712 | 466,122 | 161,238 | (5,132,810) | 7,920,809 | 4,330,538 | 5,260,953 | (7,113,587) | 10,398,713 |
| NET ASSETS | | | | | | | | | | |
| Without Donor Restrictions | 49,269,219 | 970 | 2,376,819 | (668,543) | - | 50,978,465 | (2,455,992) | 2,317,434 | - | 50,839,907 |
| With Donor Restrictions | - | - | - | - | - | - | 17,000 | - | - | 17,000 |
| Total Net Assets | 49,269,219 | 970 | 2,376,819 | (668,543) | - | 50,978,465 | (2,438,992) | 2,317,434 | - | 50,856,907 |
| Total Liabilities and Net Assets | <u>\$ 76,237,386</u> | <u>\$ 1,142,673</u> | <u>\$ 3,150,987</u> | <u>\$ (507,305)</u> | <u>\$ (5,132,810)</u> | <u>\$ 74,890,931</u> | <u>\$ 2,175,782</u> | <u>\$ 9,274,221</u> | <u>\$ (7,113,587)</u> | <u>\$ 79,227,347</u> |

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES – SCHOOLS
YEAR ENDED JUNE 30, 2021

| | California | | | | | | | |
|--|---------------|--------------|--------------|--------------|--------------|--------------|-----------------|---------------|
| | National | Mateo Sheedy | Si Se Puede | Los Suenos | Mosaic | Discovery | Brilliant Minds | Total Page 1 |
| WITHOUT DONOR RESTRICTION | | | | | | | | |
| REVENUES | | | | | | | | |
| LCFF State Aid & Property Tax Revenue | \$ - | \$ 4,942,077 | \$ 4,100,977 | \$ 4,612,265 | \$ 6,368,159 | \$ 4,732,703 | \$ 6,442,200 | \$ 31,198,381 |
| Apportionment Revenue | - | - | - | - | - | - | - | - |
| Other State Revenue | - | 1,269,071 | 939,403 | 1,129,714 | 1,400,613 | 1,161,768 | 1,410,715 | 7,311,284 |
| Federal Revenue | 159,545 | 910,512 | 777,453 | 835,808 | 1,200,204 | 851,934 | 1,114,943 | 5,850,399 |
| Other Local Revenue | 21,405,369 | 214 | 157 | - | 100 | - | 100 | 21,405,940 |
| Contributions | 4,336,947 | - | - | - | 985 | 5,192 | - | 4,343,124 |
| Amounts Released from Restriction | 900,000 | - | - | - | - | - | - | 900,000 |
| Total Without Donor Restriction Revenues | 26,801,861 | 7,121,874 | 5,817,990 | 6,577,787 | 8,970,061 | 6,751,597 | 8,967,958 | 71,009,128 |
| EXPENSES | | | | | | | | |
| Program Expenses: | | | | | | | | |
| Educational Programs | - | 5,334,602 | 4,704,018 | 5,216,198 | 6,563,098 | 5,396,356 | 6,645,805 | 33,860,077 |
| Program Supports | 7,952,463 | - | - | - | - | - | - | 7,952,463 |
| Supporting Services: | | | | | | | | |
| Administration and General | 15,466,117 | 1,098,875 | 895,040 | 1,026,139 | 1,357,553 | 1,038,014 | 1,397,914 | 22,279,652 |
| Fundraising | 440,860 | - | - | - | - | - | - | 440,860 |
| Total Supporting Services | 15,906,977 | 1,098,875 | 895,040 | 1,026,139 | 1,357,553 | 1,038,014 | 1,397,914 | 22,720,512 |
| Total Expenses | 23,859,440 | 6,433,477 | 5,599,058 | 6,242,337 | 7,920,651 | 6,434,370 | 8,043,719 | 64,533,052 |
| TRANSFERS | (475,000) | - | - | - | - | 200,000 | - | (275,000) |
| INCREASE (DECREASE) IN NET ASSETS | | | | | | | | |
| WITHOUT DONOR RESTRICTION | 2,467,421 | 688,397 | 218,932 | 335,450 | 1,049,410 | 517,227 | 924,239 | 6,201,076 |
| NET ASSETS | | | | | | | | |
| WITH DONOR RESTRICTION | | | | | | | | |
| Amounts Released from Restriction | (900,000) | - | - | - | - | - | - | (900,000) |
| Contributions | - | - | - | - | - | - | - | - |
| INCREASE (DECREASE) IN | | | | | | | | |
| NET ASSETSWITH DONOR RESTRICTION | (900,000) | - | - | - | - | - | - | (900,000) |
| INCREASE (DECREASE) IN NET ASSETS | 1,567,421 | 688,397 | 218,932 | 335,450 | 1,049,410 | 517,227 | 924,239 | 5,301,076 |
| Net Assets, Beginning of Year | 9,291,019 | 3,044,443 | 3,438,008 | 3,017,512 | 3,824,462 | 390,153 | 2,988,963 | 25,994,560 |
| NET ASSETS, END OF YEAR | \$ 10,858,440 | \$ 3,732,840 | \$ 3,656,940 | \$ 3,352,962 | \$ 4,873,872 | \$ 907,380 | \$ 3,913,202 | \$ 31,295,636 |

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES – SCHOOLS (CONTINUED)
YEAR ENDED JUNE 30, 2021

| | | California | | | | | | | | |
|--|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--|
| | From Page 1 | Alma | Spark | Fuerza | Redwood City | Rising Stars | Delta | Futuro | Total Page 2 | |
| WITHOUT DONOR RESTRICTION | | | | | | | | | | |
| REVENUES | | | | | | | | | | |
| LCFF State Aid & Property Tax Revenue | \$ 31,198,381 | \$ 4,714,427 | \$ 6,148,565 | \$ 6,562,283 | \$ 2,776,649 | \$ 6,474,727 | \$ 5,375,113 | \$ 5,695,939 | \$ 68,946,084 | |
| Apportionment Revenue | - | - | - | - | - | - | - | - | - | |
| Other State Revenue | 7,311,284 | 1,107,308 | 1,264,702 | 1,451,283 | 577,815 | 1,286,943 | 938,755 | 723,477 | 14,661,567 | |
| Federal Revenue | 5,850,399 | 1,033,933 | 1,028,532 | 1,389,689 | 542,641 | 945,109 | 807,378 | 1,013,989 | 12,611,670 | |
| Other Local Revenue | 21,405,940 | 307 | 75 | 90 | 423 | 4,506 | 847 | 176 | 21,412,364 | |
| Contributions | 4,343,124 | 44,235 | - | 1,000 | 5,000 | 42,930 | 100,000 | 42,930 | 4,579,219 | |
| Amounts Released from Restriction | 900,000 | - | - | - | - | - | - | - | 900,000 | |
| Total Without Donor Restriction Revenues | 71,009,128 | 6,900,210 | 8,441,874 | 9,404,345 | 3,902,528 | 8,754,215 | 7,222,093 | 7,476,511 | 123,110,904 | |
| EXPENSES | | | | | | | | | | |
| Program Expenses: | | | | | | | | | | |
| Educational Programs | 33,860,077 | 5,574,701 | 6,173,717 | 6,438,965 | 3,394,796 | 5,888,488 | 6,053,084 | 5,931,265 | 73,315,093 | |
| Program Supports | 7,952,463 | - | - | - | - | - | - | - | 7,952,463 | |
| Supporting Services: | | | | | | | | | | |
| Administration and General | 22,279,652 | 1,048,223 | 1,323,698 | 1,423,586 | 599,847 | 1,355,489 | 1,148,193 | 1,166,446 | 30,345,134 | |
| Fundraising | 440,860 | - | - | - | - | - | - | - | 440,860 | |
| Total Supporting Services | 22,720,512 | 1,048,223 | 1,323,698 | 1,423,586 | 599,847 | 1,355,489 | 1,148,193 | 1,166,446 | 30,785,994 | |
| Total Expenses | 64,533,052 | 6,622,924 | 7,497,415 | 7,862,551 | 3,994,643 | 7,243,977 | 7,201,277 | 7,097,711 | 112,053,550 | |
| TRANSFERS | (275,000) | - | - | - | 175,000 | - | - | - | (100,000) | |
| INCREASE (DECREASE) IN NET ASSETS | | | | | | | | | | |
| WITHOUT DONOR RESTRICTION | 6,201,076 | 277,286 | 944,459 | 1,541,794 | 82,885 | 1,510,238 | 20,816 | 378,800 | 10,957,354 | |
| NET ASSETS | | | | | | | | | | |
| WITH DONOR RESTRICTION | | | | | | | | | | |
| Amounts Released from Restriction | (900,000) | - | - | - | - | - | - | - | (900,000) | |
| Contributions | - | - | - | - | - | - | - | - | - | |
| INCREASE (DECREASE) IN | | | | | | | | | | |
| NET ASSETSWITH DONOR RESTRICTION | (900,000) | - | - | - | - | - | - | - | (900,000) | |
| INCREASE (DECREASE) IN NET ASSETS | 5,301,076 | 277,286 | 944,459 | 1,541,794 | 82,885 | 1,510,238 | 20,816 | 378,800 | 10,057,354 | |
| Net Assets, Beginning of Year | 25,994,560 | 2,318,167 | 4,274,216 | 1,769,945 | 188,189 | 3,515,572 | 510,760 | 640,456 | 39,211,865 | |
| NET ASSETS, END OF YEAR | \$ 31,295,636 | \$ 2,595,453 | \$ 5,218,675 | \$ 3,311,739 | \$ 271,074 | \$ 5,025,810 | \$ 531,576 | \$ 1,019,256 | \$ 49,269,219 | |

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES – SCHOOLS (CONTINUED)
YEAR ENDED JUNE 30, 2021

| | | Tennessee | | | | | | | | |
|--|----------------------|---------------|---------------------|-----------------------|--------------|----------------------|-----------------------|---------------------|--------------|----------------------|
| | From Page 2 | Nashville NE | United | Partners Community | Eliminations | RSED Total | Wisconsin | DC | Eliminations | Total |
| WITHOUT DONOR RESTRICTION | | | | | | | | | | |
| REVENUES | | | | | | | | | | |
| LCFF State Aid & Property Tax Revenue | \$ 68,946,084 | \$ - | \$ - | \$ - | \$ - | \$ 68,946,084 | \$ - | \$ - | \$ - | \$ 68,946,084 |
| Apportionment Revenue | - | 6,042,177 | 7,145,631 | - | - | 13,187,808 | 6,168,045 | 22,387,847 | - | 41,743,700 |
| Other State Revenue | 14,661,567 | 75,148 | 52,056 | - | - | 14,788,771 | 192,533 | 8,399,305 | - | 23,380,609 |
| Federal Revenue | 12,611,670 | 755,694 | 537,217 | - | - | 13,904,581 | 1,462,844 | 4,119,769 | - | 19,487,194 |
| Other Local Revenue | 21,412,364 | 8 | - | - | (16,138,269) | 5,274,103 | 3,460 | 2,916,147 | (5,108,153) | 3,085,557 |
| Contributions | 4,579,219 | 514 | 655 | - | - | 4,580,388 | 358,002 | 860,053 | - | 5,798,443 |
| Amounts Released from Restriction | 900,000 | - | - | - | - | 900,000 | - | - | - | 900,000 |
| Total Without Donor Restriction Revenues | 123,110,904 | 6,873,541 | 7,735,559 | - | (16,138,269) | 121,581,735 | 8,184,884 | 38,683,121 | (5,108,153) | 163,341,587 |
| EXPENSES | | | | | | | | | | |
| Program Expenses: | | | | | | | | | | |
| Educational Programs | 73,315,093 | 5,070,350 | 5,095,689 | - | - | 83,481,132 | 6,731,332 | 30,673,451 | - | 120,885,915 |
| Program Supports | 7,952,463 | - | - | - | - | 7,952,463 | - | - | - | 7,952,463 |
| Supporting Services: | | | | | | | | | | |
| Administration and General | 30,345,134 | 1,058,827 | 1,194,274 | - | (16,138,269) | 16,459,966 | 1,227,377 | 4,466,701 | (5,108,153) | 17,045,891 |
| Fundraising | 440,860 | - | - | - | - | 440,860 | - | - | - | 440,860 |
| Total Supporting Services | 30,785,994 | 1,058,827 | 1,194,274 | - | (16,138,269) | 16,900,826 | 1,227,377 | 4,466,701 | (5,108,153) | 17,486,751 |
| Total Expenses | 112,053,550 | 6,129,177 | 6,289,963 | - | (16,138,269) | 108,334,421 | 7,958,709 | 35,140,152 | (5,108,153) | 146,325,129 |
| TRANSFERS | (100,000) | - | - | - | - | (100,000) | 100,000 | - | - | - |
| INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTION | 10,957,354 | 744,364 | 1,445,596 | - | - | 13,147,314 | 326,175 | 3,542,969 | - | 17,016,458 |
| NET ASSETS WITH DONOR RESTRICTION | | | | | | | | | | |
| Amounts Released from Restriction | (900,000) | - | - | - | - | (900,000) | - | - | - | (900,000) |
| Contributions | - | - | - | - | - | - | 17,000 | - | - | 17,000 |
| INCREASE (DECREASE) IN NET ASSETSWITH DONOR RESTRICTION | (900,000) | - | - | - | - | (900,000) | 17,000 | - | - | (883,000) |
| INCREASE (DECREASE) IN NET ASSETS | 10,057,354 | 744,364 | 1,445,596 | - | - | 12,247,314 | 343,175 | 3,542,969 | - | 16,133,458 |
| Net Assets, Beginning of Year | 39,211,865 | (743,394) | 931,223 | (668,543) | - | 38,731,151 | (2,782,167) | (1,225,535) | - | 34,723,449 |
| NET ASSETS, END OF YEAR | <u>\$ 49,269,219</u> | <u>\$ 970</u> | <u>\$ 2,376,819</u> | <u>\$ (668,543)</u> | <u>\$ -</u> | <u>\$ 50,978,465</u> | <u>\$ (2,438,992)</u> | <u>\$ 2,317,434</u> | <u>\$ -</u> | <u>\$ 50,856,907</u> |

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS – SCHOOLS
YEAR ENDED JUNE 30, 2021

| | California | | | | | | | Total Page 1 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|----------------------|
| | National | Mateo Sheedy | Si Se Puede | Los Suenos | Mosaic | Discovery | Brilliant Minds | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Change in Net Assets | \$ 1,567,421 | \$ 688,397 | \$ 218,932 | \$ 335,450 | \$ 1,049,410 | \$ 517,227 | \$ 924,239 | \$ 5,301,076 |
| Adjustments to Reconcile Change in Net Assets to | | | | | | | | |
| Net Cash Provided (Used) by Operating Activities: | | | | | | | | |
| Depreciation | 111,198 | 37,927 | 27,477 | 26,745 | 28,422 | 30,475 | 3,400 | 265,644 |
| Forgiveness of Debt | - | - | - | - | - | - | - | - |
| (Increase) Decrease in Operating Assets: | | | | | | | | |
| Accounts Receivable | 132,416 | (414,279) | (226,870) | 27,122 | (638,742) | 615,226 | (9,973) | (515,100) |
| Grants Receivable | 900,000 | - | - | - | - | - | - | 900,000 |
| Prepaid Expenses and Deposits | (1,624,975) | (236,116) | (18,877) | 33,811 | (18,140) | 37,017 | (28,283) | (1,855,563) |
| Increase (Decrease) in Operating Liabilities: | | | | | | | | |
| Accounts Payable and Accrued Liabilities | 1,974,738 | 189,834 | 373,743 | 147,374 | 223,082 | 303,447 | 197,036 | 3,409,254 |
| Deferred Revenue | (606,639) | 207,361 | 24,244 | 222,723 | 65,594 | (50,709) | 238,706 | 101,280 |
| Deferred Rent Liability | - | - | (76,167) | - | (253) | - | (108,848) | (185,268) |
| Net Cash Provided (Used) by Operating Activities | 2,454,159 | 473,124 | 322,482 | 793,225 | 709,373 | 1,452,683 | 1,216,277 | 7,421,323 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Purchase of Property, Plant, and Equipment | - | - | - | - | - | - | - | - |
| Net Cash Used by Investing Activities | - | - | - | - | - | - | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Intracompany Loans | 667,074 | 124,978 | (728) | (3,000) | 317 | (1,002,292) | (24) | (213,675) |
| Proceeds from Debt | - | - | - | - | - | - | - | - |
| Repayment of Debt | (652,154) | - | - | - | - | - | - | (652,154) |
| Net Cash Provided (Used) by Financing Activities | 14,920 | 124,978 | (728) | (3,000) | 317 | (1,002,292) | (24) | (865,829) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 2,469,079 | 598,102 | 321,754 | 790,225 | 709,690 | 450,391 | 1,216,253 | 6,555,494 |
| Cash and Cash Equivalents, Beginning of Year | 2,470,137 | 476,418 | 2,221,562 | 684,062 | 3,221,412 | 491,373 | 2,503,891 | 12,068,855 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 4,939,216</u> | <u>\$ 1,074,520</u> | <u>\$ 2,543,316</u> | <u>\$ 1,474,287</u> | <u>\$ 3,931,102</u> | <u>\$ 941,764</u> | <u>\$ 3,720,144</u> | <u>\$ 18,624,349</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | | | | | | | |
| Forgiveness of Debt | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash Paid for Interest | \$ 277,360 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 277,360 |

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS – SCHOOLS (CONTINUED)
YEAR ENDED JUNE 30, 2021

| | | California | | | | | | | |
|---|----------------------|---------------------|---------------------|---------------------|-------------------|---------------------|-------------------|-------------------|----------------------|
| | From Page 1 | Alma | Spark | Fuerza | Redwood City | Rising Stars | Delta | Futuro | Total Page 2 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | | |
| Change in Net Assets | \$ 5,301,076 | \$ 277,286 | \$ 944,459 | \$ 1,541,794 | \$ 82,885 | \$ 1,510,238 | \$ 20,816 | \$ 378,800 | \$ 10,057,354 |
| Adjustments to Reconcile Change in Net Assets to | | | | | | | | | |
| Net Cash Provided (Used) by Operating Activities: | | | | | | | | | |
| Depreciation | 265,644 | 15,390 | 6,298 | 1,515 | 653 | 2,980 | 19,500 | 4,552 | 316,532 |
| Forgiveness of Debt | - | - | - | - | - | - | - | - | - |
| (Increase) Decrease in Operating Assets: | | | | | | | | | |
| Accounts Receivable | (515,100) | 873,889 | (1,210,385) | (1,108,126) | (362,407) | (1,214,831) | (1,826,845) | (1,769,593) | (7,133,398) |
| Grants Receivable | 900,000 | - | - | - | - | - | - | - | 900,000 |
| Prepaid Expenses and Deposits | (1,855,563) | (22,462) | (244,507) | (23,565) | 15,628 | (258,687) | (54,004) | (43,861) | (2,487,021) |
| Increase (Decrease) in Operating Liabilities: | | | | | | | | | |
| Accounts Payable and Accrued Liabilities | 3,409,254 | 124,345 | 233,501 | (105,696) | 94,281 | 212,365 | 144,361 | (37,129) | 4,075,282 |
| Deferred Revenue | 101,280 | (5,246) | 177,501 | 289,514 | 105,250 | 284,741 | 188,135 | 207,505 | 1,348,680 |
| Deferred Rent Liability | (185,268) | (3,007) | - | (74,156) | - | - | 195,691 | - | (66,740) |
| Net Cash Provided (Used) by Operating Activities | 7,421,323 | 1,260,195 | (93,133) | 521,280 | (63,710) | 536,806 | (1,312,346) | (1,259,726) | 7,010,689 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | |
| Purchase of Property, Plant, and Equipment | - | - | - | - | - | - | - | - | - |
| Net Cash Used by Investing Activities | - | - | - | - | - | - | - | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | |
| Intracompany Loans | (213,675) | (1,193,796) | (6) | 3,668 | 149,035 | - | 1,277,292 | 33,004 | 55,522 |
| Proceeds from Debt | - | - | - | - | - | - | - | 1,645,000 | 1,645,000 |
| Repayment of Debt | (652,154) | - | - | (100,000) | - | (62,500) | (62,502) | (62,500) | (939,656) |
| Net Cash Provided (Used) by Financing Activities | (865,829) | (1,193,796) | (6) | (96,332) | 149,035 | (62,500) | 1,214,790 | 1,615,504 | 760,866 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | | | | | | | | |
| | 6,555,494 | 66,399 | (93,139) | 424,948 | 85,325 | 474,306 | (97,556) | 355,778 | 7,771,555 |
| Cash and Cash Equivalents - Beginning of Year | 12,068,855 | 978,970 | 2,897,944 | 2,332,933 | 482,207 | 2,414,623 | 543,040 | 489,645 | 22,208,217 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | | | | | | | | | |
| | <u>\$ 18,624,349</u> | <u>\$ 1,045,369</u> | <u>\$ 2,804,805</u> | <u>\$ 2,757,881</u> | <u>\$ 567,532</u> | <u>\$ 2,888,929</u> | <u>\$ 445,484</u> | <u>\$ 845,423</u> | <u>\$ 29,979,772</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | | | | | | | | |
| Cash Paid for Interest | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Cash Paid for Interest | <u>\$ 277,360</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,844</u> | <u>\$ -</u> | <u>\$ 303</u> | <u>\$ 947</u> | <u>\$ 293</u> | <u>\$ 285,747</u> |

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS – SCHOOLS (CONTINUED)
YEAR ENDED JUNE 30, 2021

| | | Tennessee | | | | | | |
|---|----------------------|-------------------|---------------------|-----------------------|----------------------|---------------------|---------------------|----------------------|
| | From Page 2 | Nashville NE | United | Partners Community | RSED Total | Wisconsin | DC | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Change in Net Assets | \$ 10,057,354 | \$ 744,364 | \$ 1,445,596 | \$ - | \$ 12,247,314 | \$ 343,175 | \$ 3,542,969 | \$ 16,133,458 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | | | | | | | |
| Depreciation | 316,532 | 3,779 | 2,299 | - | 322,610 | 7,012 | 6,325 | 335,947 |
| Forgiveness of Debt | - | - | - | - | - | (537,473) | (1,150,162) | (1,687,635) |
| (Increase) Decrease in Operating Assets: | | | | | | | | |
| Accounts Receivable | (7,133,398) | (224,746) | 41,505 | - | (7,316,639) | (237,531) | (713,990) | (8,268,160) |
| Grants Receivable | 900,000 | - | - | - | 900,000 | (17,000) | - | 883,000 |
| Prepaid Expenses and Deposits | (2,487,021) | 8,117 | 24,474 | - | (2,454,430) | 8,576 | 67,266 | (2,378,588) |
| Increase (Decrease) in Operating Liabilities: | | | | | | | | |
| Accounts Payable and Accrued Liabilities | 4,075,282 | (1,203) | 30,355 | - | 4,104,434 | 139,326 | 387,916 | 4,631,676 |
| Deferred Revenue | 1,348,680 | - | - | - | 1,348,680 | - | - | 1,348,680 |
| Deferred Rent Liability | (66,740) | (14,821) | 2,230 | - | (79,331) | 58,297 | (362,066) | (383,100) |
| Net Cash Provided (Used) by Operating Activities | 7,010,689 | 515,490 | 1,546,459 | - | 9,072,638 | (235,618) | 1,778,258 | 10,615,278 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Purchase of Property, Plant, and Equipment | - | - | - | - | - | - | (24,453) | (24,453) |
| Net Cash Used by Investing Activities | - | - | - | - | - | - | (24,453) | (24,453) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Intracompany Loans | 55,522 | 68,991 | (6,103) | - | 118,410 | 106,528 | (29,411) | 195,527 |
| Proceeds from Debt | 1,645,000 | - | - | - | 1,645,000 | - | - | 1,645,000 |
| Repayment of Debt | (939,656) | (100,000) | - | - | (1,039,656) | - | - | (1,039,656) |
| Net Cash Provided (Used) by Financing Activities | 760,866 | (31,009) | (6,103) | - | 723,754 | 106,528 | (29,411) | 800,871 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 7,771,555 | 484,481 | 1,540,356 | - | 9,796,392 | (129,090) | 1,724,394 | 11,391,696 |
| Cash and Cash Equivalents, Beginning of Year | 22,208,217 | 44,927 | 1,085,238 | (507,305) | 22,831,077 | 1,842,842 | 6,132,046 | 30,805,965 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 29,979,772</u> | <u>\$ 529,408</u> | <u>\$ 2,625,594</u> | <u>\$ (507,305)</u> | <u>\$ 32,627,469</u> | <u>\$ 1,713,752</u> | <u>\$ 7,856,440</u> | <u>\$ 42,197,661</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | | | | | | | |
| Cash Paid for Interest | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 537,473 | \$ 1,150,162 | \$ 1,687,635 |
| Cash Paid for Interest | \$ 285,747 | \$ - | \$ - | \$ - | \$ 285,747 | \$ 64,651 | \$ - | \$ 350,398 |

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF INSTRUCTIONAL MINUTES – CALIFORNIA (CONTINUED)
YEAR ENDED JUNE 30, 2021

| | Traditional Calendar Days | Status |
|----------|------------------------------|---------------|
| K/TK | | |
| RMS | 175 | In compliance |
| RSSP | 175 | In compliance |
| RLS | 175 | In compliance |
| ROMO | 175 | In compliance |
| RDP | 175 | In compliance |
| RBM | 175 | In compliance |
| RSA | 175 | In compliance |
| RSK | 175 | In compliance |
| RFZ | 175 | In compliance |
| RRWC | 175 | In compliance |
| RFA | 175 | In compliance |
| RRS | 175 | In compliance |
| RDL | 175 | In compliance |
| Grade 1: | | |
| RMS | 175 | In compliance |
| RSSP | 175 | In compliance |
| RLS | 175 | In compliance |
| ROMO | 175 | In compliance |
| RDP | 175 | In compliance |
| RBM | 175 | In compliance |
| RSA | 175 | In compliance |
| RSK | 175 | In compliance |
| RFZ | 175 | In compliance |
| RRWC | 175 | In compliance |
| RFA | 175 | In compliance |
| RRS | 175 | In compliance |
| RDL | 175 | In compliance |
| Grade 2: | | |
| RMS | 175 | In compliance |
| RSSP | 175 | In compliance |
| RLS | 175 | In compliance |
| ROMO | 175 | In compliance |
| RDP | 175 | In compliance |
| RBM | 175 | In compliance |
| RSA | 175 | In compliance |
| RSK | 175 | In compliance |
| RFZ | 175 | In compliance |
| RRWC | 175 | In compliance |
| RFA | 175 | In compliance |
| RRS | 175 | In compliance |
| RDL | 175 | In compliance |

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF INSTRUCTIONAL MINUTES – CALIFORNIA (CONTINUED)
YEAR ENDED JUNE 30, 2021

| | Traditional Calendar Days | Status |
|----------|------------------------------|---------------|
| Grade 3: | | |
| RMS | 175 | In compliance |
| RSSP | 175 | In compliance |
| RLS | 175 | In compliance |
| ROMO | 175 | In compliance |
| RDP | 175 | In compliance |
| RBM | 175 | In compliance |
| RSA | 175 | In compliance |
| RSK | 175 | In compliance |
| RFZ | 175 | In compliance |
| RRWC | 175 | In compliance |
| RFA | 175 | In compliance |
| RRS | 175 | In compliance |
| RDL | 175 | In compliance |
| Grade 4: | | |
| RMS | 175 | In compliance |
| RSSP | 175 | In compliance |
| RLS | 175 | In compliance |
| ROMO | 175 | In compliance |
| RDP | 175 | In compliance |
| RBM | 175 | In compliance |
| RSA | 175 | In compliance |
| RSK | 175 | In compliance |
| RFZ | 175 | In compliance |
| RRWC | 175 | In compliance |
| RFA | 175 | In compliance |
| RRS | 175 | In compliance |
| RDL | 175 | In compliance |
| Grade 5: | | |
| RMS | 175 | In compliance |
| RSSP | 175 | In compliance |
| RLS | 175 | In compliance |
| ROMO | 175 | In compliance |
| RDP | 175 | In compliance |
| RBM | 175 | In compliance |
| RSA | 175 | In compliance |
| RSK | 175 | In compliance |
| RFZ | 175 | In compliance |
| RRWC | 175 | In compliance |
| RFA | 175 | In compliance |

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

| | Mateo Sheedy | Si Se Puede | Los Suenos | Mosaic | Discovery | Brilliant Minds | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| June 30, 2021 Annual Financial Report Fund Balances (Net Assets) | \$ 3,732,840 | \$ 3,655,971 | \$ 3,351,852 | \$ 4,872,403 | \$ 907,380 | \$ 3,911,660 | |
| Increase (Decrease) of Fund Balance (Net Assets): | | | | | | | |
| Accounts payable | (79,639) | (243,973) | (76,063) | (282,061) | - | (155,334) | |
| Deferred revenue | 79,639 | 244,942 | 77,173 | 283,530 | - | 156,876 | |
| Net Adjustments and Reclassifications | - | 969 | 1,110 | 1,469 | - | 1,542 | |
| June 30, 2021 Audited Financial Statement Fund Balances (Net Assets) | <u>\$ 3,732,840</u> | <u>\$ 3,656,940</u> | <u>\$ 3,352,962</u> | <u>\$ 4,873,872</u> | <u>\$ 907,380</u> | <u>\$ 3,913,202</u> | |
| | Alma | Spark | Fuerza | Redwood City | Rising Stars | Delta | Futuro |
| June 30, 2021 Annual Financial Report Fund Balances (Net Assets) | \$ 2,595,453 | \$ 5,218,675 | \$ 3,311,739 | \$ 855,400 | \$ 5,025,810 | \$ 531,576 | \$ 3,007,412 |
| Increase (Decrease) of Fund Balance (Net Assets): | | | | | | | |
| Accounts receivable | - | - | - | (109,052) | - | - | - |
| Property, plant & equipment, net | - | - | - | - | - | - | 6,927 |
| Accounts payable | (244,272) | (169,434) | (107,546) | (45,932) | (106,061) | (87,699) | (93,484) |
| Deferred revenue | 244,272 | 169,434 | 107,546 | 162,441 | 106,061 | 87,699 | 93,483 |
| Current portion of loans payable | - | - | - | (100,000) | - | - | (1,745,000) |
| Accrued interest | - | - | - | (6,056) | - | - | (43,809) |
| Intracompany payable | - | - | - | (485,727) | - | - | (206,273) |
| Net Adjustments and Reclassifications | - | - | - | (584,326) | - | - | (1,988,156) |
| June 30, 2021 Audited Financial Statement Fund Balances (Net Assets) | <u>\$ 2,595,453</u> | <u>\$ 5,218,675</u> | <u>\$ 3,311,739</u> | <u>\$ 271,074</u> | <u>\$ 5,025,810</u> | <u>\$ 531,576</u> | <u>\$ 1,019,256</u> |

*RRWC Redwood City (RRWC) and Futuro (RFA) reported their unaudited actuals on the modified accrual basis of accounting and some of the variances shown are a result of the audited consolidated financial statements presented on the accrual basis of accounting.

N/A – Not Available

(43)

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

| Federal Grantor/Pass-Through Grantor Program or Cluster Title | Assistance Listing Number | PTID | Total Previous Page | RSK | RFZ | RRWC | RRS | RFA | Tennessee | Federal Expenditures |
|--|---------------------------------|-------|------------------------|------------|------------|-----------|------------|------------|-----------|-------------------------|
| U.S. Department of Education | | | | | | | | | | |
| Pass Through Program From: | | | | | | | | | | |
| California Department of Education | | | | | | | | | | |
| Title I, Part A, Basic Grants | | | | | | | | | | |
| Low-Income and Neglected | 84.010 | 14329 | \$ 1,498,743 | \$ 170,244 | \$ 209,338 | \$ 98,337 | \$ 182,775 | \$ 159,264 | \$ - | \$ 2,318,701 |
| Metro Nashville Public Schools | | | | | | | | | | |
| Title I, Part A, Basic Grants | | | | | | | | | | |
| Low-Income and Neglected | 84.010 | N/A | - | - | - | - | - | - | 675,214 | 675,214 |
| Title I, Part A, Basic Grants | | | | | | | | | | |
| Low-Income and Neglected Totals | | | 1,498,743 | 170,244 | 209,338 | 98,337 | 182,775 | 159,264 | 675,214 | 2,993,915 |
| Pass Through Program From: | | | | | | | | | | |
| California Department of Education | | | | | | | | | | |
| Title II | 84.367 | 14341 | 109,923 | 13,254 | 7,654 | 12,303 | 21,160 | 21,780 | - | 186,074 |
| Metro Nashville Public Schools | | | | | | | | | | |
| Title II | 84.367 | N/A | - | - | - | - | - | - | 6,953 | 6,953 |
| Title II Totals | | | 109,923 | 13,254 | 7,654 | 12,303 | 21,160 | 21,780 | 6,953 | 193,027 |
| Pass Through Program From: | | | | | | | | | | |
| California Department of Education | | | | | | | | | | |
| Title III - Immigrant Education Program | 84.365 | 15146 | - | - | - | 874 | - | - | - | 874 |
| Title III - Limited English Proficiency | 84.365 | 14356 | 124,381 | 17,685 | 17,796 | 10,526 | 7,663 | 27,149 | - | 205,200 |
| Title III Totals | | | 124,381 | 17,685 | 17,796 | 11,400 | 7,663 | 27,149 | - | 206,074 |
| Pass Through Program From: | | | | | | | | | | |
| California Department of Education | | | | | | | | | | |
| Title IV | 84.027A | N/A | - | 3,232 | - | - | - | - | - | 3,232 |
| Title IV Totals | | | - | 3,232 | - | - | - | - | - | 3,232 |
| Pass Through Program From: | | | | | | | | | | |
| California Department of Education | | | | | | | | | | |
| Charter School Grant | 84.282M | N/A | 159,545 | - | - | - | - | - | - | 159,545 |
| Charter School Program Cluster | | | 159,545 | - | - | - | - | - | - | 159,545 |
| Pass Through Program From: | | | | | | | | | | |
| California Department of Education | | | | | | | | | | |
| Special Education IDEA | 84.027 | 13379 | 541,215 | 81,738 | 82,399 | 37,827 | 83,325 | 70,496 | - | 897,000 |
| Metro Nashville Public Schools | | | | | | | | | | |
| Special Education IDEA | 84.027 | N/A | - | - | - | - | - | - | 198,465 | 198,465 |
| Special IDEA Education Cluster | | | 541,215 | 81,738 | 82,399 | 37,827 | 83,325 | 70,496 | 198,465 | 1,095,465 |

N/A – Not Available

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

| Federal Grantor/Pass-Through Grantor Program or Cluster Title | Assistance Listing Number | PTID | RSN | RMS | RSSP | RLS | ROMO | RDP | RBM | Delta | RSA | Total Page |
|---|---------------------------------|-------|------------|------------|------------|------------|--------------|------------|--------------|------------|--------------|--------------|
| Pass Through Program From: Metro Nashville Public Schools NSH CSP National Dissemination Grants | 84.282T | N/A | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pass Through Program From: California Department of Education ESSER II | 84.425D | 15547 | - | 30,064 | - | - | 50,528 | 59,279 | - | 45,307 | 65,027 | 250,205 |
| Pass Through Program From: California Department of Education ESSER | 84.425D | 15536 | - | 186,931 | 54,573 | 67,899 | 167,571 | 148,814 | 84,313 | 99,675 | 166,145 | 975,921 |
| Metro Nashville Public Schools ESSER | 84.425D | N/A | - | - | - | - | - | - | - | - | - | - |
| ESSER Totals | | | - | 216,995 | 54,573 | 67,899 | 218,099 | 208,093 | 84,313 | 144,982 | 231,172 | 1,226,126 |
| Pass Through Program From: California Department of Education Governor's Emergency Education Relief (GEER) Fund | 84.425C | 15517 | | 22,081 | 18,400 | 22,541 | 24,841 | 20,701 | 27,141 | 30,361 | 20,701 | 186,767 |
| Metro Nashville Public Schools Governor's Emergency Education Relief (GEER) Fund | 84.425C | N/A | - | - | - | - | - | - | - | - | - | - |
| GEER Totals | | | - | 22,081 | 18,400 | 22,541 | 24,841 | 20,701 | 27,141 | 30,361 | 20,701 | 186,767 |
| Total U.S Department of Education | | | 159,545 | 544,918 | 335,448 | 364,726 | 541,272 | 497,420 | 453,961 | 395,670 | 553,740 | 3,846,700 |
| U.S. Department of Agriculture: | | | | | | | | | | | | |
| Pass Through Program From California Department of Education National School Lunch Program | 10.555 | N/A | - | 26,376 | 32,693 | 13,364 | 69,639 | 34,294 | 38,242 | 13,056 | 71,359 | 299,023 |
| Metro Nashville Public Schools National School Lunch Program | 10.555 | N/A | - | - | - | - | - | - | - | - | - | - |
| National School Lunch Program Totals | | | - | 26,376 | 32,693 | 13,364 | 69,639 | 34,294 | 38,242 | 13,056 | 71,359 | 299,023 |
| Pass Through Program From: California Department of Education School Breakfast Program | 10.553 | N/A | - | 16,027 | 18,500 | 6,039 | 42,220 | 17,010 | 23,555 | 8,203 | 45,584 | 177,138 |
| NSLP Commodities | 10.553 | N/A | - | 2,245 | 2,782 | 1,137 | 5,926 | 2,918 | 3,255 | 1,111 | 6,073 | 25,447 |
| COVID CARES Act Supplemental Meal Reimbursement | 10.555 | N/A | - | 685 | 321 | 414 | 1,002 | 416 | 835 | 320 | 50,506 | 54,499 |
| Metro Nashville Public Schools School Breakfast Program | 10.553 | N/A | - | - | - | - | - | - | - | - | - | - |
| School Breakfast Program and Commodities Totals | | | - | 18,957 | 21,603 | 7,590 | 49,148 | 20,344 | 27,645 | 9,634 | 102,163 | 257,084 |
| Child Nutrition Cluster | | | - | 45,333 | 54,296 | 20,954 | 118,787 | 54,638 | 65,887 | 22,690 | 173,522 | 556,107 |
| Total U.S. Department of Agriculture | | | - | 45,333 | 54,296 | 20,954 | 118,787 | 54,638 | 65,887 | 22,690 | 173,522 | 556,107 |
| U.S. Department of Treasury: | | | | | | | | | | | | |
| Pass Through Program From California Department of Education: Coronavirus Relief Fund (CRF) | 21.019 | 25516 | - | 320,261 | 387,709 | 450,128 | 540,145 | 299,876 | 595,095 | 389,018 | 306,671 | 3,288,903 |
| Total U.S. Department of Treasury: | | | - | 320,261 | 387,709 | 450,128 | 540,145 | 299,876 | 595,095 | 389,018 | 306,671 | 3,288,903 |
| Total Federal Expenditures | | | \$ 159,545 | \$ 910,512 | \$ 777,453 | \$ 835,808 | \$ 1,200,204 | \$ 851,934 | \$ 1,114,943 | \$ 807,378 | \$ 1,033,933 | \$ 7,691,710 |

N/A – Not Available

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

| Federal Grantor/Pass-Through Grantor Program or Cluster Title | Assistance Listing Number | PTID | Total Previous Page | RSK | RFZ | RRWC | RRS | RFA | Tennessee | Federal Expenditures |
|---|---------------------------------|-------|------------------------|--------------|--------------|------------|------------|--------------|--------------|-------------------------|
| Pass Through Program From: Metro Nashville Public Schools NSH CSP National Dissemination Grants | 84.282T | N/A | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 54,128 | \$ 54,128 |
| Pass Through Program From: California Department of Education ESSER II | 84.425D | 15547 | 250,205 | 16,421 | - | 33,361 | - | 43,892 | - | 343,879 |
| Pass Through Program From: California Department of Education ESSER | 84.425D | 15536 | 975,921 | 143,679 | 139,219 | 78,507 | 13,828 | 104,637 | - | 1,455,791 |
| Metro Nashville Public Schools ESSER | 84.425D | N/A | - | - | - | - | - | - | 149,067 | 149,067 |
| ESSER Totals | | | 1,226,126 | 160,100 | 139,219 | 111,868 | 13,828 | 148,529 | 149,067 | 1,948,737 |
| Pass Through Program From: California Department of Education Governor's Emergency Education Relief (GEER) Fund | 84.425C | 15517 | 186,767 | 20,701 | 22,081 | 15,640 | 22,081 | 22,081 | - | 289,351 |
| Metro Nashville Public Schools Governor's Emergency Education Relief (GEER) Fund | 84.425C | N/A | - | - | - | - | - | - | 47,096 | 47,096 |
| GEER Totals | | | 186,767 | 20,701 | 22,081 | 15,640 | 22,081 | 22,081 | 47,096 | 336,447 |
| Total U.S Department of Education | | | 3,846,700 | 466,954 | 478,487 | 287,375 | 330,832 | 449,299 | 1,130,923 | 6,990,570 |
| U.S. Department of Agriculture: | | | | | | | | | | |
| Pass Through Program From California Department of Education National School Lunch Program | 10.555 | N/A | 299,023 | 52,096 | 129,378 | 32,701 | 34,380 | 109,596 | - | 657,174 |
| Metro Nashville Public Schools National School Lunch Program | 10.555 | N/A | - | - | - | - | - | - | 100,144 | 100,144 |
| National School Lunch Program Totals | | | 299,023 | 52,096 | 129,378 | 32,701 | 34,380 | 109,596 | 100,144 | 757,318 |
| Pass Through Program From: California Department of Education School Breakfast Program | 10.553 | N/A | 177,138 | 31,676 | 81,215 | 20,878 | 19,001 | 68,503 | - | 398,411 |
| NSLP Commodities | 10.553 | N/A | 25,447 | 4,434 | 11,010 | 2,783 | 2,926 | 9,327 | - | 55,927 |
| COVID CARES Act Supplemental Meal Reimbursement | 10.555 | N/A | 54,499 | 802 | 102,480 | 438 | 579 | 53,161 | - | 211,959 |
| Metro Nashville Public Schools School Breakfast Program | 10.553 | N/A | - | - | - | - | - | - | 61,844 | 61,844 |
| School Breakfast Program and Commodities Totals | | | 257,084 | 36,912 | 194,705 | 24,099 | 22,506 | 130,991 | 61,844 | 728,141 |
| Child Nutrition Cluster | | | 556,107 | 89,008 | 324,083 | 56,800 | 56,886 | 240,587 | 161,988 | 1,485,459 |
| Total U.S. Department of Agriculture | | | 556,107 | 89,008 | 324,083 | 56,800 | 56,886 | 240,587 | 161,988 | 1,485,459 |
| U.S. Department of Health and Human Services: | | | | | | | | | | |
| Pass Through Program From California Department of Education: Coronavirus Relief Fund (CRF) | 21.019 | 25516 | 3,288,903 | 472,570 | 587,119 | 198,466 | 557,391 | 324,103 | - | 5,428,552 |
| Human Services | | | 3,288,903 | 472,570 | 587,119 | 198,466 | 557,391 | 324,103 | - | 5,428,552 |
| Total Federal Expenditures | | | \$ 7,691,710 | \$ 1,028,532 | \$ 1,389,689 | \$ 542,641 | \$ 945,109 | \$ 1,013,989 | \$ 1,292,911 | \$ 13,904,581 |

N/A – Not Available

See accompanying Auditors' Report and the Notes to Supplementary Information.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2021

PURPOSE OF SCHEDULES

NOTE 1 CONSOLIDATING STATEMENTS

These statements provide detailed financial information of each charter school.

NOTE 2 SCHEDULE OF INSTRUCTIONAL MINUTES - CALIFORNIA

This schedule presents information on the amount of instructional time offered by Rocketship Schools and whether the schools complied with the provisions of California Education Code.

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

This schedule provides the information necessary to reconcile the fund balances (net assets) of each California charter school as reported on the Annual Financial Report form to the audited financial statements.

NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of RSEA under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the 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 operations of RSEA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of RSEA.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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.

NOTE 5 INDIRECT COST RATE

RSEA did not use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.



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**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
Rocketship Education, Inc. and its Affiliates
Redwood City, California

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 consolidated financial statements of Rocketship Education and its Affiliates (RSEA), which comprise the consolidated statement of financial position as of June 30, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated REPORT DATE.

Internal Control Over Financial Reporting

In planning and performing our audit of financial statements, we considered RSEA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RSEA's internal control. Accordingly, we do not express an opinion on the effectiveness of RSEA'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 RSEA's 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

Board of Directors
Rocketship Education, Inc. and its Affiliates

Compliance and Other Matters

As part of obtaining reasonable assurance about whether RSEA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE



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

Board of Directors
Rocketship Education, Inc. and its Affiliates
Redwood City, California

Report on Compliance for Each Major Federal Program

We have audited the compliance of Rocketship Education, Inc. and its Affiliates (RSEA) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. RSEA's major federal programs are 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 federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, RSEA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Board of Directors
Rocketship Education, Inc. and its Affiliates

Report on Internal Control Over Compliance

Management of RSEA 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 RSEA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of RSEA'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.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE



CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT AUDITOR’S REPORT ON STATE COMPLIANCE - CALIFORNIA

Board of Directors
Rocketship Education, Inc. and its Affiliates
Redwood City, California

We have audited Rocketship Education and its Affiliates’ (RSEA) compliance with the types of compliance requirements described in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2021. RSEA’s State compliance requirements are identified in the table below.

Management’s Responsibility

Management is responsible for the compliance with the state laws and regulations as identified below.

Auditors’ Responsibility

Our responsibility is to express an opinion on RSEA’s compliance based on our audit of the types of compliance requirements referred to below. 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 *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the specific areas listed below has occurred. An audit includes examining, on a test basis, evidence about the RSEA’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 state compliance. Our audit does not provide a legal determination of RSEA’s compliance.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine RSEA’s compliance with the laws and regulations applicable to the following items:

| <u>Description</u> | <u>Procedures Performed</u> |
|---|-----------------------------|
| School Districts, County Offices of Education, and Charter Schools: | |
| California Clean Energy Jobs Act | Yes |
| Proper Expenditure of Education Protection Account Funds | Yes |

Board of Directors
Rocketship Education, Inc. and its Affiliates

| <u>Description</u> | <u>Procedures Performed</u> |
|---|---------------------------------|
| Unduplicated Local Control Funding Formula Pupil Counts | Yes |
| Local Control and Accountability Plan | Yes |
| Charter Schools: | |
| Independent Study-Course Based | Not applicable |
| Attendance | Yes |
| Mode of Instruction | Yes |
| Nonclassroom-based instructional/independent study | No ¹ |
| Determination of funding for nonclassroom-based instruction | Not applicable |
| Annual instructional minutes – classroom based | Yes |
| Charter School Facility Grant Program | Yes |

¹ We did not perform testing for independent study because the independent study ADA was under the level which requires testing.

Opinion on State Compliance

In our opinion, RSEA complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2021.

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Glendora, California
REPORT DATE

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of Major Federal Programs**CFDA Number(s)**

84.027
 21.019
 84.425D

Name of Federal Program or Cluster

Special Education IDEA
 Coronavirus Relief Fund (CR)
 Elementary and Secondary School Emergency Relief (ESSER) Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ \$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

All audit findings must be identified as one or more of the following categories:

| <u>Five Digit Code</u> | <u>Finding Types</u> |
|------------------------|-----------------------------------|
| 10000 | Attendance |
| 20000 | Inventory of Equipment |
| 30000 | Internal Control |
| 40000 | State Compliance |
| 42000 | Charter School Facilities Program |
| 43000 | Apprenticeship |
| 50000 | Federal Compliance |
| 60000 | Miscellaneous |
| 61000 | Classroom Teacher Salaries |
| 62000 | Local Control Accountability Plan |
| 70000 | Instructional Materials |
| 71000 | Teacher Misassignments |
| 72000 | School Accountability Report Card |

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported under *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – State Compliance

Our audit did not disclose any matters required to be reported under *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021**

There were no findings in the prior year.

2021-22 Rocketship Texas Updates

December 2021



Overview

Rocketship Texas Startup

- Agreements Update
- Start-up of Texas Region and School #1
- Preview: FW School #2

Appendix



Agreements to Launch Rocketship Texas



Rocketship Texas Approved for Two Schools

Agreements & Negotiations

- Facility Arrangements
- CMO Agreements
- Development Agreement
- Intellectual Property Agreement

Implications for Schools

- 2022-2023 have results from Year 1 (small cohort of third graders)
- Spring of 2024 apply for expansion, contingent on the results of TX2
- Most conservative plan puts us at 6 schools in 2028

Bottom Line

We MUST continue to be transparent, clear, and perform, getting year over year growth and be an A or B campus

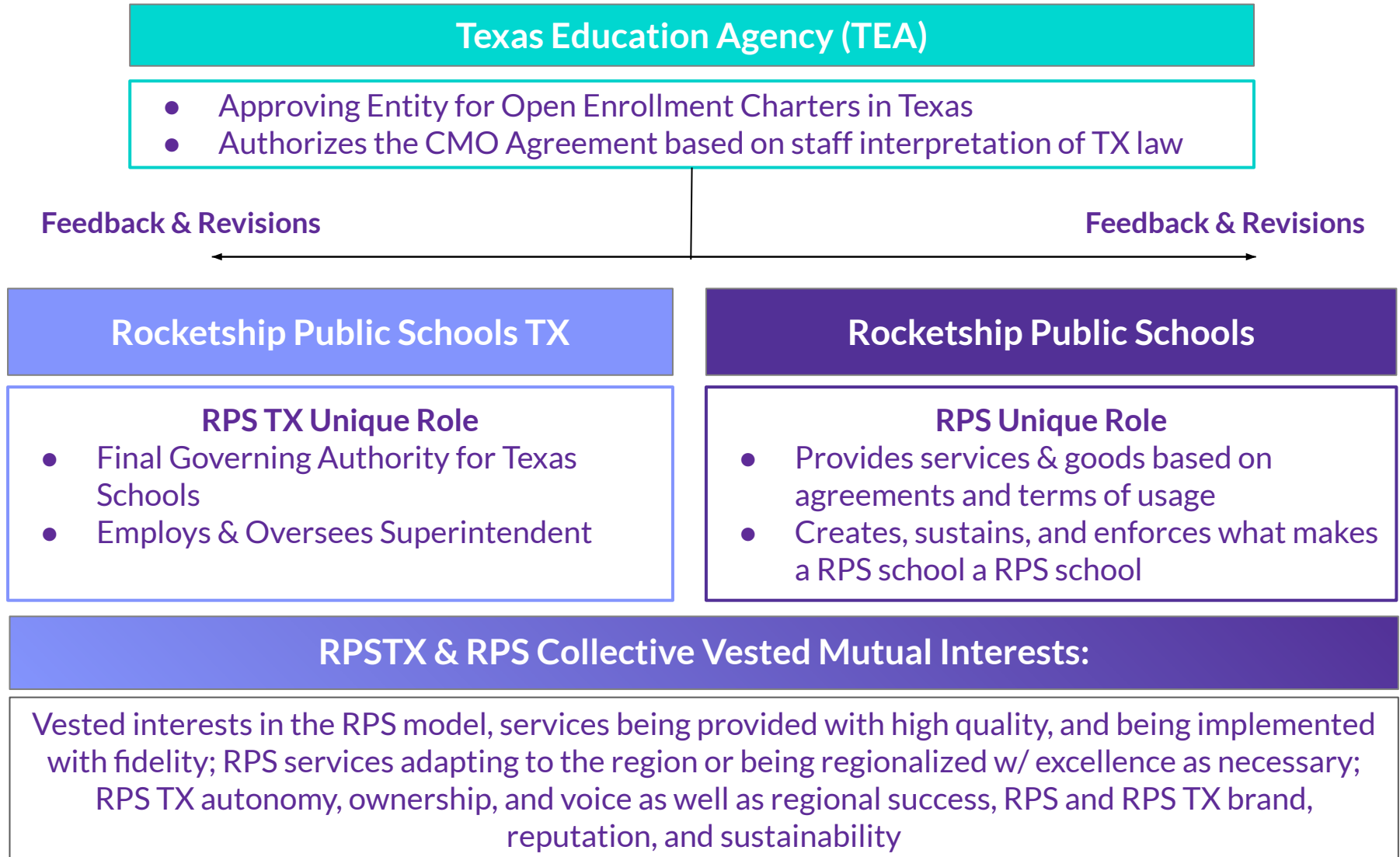
Financial Implications
based on Contingent
Growth Plans

RPS and RPS TX
Negotiations on
Facilities, CMO
Agreement, Intellectual
Property

TEA Updates on
Contingencies



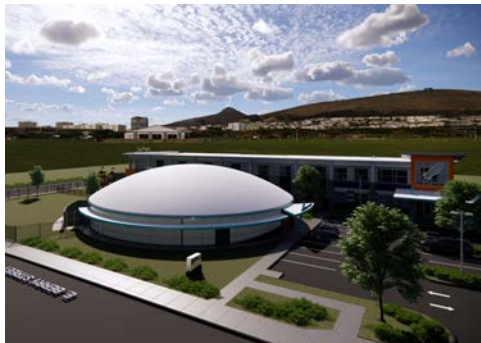
The Relationship Between TEA, RPSTX & RPS National



Critical Agreements

1. ***Berry Street lease***: Gives RPS-TX Board exclusive access to FW1
2. ***Management agreement***: Ensures RPS-TX compliance with Texas law and memorializes SBOE conditions
3. ***Licencing agreement***: Ensures fidelity to the Rocketship Model and Marks to safeguard integrity, goodwill, uniformity, and quality
4. ***Philanthropic agreement***: Protects donors and sets terms/conditions for major philanthropic investment

These agreements are best considered as a complete set, which then allows trade offs to be considered while ensuring healthy checks and balances. Each agreement is time sensitive in its own way.

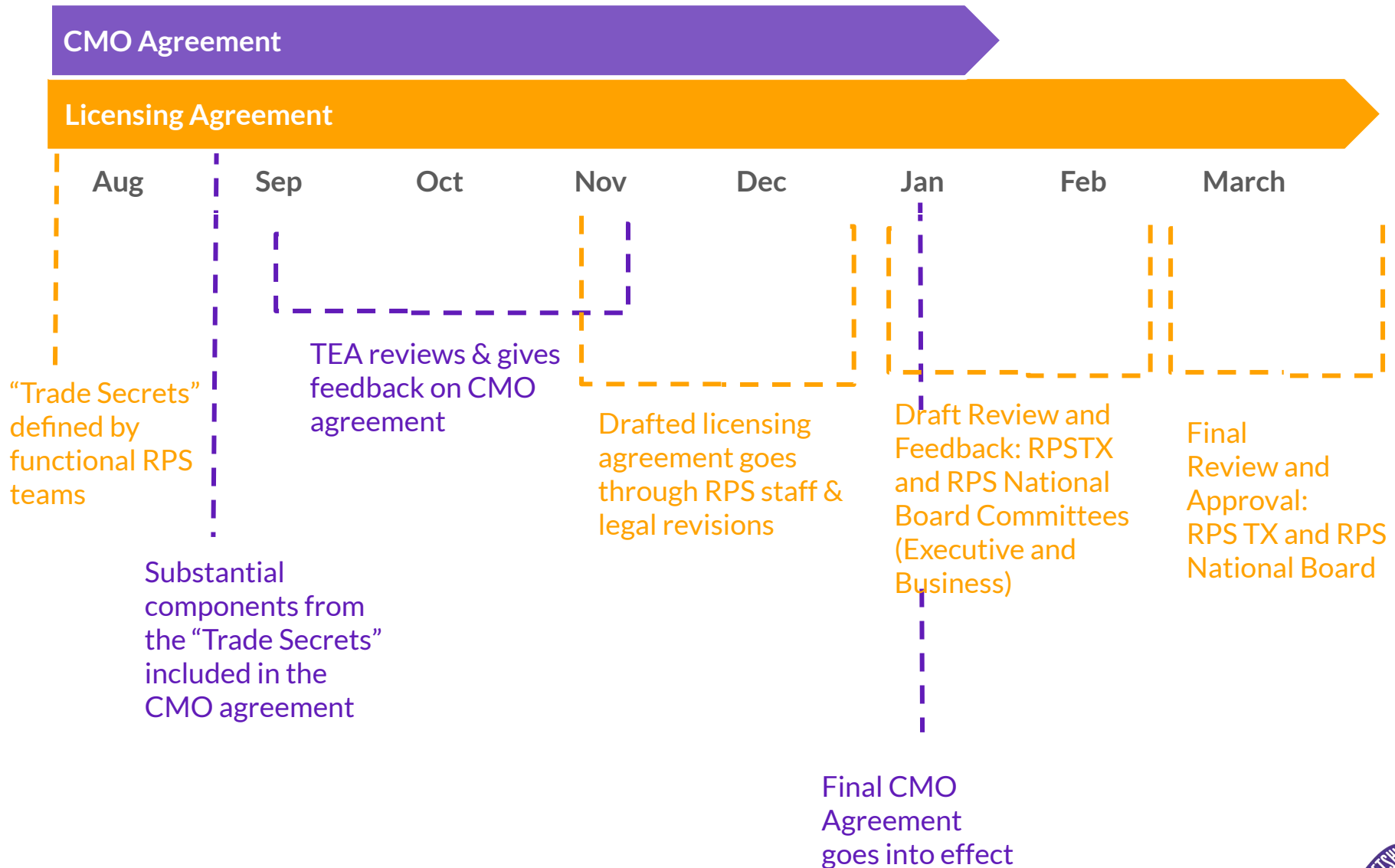


Critical Agreements - A Closer look

| Agreement | Parties | Term | Key Provisions |
|---|-------------------------|----------|--|
| Lease Agreement for Berry Street | Turner Capital, RPS-TX | 15 years | Fixed Monthly Rent; Purchase Option; Pre-determined Purchase Price; Drafted to optimize application for tax exempt status from the Tarrant County Appraisal District |
| CMO Agreement | RPS, RPS-TX | 5 years | RPS provides designated scope of services, including licensed intellectual property for 10% network support fee; TEA approval is pending as of 11/5/2021 |
| Licensing Agreement | RPS, RPS-TX | TBD | RPS specifies the particular program elements and marks being licensed; nominal annual fee from RPS-TX to RPS; enumerated liquidated damages are required to be paid by RPS-TX in the event of termination unrelated to breach. To be completed by March 2022. |
| Philanthropic Agreements | RPS, RPS-TX, Each Donor | TBD | Each donor specifies their intent for the donate funds including the designation of funds to be used by RPS and by RPS-TX |



Timeline for the CMO and Licensing Agreement



ROCKETSHIP

PUBLIC SCHOOLS

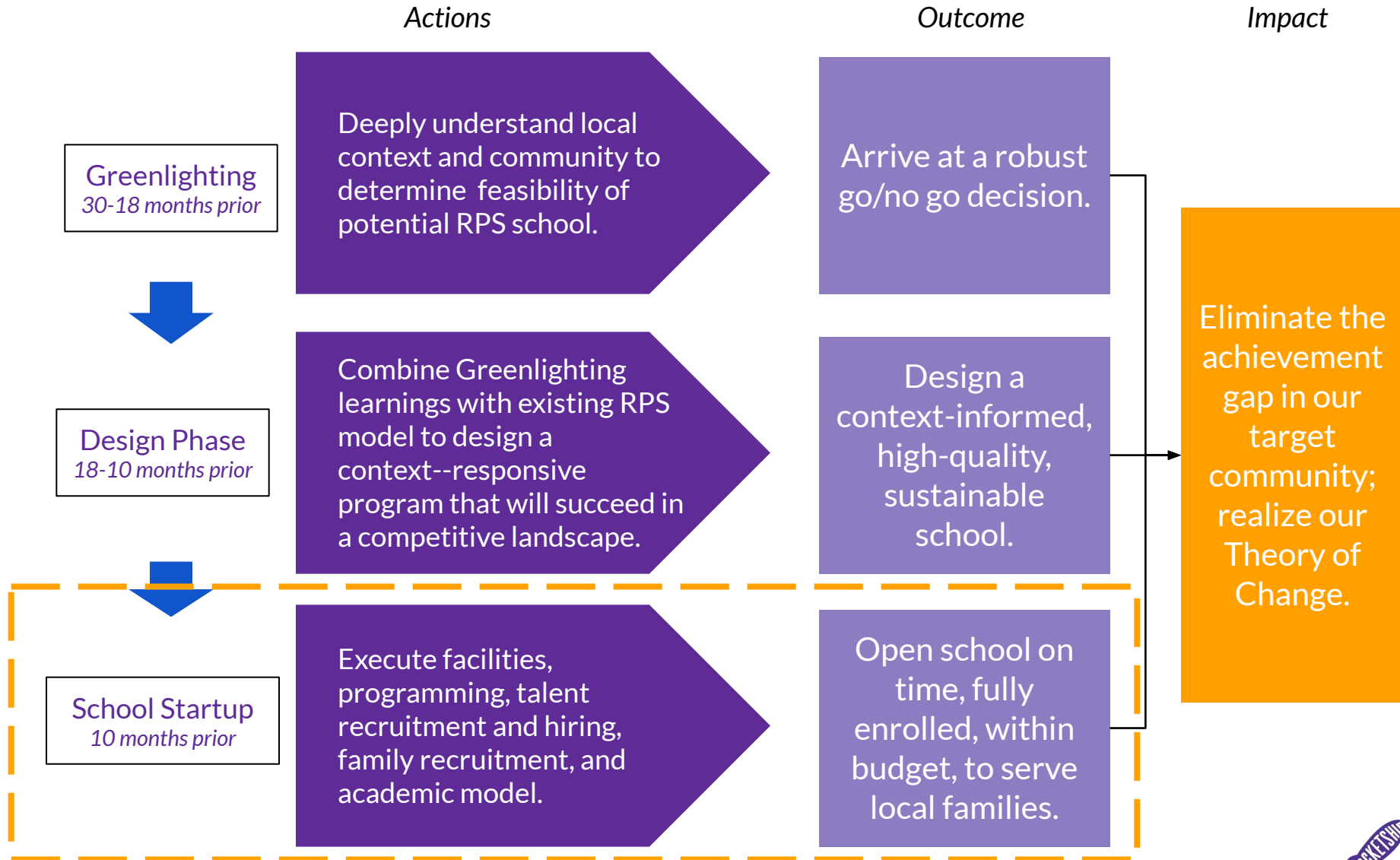
T E X A S



2021-2022 Startup Updates

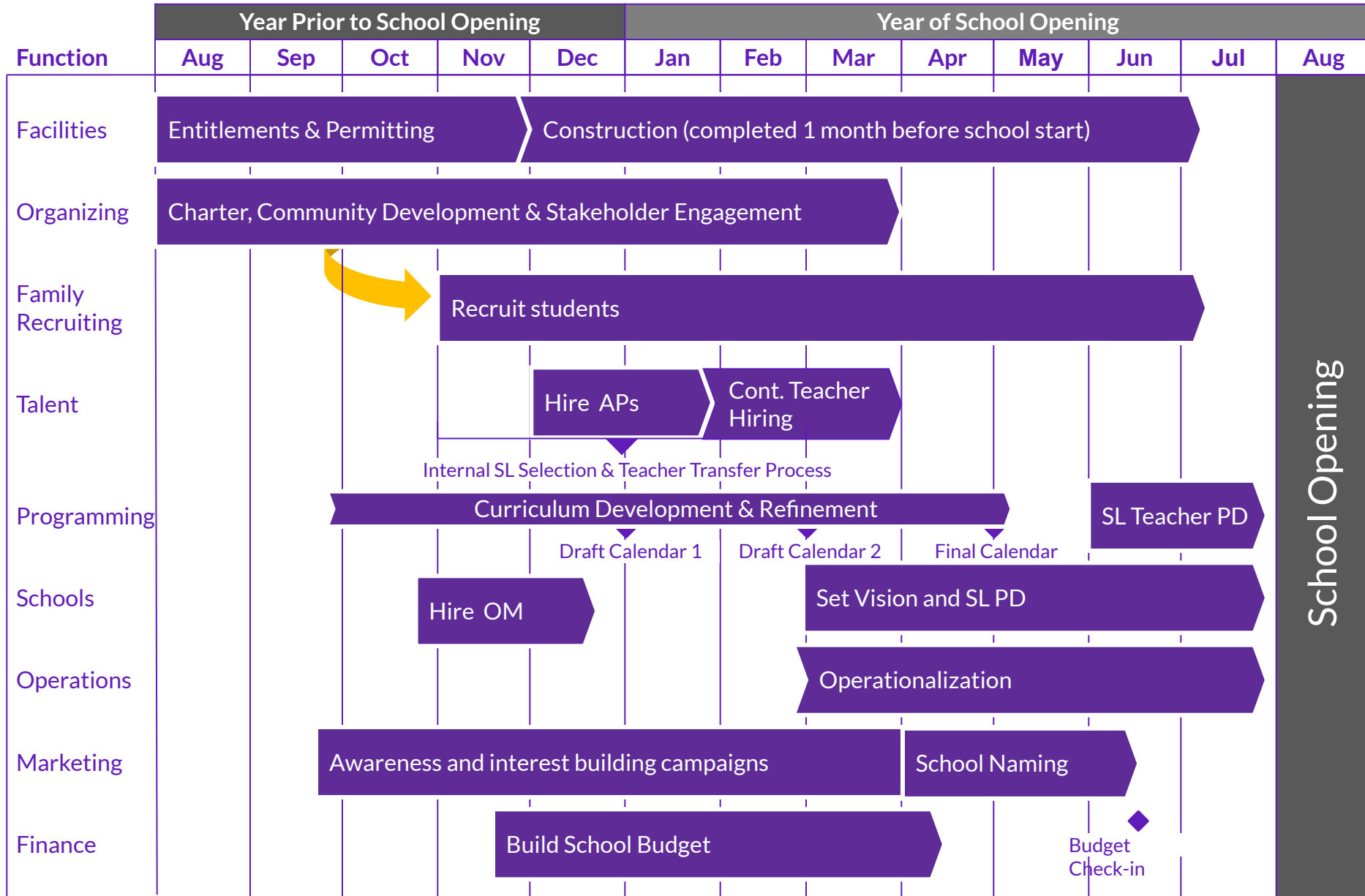
START-UP for FW1 is underway!

Moving from Greenlighting, to designing, to EXECUTION!



Overview of Timeline for Startup

10-12 months before Day 1



Family Recruitment & Engagement

We are on track, welcoming 80+ families who have already applied in mid-November!

| Function | Progress | Milestone |
|--------------------|-----------|---|
| Family Recruitment | On-track | Organize and engage families in meaningful ways |
| | On-track | Support our families in their role founding the school, engaging elected leaders and stakeholders, and moving to action |
| | Completed | Q1 [Oct, Nov, Dec] FIRE Plan Framework Complete |
| | On-track | Pre-Lottery Recruitment Benchmarks met |



Facilities & Operational Progress Tracking

Facilities is in a good spot for progress on being open on July 1st. Waiting on finalization of feedback from TEA to obtain campus ID # to progress on operational items.

| Function | Progress | Milestone |
|------------|-----------|---|
| Facilities | Completed | Board Slides finalized |
| | Completed | RPS TX Board Shared on TX2 Site - Board Input of top two sites |
| | Completed | Agreement / approvals for the term sheet |
| | On-track | Lease document executed |
| | Completed | Final Lease Document provided for review |
| | Completed | Groundbreaking! |
| | Completed | Entitlements & Permitting |
| Operations | Completed | RDO - BOM hybrid role hired |
| | Completed | Bus RFP Created |
| | Completed | Regional working space procured |
| | Off-track | School Food: Application to participate in NSLP & SBP Program submitted for 22-23 SY. |



Facility Financing

- Original budget assumed RPS TX would have access to the Texas Credit Enhancement Program enabling it to borrow with a AAA rating.
- Recently learned that RPS TX will not qualify for this program until it is substantially larger with 90+ DCOH.
- Using conservative assumptions, this would decrease the School 1 annual CINA post Turner takeout by approximately \$300K.



Facility Cost for School 2:

- The facility acquisition and construction cost for School 2 is currently estimated to be \$17.7M
 - \$3.6M higher than Berry St (School 1)
 - Currently value engineering the project.
- The combination of the more expensive financing and the more expensive project will decrease the School 2 annual CINA post Turner takeout by approximately \$550K or to effectively break even.

Texas Business Activities

We are actively planning to shift Texas business related activities from RPS to RPS Texas with a target transition date early next calendar year. Key activities include:

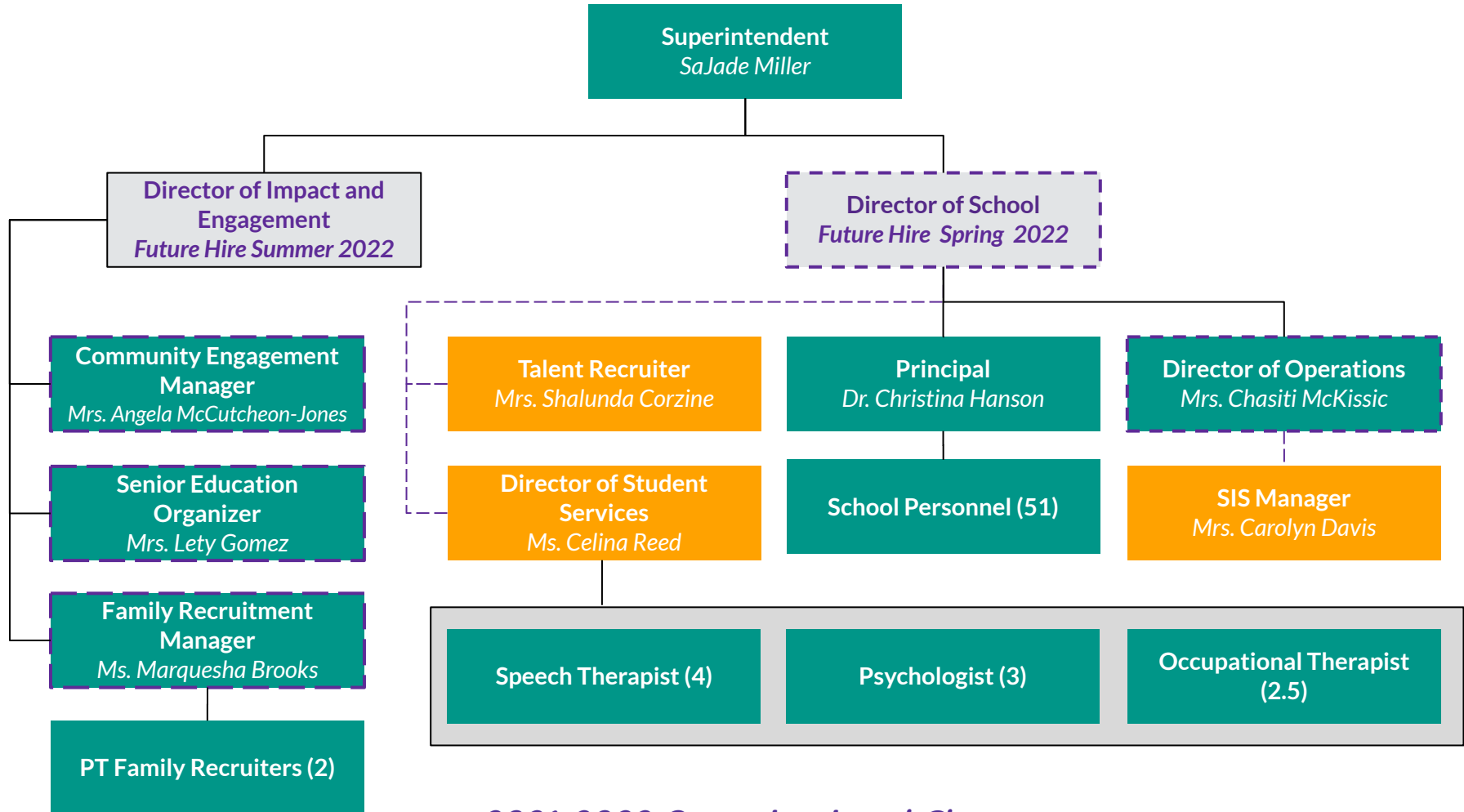
- Preparing for staff to become employees of Rocketship Public Schools Texas
- Working with the Texas board to open a bank account
 - RPS Texas is planning to work with Regions Bank, which has a dedicated charter division
 - RPS Texas will grant RPS authority to manage the account in order to provide necessary services for RPS Texas
 - RPS Texas and RPS will develop policies and processes to support appropriate authorization and controls for expenditures.
- Creating the internal systems to fully segregate the Texas funds from all other RPS funds
- Establishing liability, workman's compensation, umbrella and other insurance policies

Q1 Budget to Actual: Texas

| TX Region | Q1-FY22 | | | Q1-FY22 | | | Q1-FY22 | | | FY2022 | | |
|---------------------------|-----------|----------|-------------|------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|-------------|
| | Schools | | | NeST + | | | Region | | | Region | | |
| (\$000) | Budget | Actuals | Variance | Budget | Actuals | Variance | Budget | Actuals | Variance | Budget | Forecast | Variance |
| Federal Income | 88 | 0 | (88) | 0 | 0 | 0 | 88 | 0 | (88) | 430 | 430 | 0 |
| Int Transfers/Network Svc | 0 | 0 | 0 | 4 | 0 | (4) | 4 | 0 | (4) | 18 | 0 | (18) |
| Grants and Fundraising | 0 | 0 | 0 | 300 | 0 | (300) | 300 | 0 | (300) | 1,200 | 1,200 | 0 |
| Revenues | 88 | 0 | (88) | 304 | 0 | (304) | 392 | 0 | (392) | 1,648 | 1,630 | (17) |
| Compensation | 39 | 0 | 39 | 175 | 198 | (23) | 215 | 198 | 16 | 1,115 | 1,123 | (7) |
| Non Compensation | 0 | 0 | 0 | 81 | 168 | (87) | 81 | 168 | (87) | 325 | 325 | 0 |
| Rent | 0 | 0 | 0 | 5 | 3 | 1 | 5 | 3 | 1 | 18 | 18 | 0 |
| Network Service Fee | 13 | 0 | 13 | 0 | 0 | 0 | 13 | 0 | 13 | 53 | 0 | 53 |
| Expense | 53 | 0 | 53 | 260 | 370 | (109) | 313 | 370 | (57) | 1,511 | 1,466 | 45 |
| | | | 0 | | | 0 | | | 0 | | | 0 |
| Net Income | 35 | 0 | (35) | 44 | (370) | (414) | 79 | (370) | (448) | 136 | 164 | 28 |

Revenue variance due to timing of CSP and philanthropy

ROCKETSHIP PUBLIC SCHOOLS TEXAS



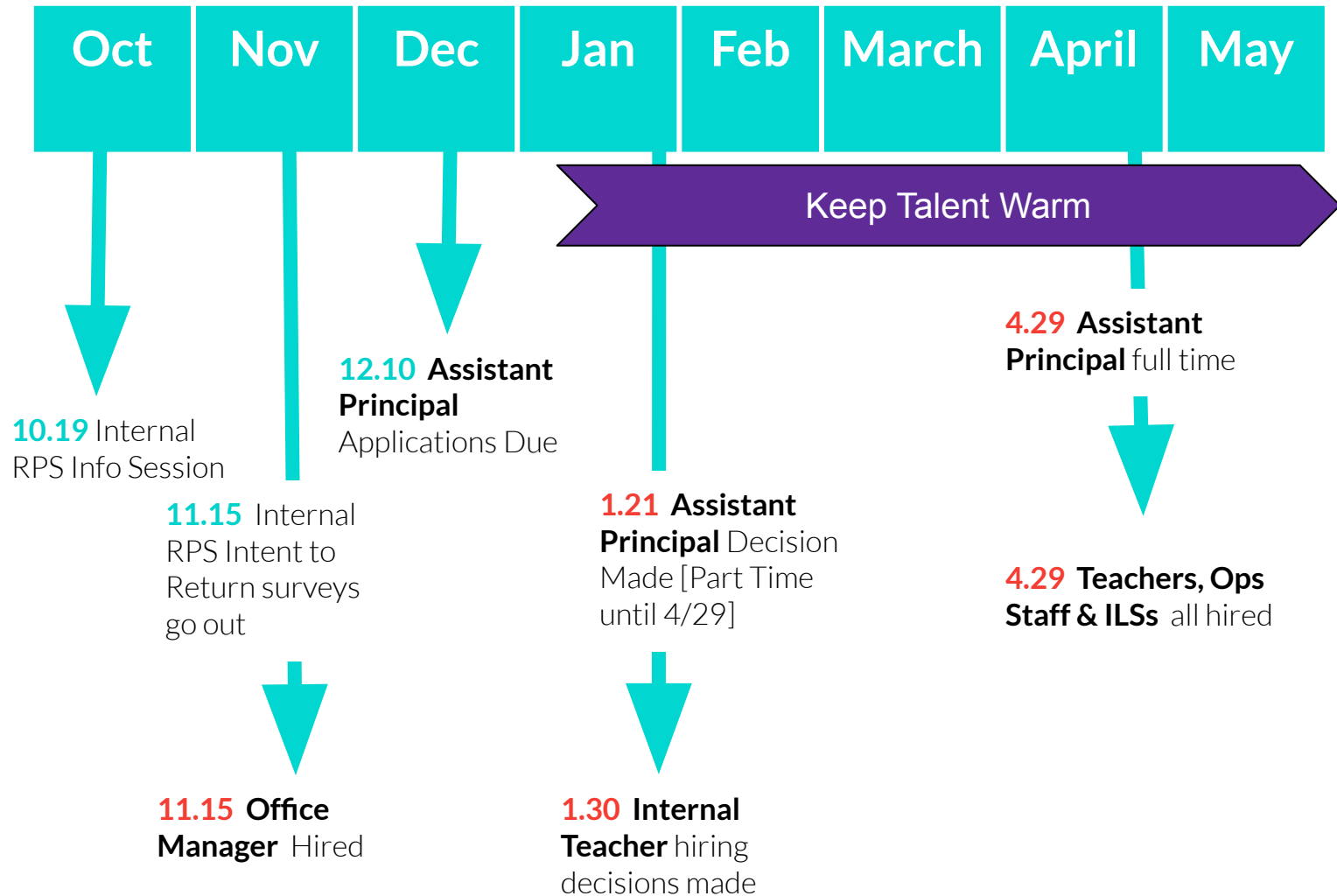
2021-2022 Organizational Chart

- - - In addition to formal lines of communication, informal communications occur across the organization and CMO.
- Solid orange, reports directly to the National Team.



Talent Timeline

Over the next few months, we are intentionally building a strong, early talent pipeline to staff our first Fort Worth campus!



Talent Progress Tracking

Talent internal conversations have been critical as we build a region.

| Function | Progress | Milestone |
|----------|-----------|--------------------------------------|
| Talent | Completed | Principal hired |
| | Off Track | Office Manager Hired |
| | Completed | Teacher & AP applications go live |
| | On-track | Assistant principal interviews |
| | On-track | Assistant principal hired |
| | On-track | Transfer Application |
| | On-track | All Gen Ed teachers hired |
| | On-track | Teacher Group Interview Days |
| | On-track | Teacher Transfer Decisions Finalized |
| | On-track | Teacher Transfer Application |
| | On-track | Teacher Transfer Decisions Finalized |

Internal Communications

- EDs reviewed and gave feedback on timelines and communications - Posted all on Mission Control
- Clear lines of communication have been on the forefront of current managers and regions.

Talent Pipeline Headlines:

- OM: 2 rounds of interviews held
- AP: 35 current external applicants as of 11/22; 15 internal leads in cultivation (application deadline 12/10)
- Teacher: 27 external applicants as of 11/22; 16 internal leads in cultivation (rolling application)



Programming Progress Tracking

Over the last month, the programming and Texas team has been working diligently on selecting our approach to curriculum and bilingual education for TX.

| Function | Progress | Milestone |
|-------------|-----------|---|
| Programming | Completed | Curricular approach decision made |
| | Completed | Bilingual Programming model selected |
| | On-track | Staffing model and bell schedule adjusted based on any new approach |

We have shifted the Texas instructional program from a transitional early exit program to a dual language program for our first school in Texas. Factors for the selection of the dual language programming included student need and talent. This model does require four additional staff than originally budgeted, thus, the team is revisiting the budget and other expenses, assumptions, and opportunities within the model.

Rocketship Texas will also be adopting both **Amplify** and **Eureka** alongside Rocketship-developed program components as part of the Humanities and STEM instructional blocks.



Philanthropy Progress Tracking

5 Year Update: Philanthropy

We will grow from 435 students in FY23 to 1,322 students across two schools in FY26.

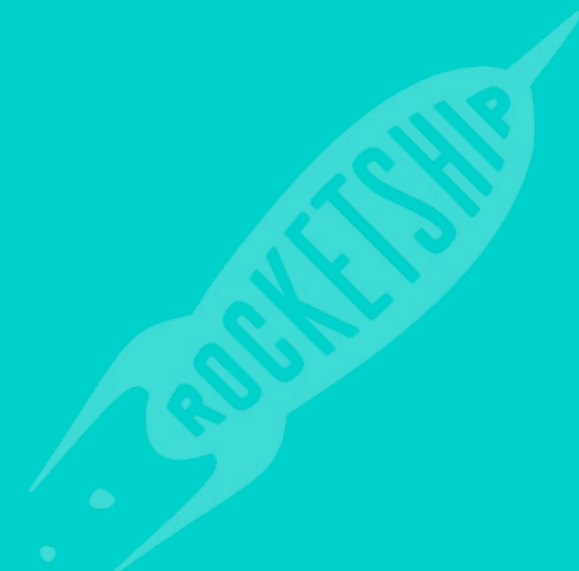
\$3,930,213
Remaining Fundraising Need

PIPELINE:

- As of 11.22.21 FWEP will grant Rocketship TX the funds needed as originally planned for 2021-22. New grant terms to be negotiated after January 1, 2022.
- Local foundation just committed **\$450K** grant
- Submitted a 2-year **\$450K** grant application with national foundation - hear back in Q3
- Submitted a 2-year **\$850K** grant with Texas-based foundation - hear back in Q3



Preview: Fort Worth School #2



We consider three overarching questions when greenlighting a new school:

1 **Mission Alignment:** Is there persistent inequity in public education in this region?

Is there a sizable achievement gap in the community with insufficient access to high quality public education options?

2 **Scale of Impact:** Does the external environment support our ability to scale our impact?

Does the region have a strong and clear framework for charter school authorization and accountability standards? Is the funding structure equitable to charter schools? Are there affordable options to secure facilities?

3 **Catalytic Potential:** If we execute our model with fidelity, can we change the ecosystem of public education in this community?

Are there established stakeholders committed to improving educational equity and excellence across the region?

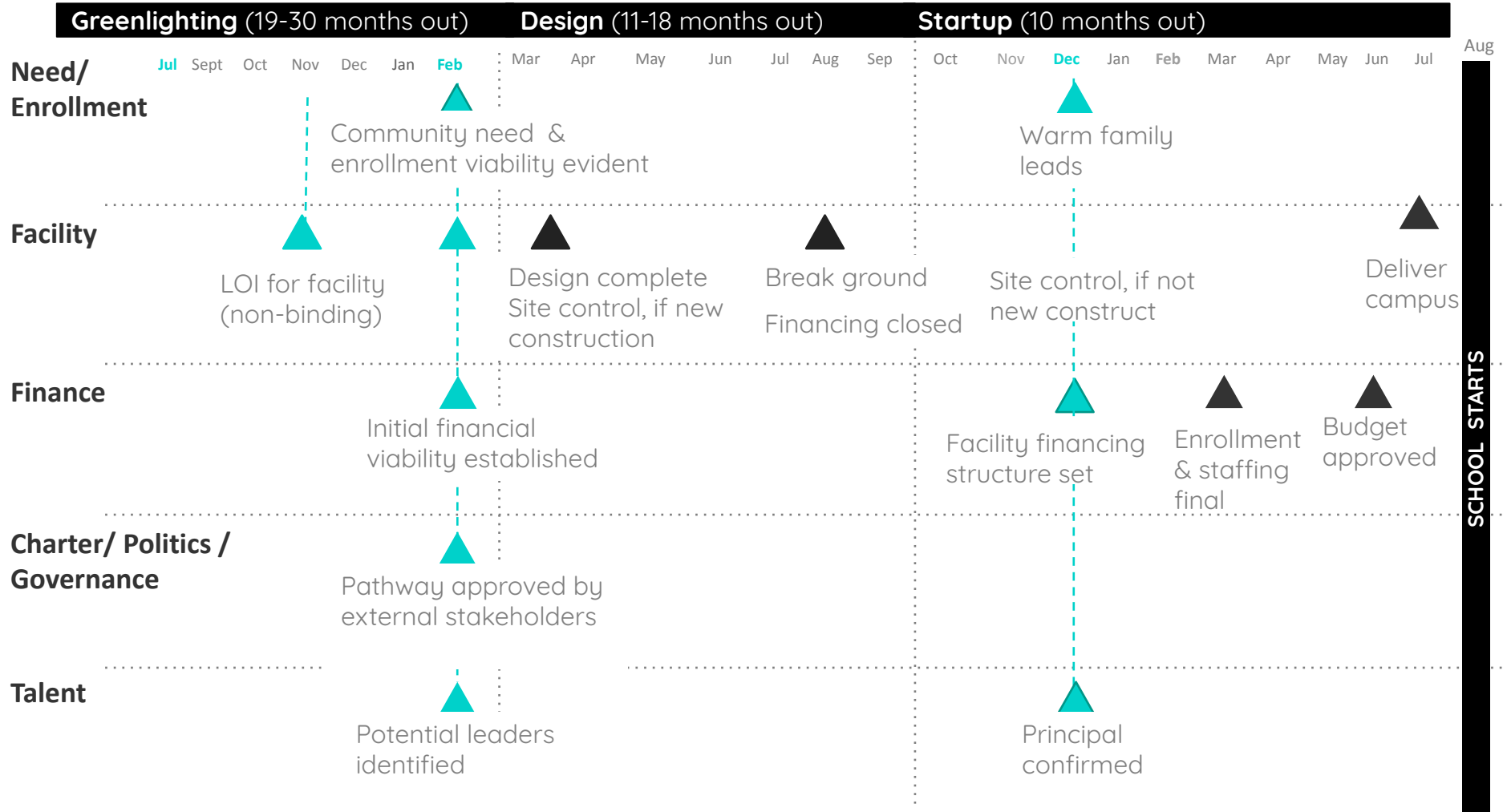
Evaluation Across Key Criteria

| | |
|------------------------|--|
| MISSION ALIGNMENT | Community Demand |
| | Theory of Change (<i>Quality / Access</i>) |
| | Family Recruitment |
| SCALE OF IMPACT | Charter |
| | Political Environment |
| | Facilities & Entitlements |
| | Talent |
| CATALYTIC POTENTIAL | Community Support |
| | Leadership & Regional Governance |
| | Finances & Fundraising |

Greenlighting: Based on the min thresholds, we have set checkpoints to evaluate progress

▲ Checkpoint
▲ Milestone

Greenlighting Board meeting



We are mitigating risks associated with School 2 as we progress towards greenlighting in February

| | |
|----------------------------|--|
| Facility | <ul style="list-style-type: none">• The first two Texas sites are committed to being located in the Southeast area of Fort Worth. We are monitoring and mitigating risk of family recruitment and over saturation with our first site.• Facility costs have significantly increased in the pandemic, both for land and construction materials. The finance and facility teams are working on value engineering and refining facilities financing assumptions. |
| Talent | <ul style="list-style-type: none">• Internal transfers for two new schools in two years will pose a potential risk for a strong, robust talent pipeline.• By our February meeting, we will need to see evidence of strong internal transfers who will help build a pipeline of talent for our school communities and Texas region |
| Philanthropy | <ul style="list-style-type: none">• We have strong momentum and a powerful group of initial funders, but we must review our original agreements and continue to raise the remaining ⅓ of funds. |
| Licensing Agreement | <ul style="list-style-type: none">• Finalizing agreement by March 2022. |