



Tuesday, November 16, 2021
Rocketship Public Schools Business Committee (2021-22 Q2)

Meeting Time: 10:30am

Webinar link: <https://rocketshipschools.zoom.us/j/89159486643>

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. Open Items

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

2. Information Items

- A. List of checks in excess of \$100,000

3. Consent Items

- A. Approve minutes from August 17, 2021 Business Committee meeting

4. Agenda Items

- A. Development update
- B. Finance update

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.

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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 Education					
Checks signed in excess of \$100,000					
Jul 2021 - Sep 2021					
Check Date	Check #	Vendor and Invoice #	Invoice Amount	Amount of check	
Reoccurring Monthly Budgeted Expenditures (Policy #138 August 2014)					
Subtotal by category					
Group health					
7/19/2021	44235	Cigna 2850063	218,555.04	218,555.04	
8/30/2021	44572	Cigna 2864703	720,934.87	720,934.87	
9/20/2021	44722	Cigna 2879287	480,539.54	480,539.54	
7/21/2021	EFT	Kaiser Foundation Health Plan 06/02/2021 - 07/01/2021	327,743.71	327,743.71	
8/30/2021	EFT	Kaiser Foundation Health Plan 07/02/2021 - 08/01/2021	273,020.15	273,020.15	
9/28/2021	EFT	Kaiser Foundation Health Plan 08/02/2021 - 09/01/2021	305,710.51	305,710.51	
					\$ 2,326,503.82
Insurance					
8/30/2021	44580	Great American Insurance Co. ACCT#771331465	243,768.59	243,768.59	
					\$ 243,768.59
Learning Software					
7/23/2021	ACH	NWEA 57072	119,000.00	119,000.00	
7/6/2021	44116	Greenfield Learning Inc 10020	286,180.00	286,180.00	
8/30/2021	44539	Greenfield Learning Inc 10242	362,700.00	362,700.00	
7/30/2021	ACH	Renaissance Learning Inc. INV5207871	140,016.84	140,016.84	
8/6/2021	ACH	LIGHTSAIL INC 3635	101,490.00	101,490.00	
					\$ 1,009,386.84
Software - Expenses Report & AP Invoicing					
8/2/2021	EFT	Concur Technologies, Inc. 101200162388	151,798.98	151,798.98	
					\$ 151,798.98
Chromebooks & Licenses for students, Hardware & IT Training					
7/7/2021	EFT	CDW C530379	60,487.46		
		CDW C306523-	450,475.76	510,963.22	
8/24/2021	EFT	CDW D547704	1,207,725.00	1,207,725.00	
					\$ 1,718,688.22
Budgeted Expenditures - not reccurring payments					
Example	Jumpstart				
	School startup online programs or furnitures.				
Total - All checks signed in excess of \$100,000					\$ 5,450,146.45

RPS Business Committee Update November 2021

November 16, 2021



Discussion Overview

- Fundraising Update
- FY22 Forecast Update
- FY22 Q1 Actuals



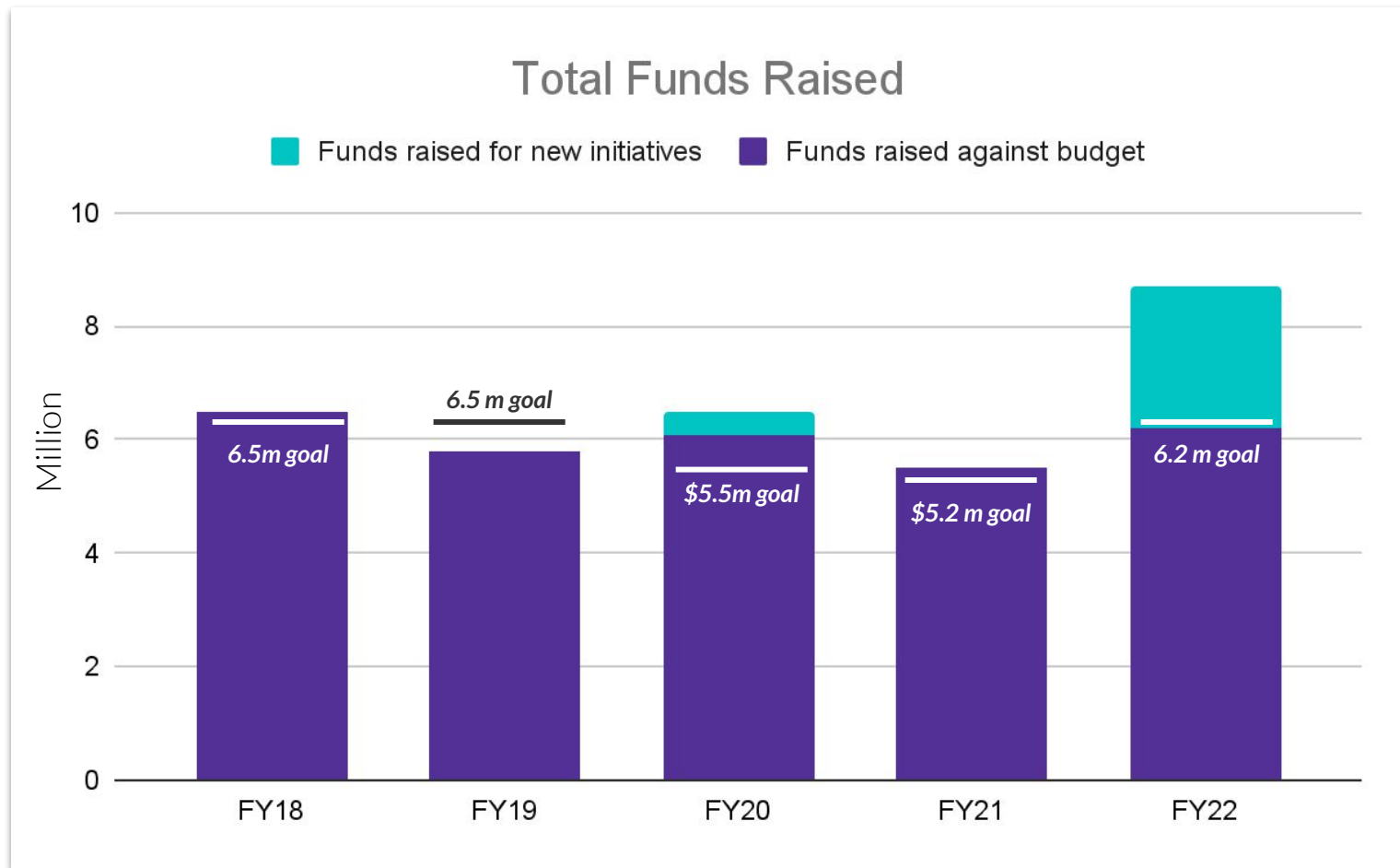
Development Update

Business Committee | Kristarae Flores

November 16, 2021



In FY22, we are on pace for a total raise of over \$8m against a budgeted goal of \$6.2m.



** tracking funding for unbudgeted initiatives only began in FY20*

Quarter 1 Highlights

- All regions, including National, met or exceeded their Q1 benchmark goals
- Network wide, we raised 50% (\$3.1m) of our \$6.2m year end goal in Q1

FY22 Q1 Giving Summary

National Progress Toward Q1 Benchmark

Progress to Q1 fundraising goal: \$2.3M



[View Report \(FY22 Q1 Giving Summary \(Natl + BA\)\)](#)

DC Progress Toward Q1 Benchmark

Progress to Q1 fundraising goal: \$300K



[View Report \(FY22 Q1 Giving Summary \(DC\)\)](#)

MKE Progress Toward Q1 Benchmark

Progress to Q1 fundraising goal: \$35K



[View Report \(FY22 Q1 Giving Summary \(MKE\)\)](#)

NSH Progress Toward Q1 Benchmark

Progress to Q1 fundraising goal: \$130K



[View Report \(FY22 Q1 Giving Summary \(NSH\)\)](#)

Goal & Benchmark Process

Purpose: Creating fundraising benchmarks will

1. Show us the health of fundraising pipelines through a feasibility reporting
2. Give us data to create more accurate benchmarks in the future
3. Guide actions and priorities to ensure we reach our goals and develop contingencies

Process:

- Develop benchmarks that set feasible and necessary goals
- Continually monitor progress based on donor meetings and new information
- Identify expected close date of potential gifts through 2022




Background/Notes:

- Benchmarks can be updated, but not recommended during the fiscal year
- This is managed in our Development Salesforce database



Goal, Pipeline, & Benchmark Key

PIPELINE - List of qualified prospects (i.e give to early childhood missions, education, school choice etc.) that are in various stages of cultivation and likelihood of giving this year.





















Color	Definition
Green 	On Track Pipeline = at least 3x the benchmark
Yellow 	Slightly off track Pipeline is < 3x the benchmark but key prospects identified and the likelihood of gifts closing is high (i.e. renewal gifts)
Red 	Off Track Pipeline < the benchmark with a need for more prospects to be added to pipeline



Pipeline Health Report

C&C = Cash In & Committed (signed agreement)

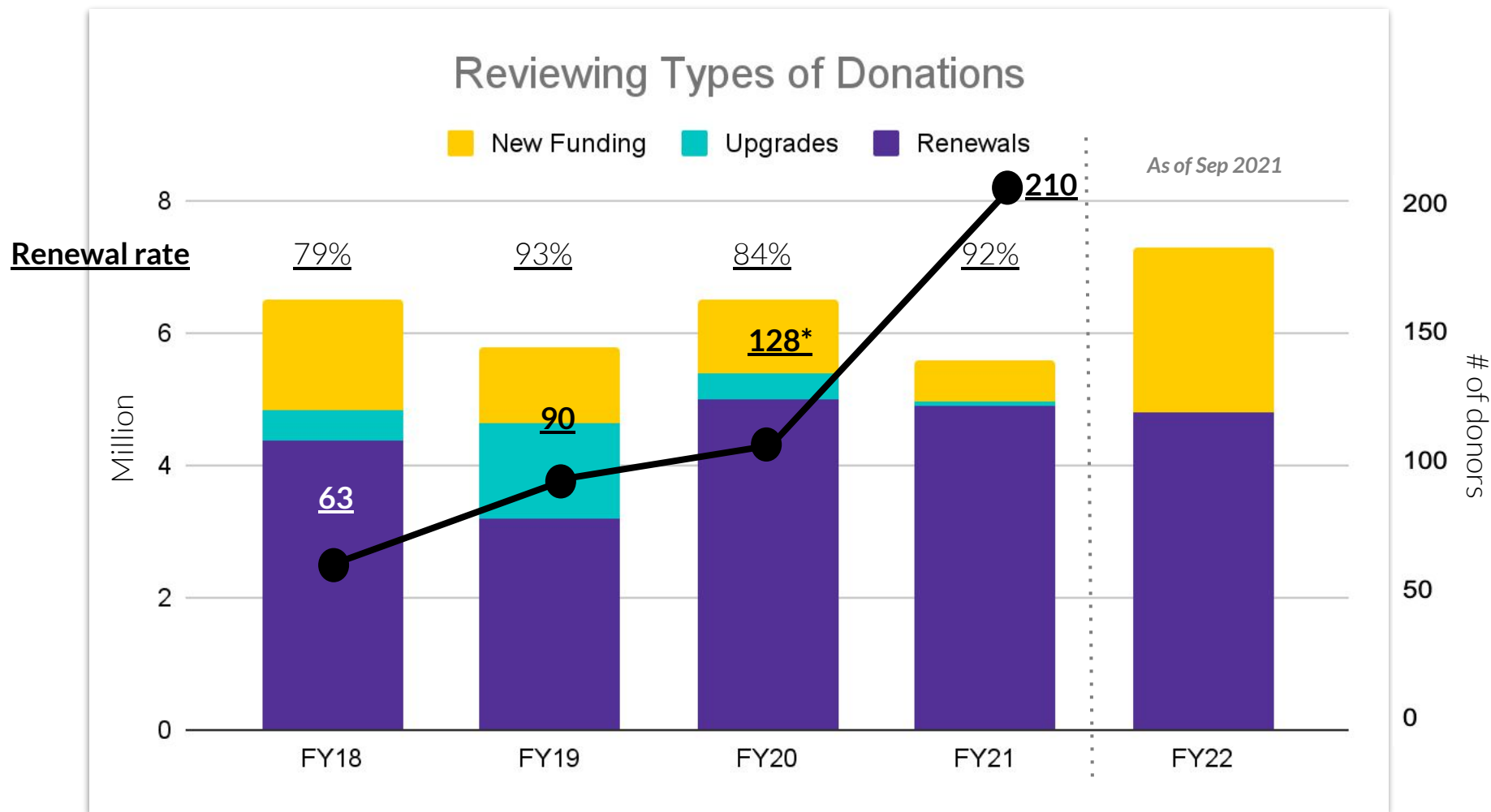
P = Pipeline B = Benchmark

Region	Q1 Actuals	Q2 Benchmark	Q3 Benchmark	Q4 Benchmark	Summary
National/ Bay Area	C&C: \$2.5m Q1 Goal: \$2.3m	 P: \$1m B: \$300k	 P: \$615k B: \$500k	 P: \$1m B: \$600k	 YE Goal: \$3.7m Gap to Goal: \$1.2m Current Pipeline: \$2.6m
Nashville	C&C: \$130k Q1 Goal: \$130k	 P: \$300k B: \$70k	 P: \$450k B: \$125k	 P: \$264k B: \$75k	 YE Goal: \$400k Gap to Goal: \$270k Current Pipeline: \$1m
Milwaukee	C&C: \$35k Q1 Goal: \$35k	 P: \$183k B: \$50k	 P: \$87k B: \$100k	 P: \$380k B: \$215k	 YE Goal: \$400k Gap to Goal: \$365k Current Pipeline: \$650k
DC	C&C: \$437k Q1 Goal: \$300k	 P: \$442k B: \$125k	 P: \$210k B: \$50k	 P: \$900k B: \$25k	 YE Goal: \$500k Gap to Goal: \$63k Current Pipeline: \$1.5m
Texas	C&C: \$0 Q1 Goal: \$0	 P: \$700k B: \$0	 P: \$1.2m B: \$1.2m	 P: \$100k B: \$0	 YE Goal: \$1.2m Gap to Goal: \$1.2m Current Pipeline: \$2m

Broader Fundraising Strategy



Year over year, we're growing our donor base while maintaining very high renewal rates.



*This does not include the 98 new donors that gave to the FY20 Family Relief Fund

Vast majority of funding is based on demonstrated need.

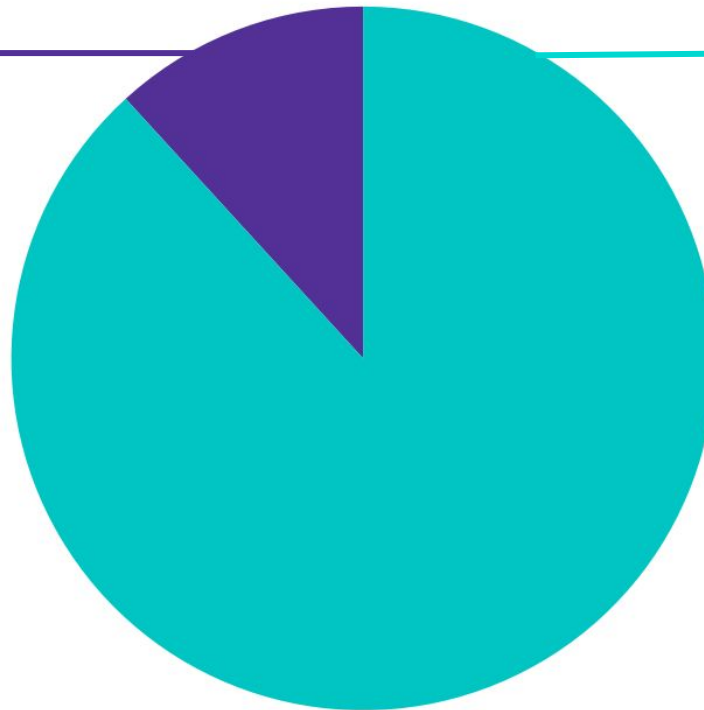
Analysis below shows **88% of our fundraising last year came from 16% of our donor base** who gave based on demonstrated need vs **12% of gifts that came from 84% of our donor base** who give because they generally care about our cause and do not consider our financial picture when making their gift of support.

Giving to the cause:

Funding received without any assessment of “financial need.”

\$655K raised

- 12% of total raised
- 180 donors
- \$2050 average gift
- \$50-100 gift range mode



Supporting demonstrated need:

Funding received after assessment of gap to financial sustainability or designated expenses for new initiatives.

\$4.9M raised

- 88% of total raised
- 30 donors
- \$170K average gift

Building our base of supporters is one key goal in our FY22 fundraising strategy.

Annual Appeal

- Piloting annual end-of-year appeal campaigns for National and Nashville.
- Customizable fundraising pages will make it easier for board members and staff to bring in at least **100 new, low-mid level donors** through their network this year.
- Invite NeST staff and National Board to do an optional EOY online peer-to-peer online (or email) fundraiser. The goal for this campaign is to have at least 20 staff/board members to raise \$250-\$5000+ each through a peer-to-peer online fundraising platform.

Events

- Milwaukee piloting friendraiser with goal of building donor base.
- Nashville piloting fundraising event (i.e., explicit ask) hosted by board members.
- Bay Area piloting fundraising event at end of school year focused on both generating leads as well as testing ability to generate direct donation at event.

Corporate Giving

- Soliciting our vendors with annual ask.
- Establish relationship with 5 new corporate giving programs.

These lead generation strategies are in addition to the Development team's core work focused on cultivating and stewarding foundations and high-net worth individuals predisposed to supporting charter schools and educational equity.



Milwaukee's Friendraiser Highlights



Event Objectives:

- Introduce new individuals who are connecting to our board members to our mission.
- Build our base of supporters.
- Engage with attendees and bring in 15 individuals for tours in early 2022.

Event Outcomes:

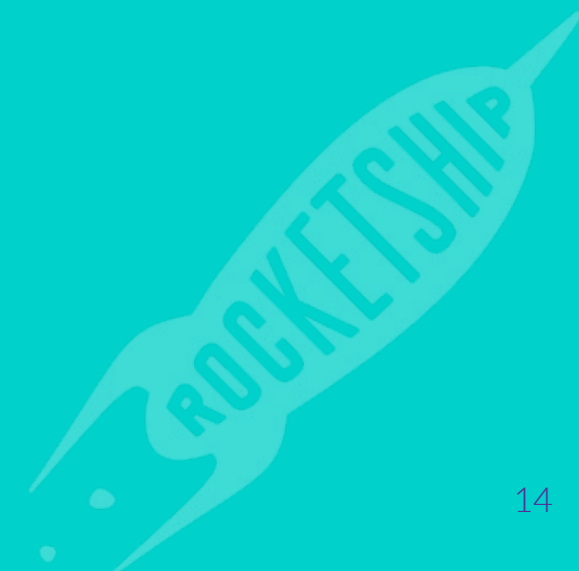
- The event was well attended - more people came than RSVP'ed (55+ people)
- Generated **\$13,300** in donations! (we paid ~2K, sponsorship from our board covered the rest!)
- Received an invitation to apply for a \$10K grant from someone in attendance
- Prominent figure in Milwaukee offered to host future events for Rocketship
- 3 tours scheduled, with more pending



Event Learnings:

- Events take so much time - plan for more time than you think will be needed!
- Plan board engagement (before, during, after) ahead of time
- Have stronger during and after event plans for efficient follow up

FY22 Update



FY22 Forecast Update to the Board Approved August Budget

The September budget forecast reflects changes to the school enrollment projections used in the Board Approved August budget and the steps taken to mitigate the associated decrease in revenue.

Challenge

- Enrollment lower than anticipated across regions
- CA was especially hard hit
- Attendance rates were lower in CA further impacting revenue
- Schools impacted unevenly

Mitigating Strategies

- Schools and regions made sizeable budget cuts to non-personnel and unfilled positions
- Decreased CINA slightly
- Used a small portion of ESSER funds to close the gap. No school dipped in to more than 20% of the FY23 ESSER funding



Quarterly Forecast Update:

FY22 September Forecast Overview

	FY22		
(\$000)	Sep Forecast	Aug FY22 B	Var
Federal Income	28,812	28,957	(145)
State Revenue Sources	142,708	148,437	(5,730)
Other Local Revenues	1,470	1,471	(1)
Grants and Fundraising	6,320	6,320	-
Revenues	179,309	185,186	(5,876)
Compensation	104,522	106,049	1,527
Non Compensation	51,158	55,262	4,103
Rent	20,554	20,554	
Expense	176,235	181,865	5,630
CINA	3,075	3,321	(246)

Lease Adjusted CINA	4,679	4,925	(246)
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FY22 FY Forecast:

- Revenue \$179.3M
- Expense \$176.2M
- CINA \$3.1M

Changes from the Aug Budget:

- Revenues decreased by \$5.9M, mainly due to enrollment changes
- Expenses decreased by \$5.6M
- Removed 7 National HC adds previously on hold
- Net CINA impact of (\$246K)

FY22 Enrollment Updates

FY22 Enrollment				
	Aug Budget	Sep Forecast	Aug - Sep Change	% Change
RMS	495	477	(18)	-3.7%
RSSP	367	328	(40)	-10.8%
RLS	443	400	(43)	-9.7%
ROMO	625	562	(63)	-10.1%
RDP	515	462	(53)	-10.3%
RBM	590	527	(63)	-10.7%
RSA	524	517	(7)	-1.3%
RSK	621	567	(54)	-8.7%
RFZ	620	587	(33)	-5.4%
RRS	615	608	(7)	-1.1%
RRWC	319	309	(10)	-3.2%
RFA	660	653	(7)	-1.1%
RDL	620	583	(37)	-6.0%
CA	7,015	6,580	(436)	-6.2%
RNNE	445	445	(0)	-0.1%
RUA	558	557	(1)	-0.1%
NSH	1,003	1,002	(1)	-0.1%
RSCP	497	473	(24)	-4.8%
RTP	268	265	(3)	-1.0%
MKE	765	738	(27)	-3.5%
RISE	670	666	(4)	-0.6%
RLP	685	671	(14)	-2.0%
RIC	240	238	(2)	-0.8%
DC	1,595	1,575	(20)	-1.3%
Total	10,378	9,895	(483)	-4.7%

Changes since Aug budget:

- The total enrollment shortfall across the regions is 482 students or 5% of the August finance budget enrollment.
- This created CINA budget shortfalls totaling \$5.2M however additional revenue in Nashville brought the net shortfall to \$4.6M.
- Schools and regions have closed \$3.7M of this gap through budget savings.
- The balance will be closed through reductions in CINA and pulling ESSER funds forward.
- In CA, we are projecting CA ADA at 94% as opposed to 95%.



FY22 September Forecast: RPS Summary by Region

	FY22 Forecast - Sep								
(\$000)	CA	MKE	NSH	DC	TX	NTL	Elim	Sep RPS	Aug FY22 B
Federal Income	14,644	2,573	4,148	6,767	430	250		28,812	28,957
State Revenue Sources	90,159	6,616	12,840	33,093	0	0		142,708	148,437
Other Local Revenues	193	200	0	1,004	0	72		1,470	1,471
Grants and Fundraising	0	400	400	500	1,200	3,820		6,320	6,320
Revenues	110,611	10,315	18,189	42,925	1,630	20,177	(24,537)	179,309	185,186
Compensation	59,630	5,742	8,918	16,202	1,123	12,908		104,522	106,049
Non Compensation	22,423	2,734	4,598	15,354	325	7,150	(1,427)	51,158	55,262
Rent	11,340	592	1,079	7,348	18	177		20,554	20,554
Expense	108,140	10,346	16,997	43,589	1,466	20,234	(24,537)	176,235	181,865
CINA	2,471	(31)	1,192	(663)	164	(57)	-	3,075	3,321
Lease Adjusted CINA	2,471	(31)	1,192	941	164	(57)	-	4,679	4,925
Aug Budget CINA	3,334	(218)	774	930	136	(30)	-	4,925	
Variance	(863)	187	418	11	28	(27)	-	(246)	

Cash and Liquidity Projection - September Reforecast

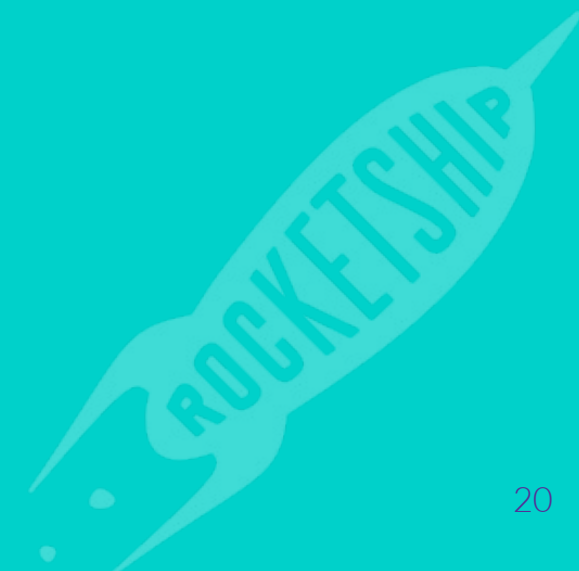
Forecast Balance Sheet - 6/30/22									6/31/21
(000s)	National	CA	MKE	NSH	DC	TX	Elim	RPS	RPS
Cash and cash equivalents	6,586	34,184	703	3,599	6,264	215	-	51,552	42,198
Accounts Receivable	1,203	12,522	997	739	656	49	(1,519)	14,648	26,412
Prepaid	2,133	3,059	94	162	235	0	-	5,684	5,723
Security Deposits	5	444	0	0	0	0	-	450	450
Property, plant & equipment	69	4,276	25	73	24	0	-	4,466	4,466
Note receivable	6,121	958	865	23	1,526	0	(9,493)	0	0
Total Assets	16,118	55,445	2,684	4,596	8,705	265	(11,012)	76,800	79,248
Accounts Payable	1,581	2,342	210	225	669	59	-	5,086	5,566
Accrued Liabilities	1,472	3,238	72	288	404	43	-	5,516	6,453
Deferred Lease Liability	0	3,680	109	8	8,154	0	-	11,951	10,671
Deferred network svc fee	0	1,629	3,171	896	2,416	0	(8,112)	0	0
Intercompany Loan	0	250	1,850	150	650	0	(2,900)	0	0
Long-Term Loans	2,941	281	302	814	0	0	-	4,338	6,793
Total Liabilities	5,994	11,420	5,714	2,380	12,294	102	(11,012)	26,891	32,414
Net Assets	10,125	44,025	(3,030)	2,216	(3,588)	163	(0)	49,909	46,834
Total Liabilities and Net Assets	16,118	55,445	2,684	4,596	8,705	265	(11,012)	76,800	79,248

Projected YE balance sheet is strong:

Days Cash on Hand of 103

Net Asset Ratio of 65%

Q1 Finance Review



Q1 CINA favorable to budget

RPS	Q1-FY22		
(\$000)	Budget	Actuals	Variance
Federal Income	6,110	2,944	(3,166)
State Revenue Sources	31,681	30,136	(1,545)
Other Local Revenues	237	242	6
Int Transfers/Network Svc Fee	(18)	0	18
Grants and Fundraising	1,263	2,612	1,349
Revenues	39,273	35,935	(3,338)
Compensation	26,064	24,372	1,693
Non-Comp	16,232	13,926	2,306
Rent	5,138	5,087	51
Expense	47,435	43,385	4,050
CINA	(8,145)	(7,450)	695
Lease Adjusted CINA	(7,515)	(7,042)	474

Overview

- Revenue variance (\$3.3M)
- Expenses favorable by \$4.1M
- CINA favorable by \$695K

Revenue Variance

- Timing of Federal and CA COVID-relief revenue
- This will correct over the upcoming quarters as receipts catch up with expenditures

Expense Variance

- Comp savings due to open positions, hourly staff shortages, budgeted new hires on hold
- Much of this savings has been used to offset the losses associated with lower enrollment.



Q1 Expenses reflect return to in person instruction

- Budget assumed front-end loading of expenses for books, supplies and computers as students and staff returned to campus
- Q1 actuals include increases in:
 - Furniture to support social distancing
 - Custodial supplies to prepare the facilities
 - Instructional and non-instructional supplies to restock schools
 - Computer equipment for wifi upgrades
- Favorable variance of \$1.4M on student computers; combination of timing and identified cost savings
- Food service expense lower than budgeted due to lower enrollment



FY22 Q1 Balance Sheet

Cash increase since June reflects payment of FY21 deferrals

Balance Sheet - 9/30/21									6/31/21
(000s)	National	CA	MKE	NSH	DC	TX	Elim	RPS	RPS
Cash and cash equivalents	3,307	39,692	725	2,633	8,488	(302)		54,544	42,198
Accounts Receivable	3,013	11,456	655	882	1,436	0	(3,856)	13,586	26,412
Prepaid	2,882	760	95	151	841	27		4,757	5,723
Security Deposits	5	444	0	0	0	0		450	450
Property, plant & equipment	62	4,230	23	71	22	0		4,408	4,466
Note receivable	6,796	985	927	47	1,526	0	(10,281)	0	0
Total Assets	16,066	57,568	2,424	3,784	12,314	(275)	(14,137)	77,744	79,248
Accounts Payable	361	2,250	235	289	832	56		4,023	5,566
Accrued Liabilities	1,271	3,501	117	591	373	40		5,894	6,453
Deferred Revenue	0	10,058	67	0	4,532	0		14,658	2,931
Deferred Lease Liability	0	1,819	106	(53)	6,958	0		8,829	10,671
Deferred network svc fee	0	3,269	2,906	1,167	3,444	0	(10,786)	0	0
Intercompany Loan	0	701	1,850	150	650	0	(3,351)	0	0
Long-Term Loans	3,467	371	302	816	0	0		4,956	6,793
Total Liabilities	5,099	21,969	5,584	2,960	16,789	96	(14,137)	38,360	32,414
Net Assets	10,967	35,599	(3,160)	824	(4,476)	(371)	(0)	39,384	46,834
Total Liabilities and Net Assets	16,066	57,568	2,424	3,784	12,314	(275)	(14,137)	77,744	79,248

9/30 balance sheet is strong:

Days Cash On Hand of 113

Net Asset Ratio of 51%



Q1 Budget to Actual: CA

CA	Q1 YTD			FY22 Forecast		
\$000s	Budget	Actuals	Variance	Budget	Forecast	Variance
Revenue	23,134	19,947	(3,188)	117,115	110,611	(6,504)
Expense	29,190	25,901	3,289	113,794	108,140	5,654
CINA	(6,056)	(5,955)	101	3,321	2,471	(850)

CINA

- Positive CINA variance of \$101K

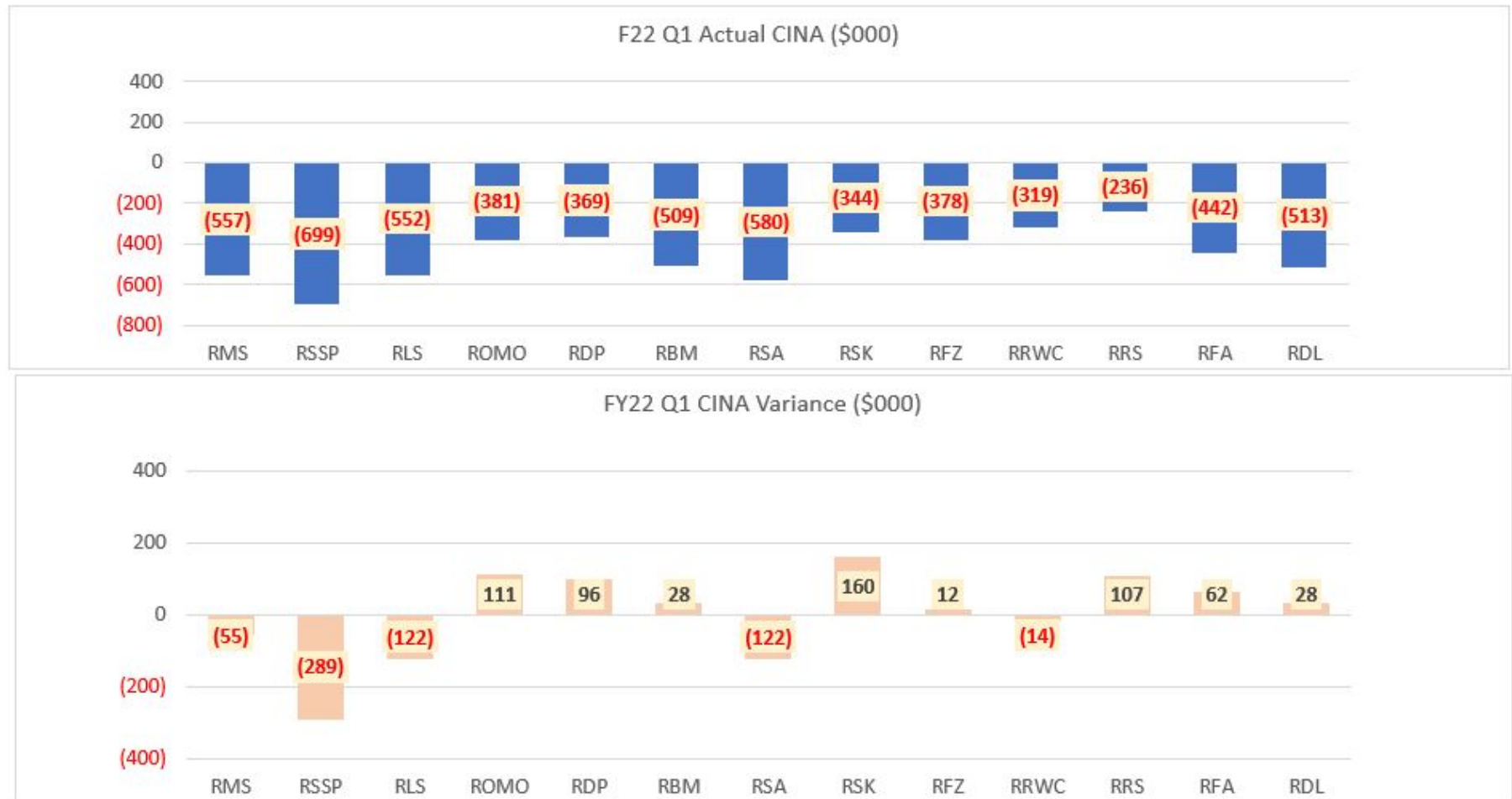
Revenue

- Revenue variance driven primarily by timing of COVID Relief funds:
 - Federal \$1.5M
 - State \$1.8M

Expense

- Significant savings on unfilled positions much of which is being used to offset enrollment shortfalls
- Non-comp savings cross all budget categories a portion of which is being used to offset shortfalls and a portion of which is timing related.

Q1 Budget to Actual: CA



Q1 Budget to Actual: Milwaukee

CINA

- Positive CINA variance of \$222M

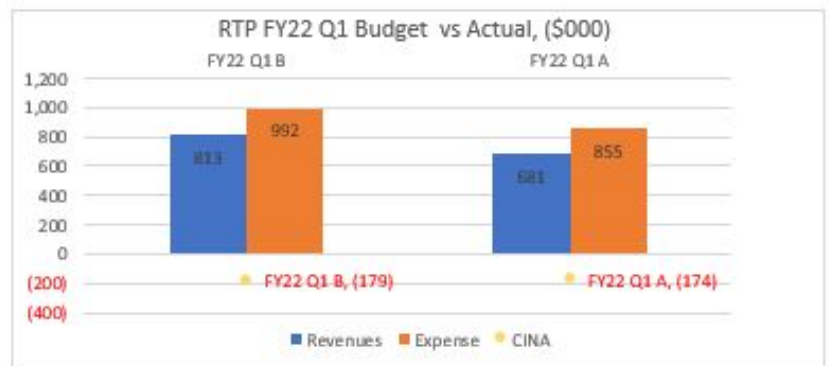
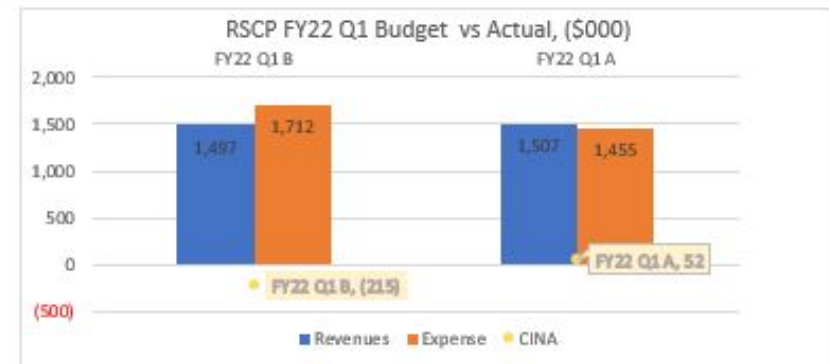
Revenue

- Includes \$200k payment for cell tower at RSCP, budgeted in Q2
- Delayed receipt of \$322K in ESSER funding
- Decrease in per pupil funding rate vs budget assumption

Expense

- Compensation \$327k favorable
- Non-comp savings in student computers, SPED consultants and management fee.

MKE	Q1			FY22 Forecast		
\$000s	Budget	Actuals	Var	Budget	Forecast	Var
Revenue	2,519	2,306	(213)	10,673	10,315	(357)
Expense	2,901	2,466	435	10,893	10,346	547
CINA	(382)	(160)	222	(220)	(31)	189



Q1 Budget to Actual: Nashville

CINA

- Negative CINA variance of \$206K

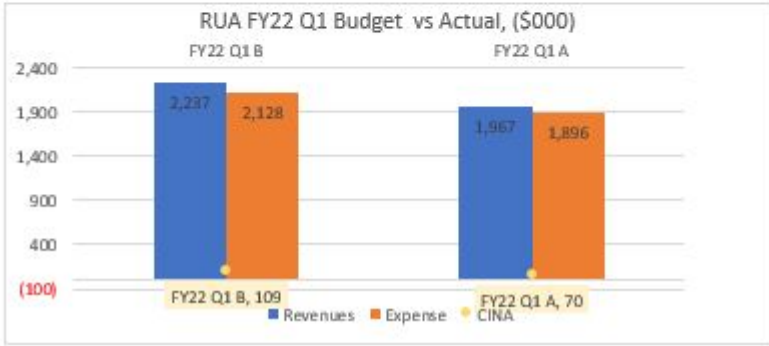
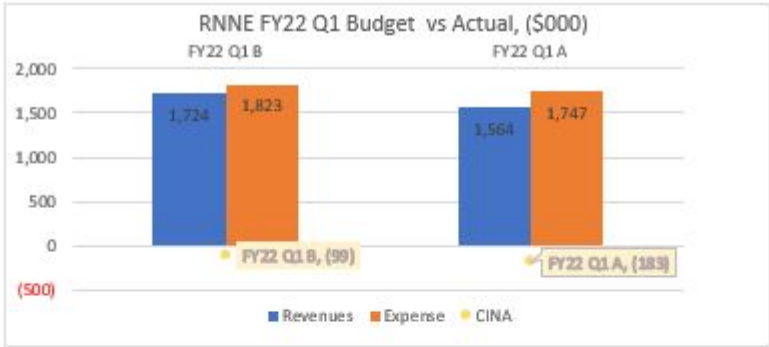
NSH	Q1YTD			FY22 Forecast		
\$000s	Budget	Actuals	Var	Budget	Forecast	Var
Revenue	4,271	3,824	(447)	17,302	18,189	887
Expense	4,266	4,024	241	16,528	16,997	(469)
CINA	5	(200)	(206)	774	1,192	418

Revenue

- FY Forecast includes increase in per pupil funding rate
- Negative variance in revenue is due to timing of ESSER receipts
- There is a positive revenue variance of \$130K driven by child nutrition funding.

Expense:

- Comp in line with budget
- Non-comp is driven primarily by savings on student computers and wifi upgrades



Q1 Budget to Actual: DC

CINA

- Negative CINA variance of \$534K

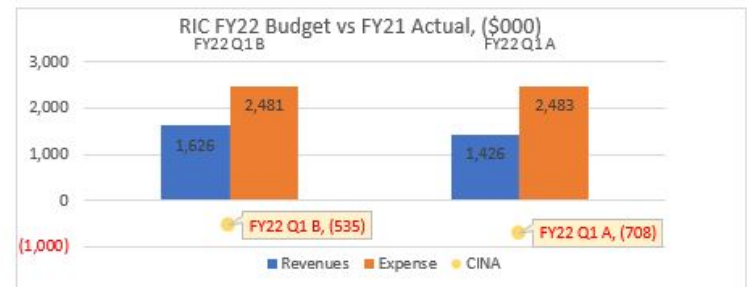
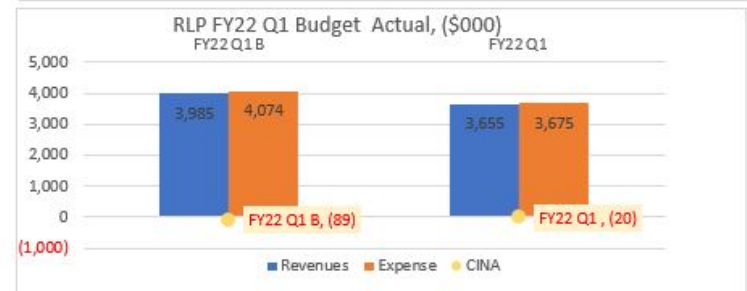
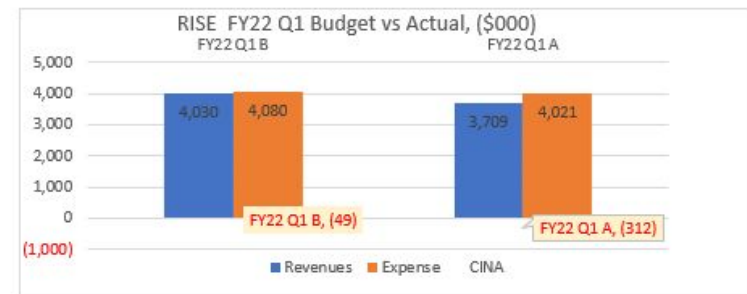
Revenue

- Q1 shortfall driven by timing of ESSER recognition

Expense

- Savings are driven primarily by:
 - Student computers
 - Food service
 - SPED consultants
 - Educational consultants

DC	Q1 YTD			FY22 Forecast		
\$000s	Budget	Actuals	Variance	Budget	Forecast	Variance
Revenue	10,022	9,132	(890)	43,119	42,925	(194)
Expense	11,035	10,679	356	43,801	43,589	212
CINA	(1,013)	(1,547)	(534)	(682)	(663)	18
Lease Adjusted CINA	(384)	(1,139)	(755)	923	941	18



* Lease adjusted CINA

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

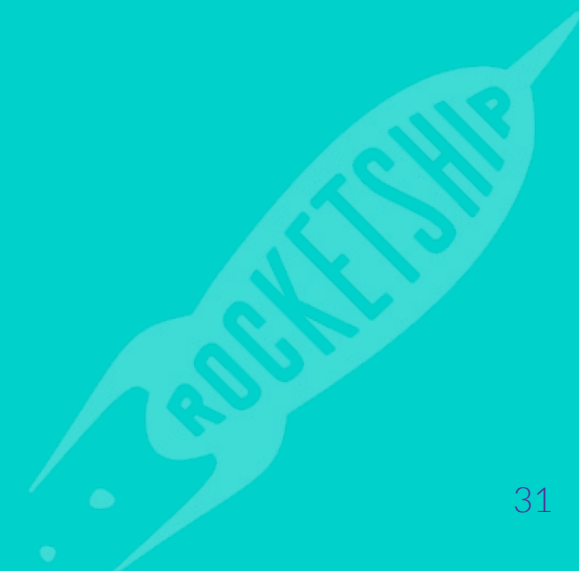
Revenue variance due to timing of CSP and philanthropy

Q1 Budget to Actual: National

National	Q1-FY22			FY22		
(\$000)	Budget	Actuals	Variance	Budget	Forecast	Variance
Federal Income	63	0	(63)	250	250	0
State Revenue Sources	0	0	0	0	0	0
Other Local Revenues	18	34	16	72	72	0
Int Transfers/Network Svc Fee	3,427	2,957	(470)	16,643	16,035	(608)
Grants and Fundraising	763	2,370	1,607	3,820	3,820	0
Revenues	4,271	5,361	1,090	20,785	20,177	(608)
Compensation	3,254	2,961	293	13,466	12,908	559
Non-Comp	1,751	1,576	175	7,150	7,150	0
Rent	44	43	2	177	177	0
Expense	5,049	4,579	470	20,793	20,234	559
CINA	(778)	782	1,560	(8)	(57)	(50)

- Q1 philanthropy \$1.6M favorable to budget
- Comp savings due open roles (CFO, controller) offset by additional consultant costs
- Non-comp savings is primarily on travel and unused contingency funds

Facilities Update



Facilities Update

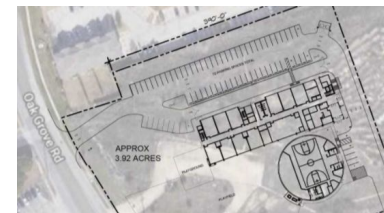
Project	Targeted Delivery	Current Status	Early Financial Risk / Total Project
TN III	Jul 2022	Construction in progress delays due to permit/unforeseen conditions; \$11.8 million budget;	Total invoiced as of 11/1 is \$2.2 million; potential cost increase from unforeseen site conditions.
TX I Berry St	Jul 2022	Construction in progress (on track); \$14.0 million budget; VE due to market pricing increases. 7/29/22 Substantial completion.	Total invoiced as of 11/1/21 is \$2.3 million; no additional costs anticipated.
TX II Oak Grove	July 2023	Site Identified at Oak Grove; \$1.4-\$1.7 million site acquisition; \$500-\$1.0m predevelopment costs. Final Decision reqd Nov '21	Increasing costs for materials; VE building underway - approx. \$1m in savings reqd; City reqd improvements anticipated.
MKE2 – RTP Phase 2	TBD – 2023	Conceptual servery/gym building plan completed; Fundraising underway; Windows & A/C estimates approved.	Fundraising capabilities for capital improvements project.



TX I - Berry St. Rendering

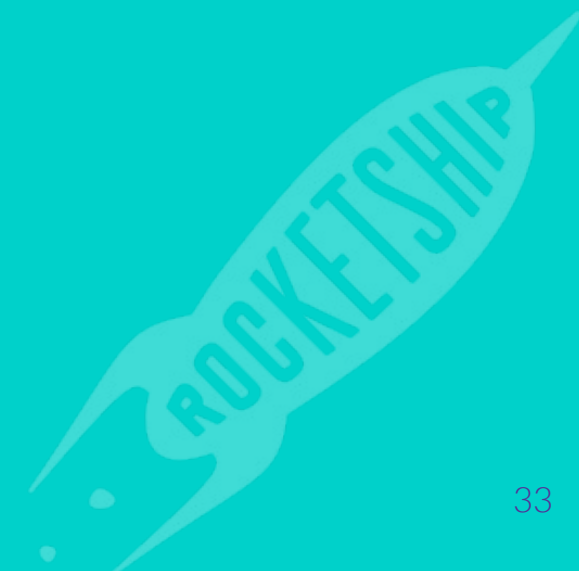


NSH III - Rendering



TX II - Site Layout Plan

Texas Update



Texas Update

Shift Business Activities

We are actively planning 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
 - Create internal controls agreement between the two entities
- 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
- Working on the licensing agreement



Texas Update Cont.

Budget Shifts

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.

TX Budget Update

Increased financing costs and TX 2 facility project costs increasing annual lease costs

	2021	2022	2023	2024	2025	2026
Total Schools			1	2	2	2
Enrollment		0	435	969	1162	1322
Schools						
Public Revenue (No Philanthropy)		350,000	5,498,532	11,396,226	13,014,988	15,257,283
Expenses		258,909	6,098,039	12,351,331	13,830,080	15,709,094
Change in Net Assets		91,091	(599,507)	(955,105)	(815,092)	(451,811)
Cumulative Cash Position		50,762	(991,373)	(2,552,069)	(3,475,137)	(4,004,895)
Regional						
Revenues (No Philanthropy)		80,000	204,552	455,681	557,536	628,072
Expenses		1,207,379	1,520,481	1,524,851	1,649,231	1,651,472
Change in Net Assets		(1,127,379)	(1,315,929)	(1,069,170)	(1,091,694)	(1,023,400)
Cumulative Cash Position	113,174	(1,035,220)	(2,348,745)	(3,416,178)	(4,506,618)	(5,529,112)
Consolidated Schools and Regional NeST						
Change in Net Asset		(1,036,288)	(1,915,436)	(2,024,275)	(1,906,787)	(1,475,211)
Cumulative Cash Position	113,174	(984,458)	(3,340,118)	(5,968,247)	(7,981,755)	(9,534,007)
Annual Cash Need for Liquidity Requirement		219,943	922,835	938,649	240,469	282,188
Annual Fundraising Need		1,204,401	3,278,495	3,566,778	2,253,977	1,834,440
National NeST Fundraising Need		700,000	290,896	-	-	-
Total Fundraising Need		1,904,401	3,569,391	3,566,778	2,253,977	1,834,440
Cumulative Fundraising Need		1,904,401	5,473,792	9,040,570	11,294,547	13,128,988