



**Tuesday, November 15, 2022**  
**Rocketship Public Schools Business Committee (2022-23 Q2)**

**Meeting Time: 10:00am**

**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.**

**Meeting Location: 2001 Gateway Place, Suite 230E San Jose, CA 95110**

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**Teleconference locations:**

**950 Owsley Ave, San Jose, CA 95122**

**1700 Cavallo Rd, Antioch, CA 94509**

**2351 Olivera Rd, Concord, CA 94520**

**909 Roosevelt Ave, Redwood City, CA 94061**

**311 Plus Park Blvd Suite 130, Nashville, TN 37217**

**1060 Palo Alto Ave, Palo Alto, CA 94301**

**1877 Camino A Los Cerros, Menlo Park, CA 94025**

**1080 N. 7th Street, San Jose, CA 95112**

**2625 West Alameda Ave #116 Burbank, 91505**

**1198 Crestmont Drive, Lafayette CA 94549**

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**1. Opening Items**

A. Call to order

B. Public comment on off-agenda items

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**2. Consent Items**

A. Approve minutes from August 16, 2022 Business Committee meeting

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**3. Information Items**

A. Listing of checks in excess of \$100,000

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**4. Agenda Items**

A. Development Update

B. Financial Update

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**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](mailto: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](mailto: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](mailto: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

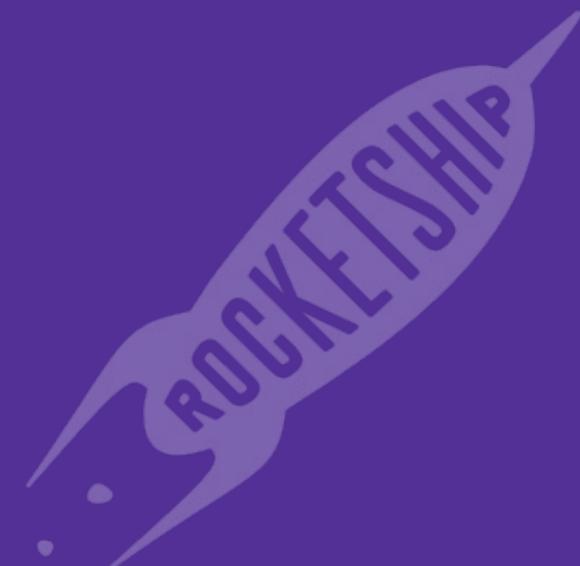
compliance@rsed.org por lo menos 24 horas antes del inicio de la reunión.

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.



# Q2 Rocketship Public Schools Business Committee Meeting

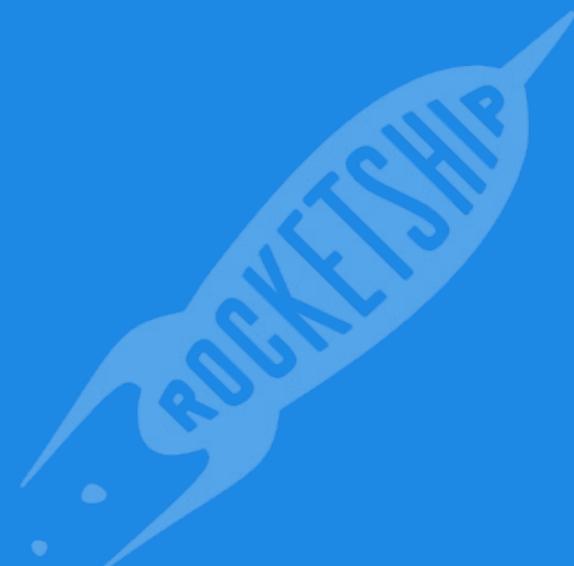
November 15, 2022



# Agenda

- I. Administrative
- II. Informational item: List of check in excess of \$100k
- III. Development Update
- IV. Financial Update

# Information Items



# RSED \$100K+ Checks

**Rocketship Education**  
 Checks signed in excess of \$100,000  
 July 2022 - Sept 2022

Check Date	Check #	Vendor and Invoice #	Invoice Amount	Amount of check	
<b>Reoccurring Monthly Budgeted Expenditures (Policy #138 August 2014)</b>					
<b>Subtotal by category</b>					
<b>Group health insurance</b>					
7/19/2022	47168	Cigna 3027117		537,004.58	
8/16/2022	47417	Cigna 3041922		490,111.94	
9/20/2022	47632	Cigna 3056765		588,706.61	
7/22/2022	EFT	Kaiser Foundation Health Plan 813725747975		294,757.23	
8/30/2022	EFT	Kaiser Foundation Health Plan 813725747975		432,533.88	
9/21/2022	EFT	Kaiser Foundation Health Plan 813728137604		255,029.98	
					<b>\$ 2,598,144.22</b>
<b>Insurance</b>					
8/31/2022	EFT	Great American Insurance_Acct 771331465_22-23'		251,855.30	
					<b>\$ 251,855.30</b>
<b>Software-Administrative</b>					
8/2/2022	EFT	Concur Technologies_101600199306		170,582.76	
					<b>\$ 170,582.76</b>
<b>Software-Curriculum</b>					
8/5/2022	ACH	Mind Research Institute_1246365		103,200.48	
7/22/2022	ACH	Renaissance Learning_INV5250616	137,646.00		
		Renaissance Learning_INV5250461-2	80,013.13	217,659.13	
8/26/2022	ACH	Lexia Learning Systems_SIN084976A		244,300.00	
					<b>\$ 565,159.61</b>
<b>School food service</b>					
7/5/2022	47036	Revolution Foods, Inc. 458187		473,430.53	
7/19/2022	47157	Revolution Foods, Inc. FTI-001202		187,200.00	
7/26/2022	47209	Revolution Foods, Inc. 458556	237,400.63		
		Revolution Foods, Inc. 458558	4,685.31	242,085.94	
					<b>\$ 902,716.47</b>



# RSED \$100K+ Checks

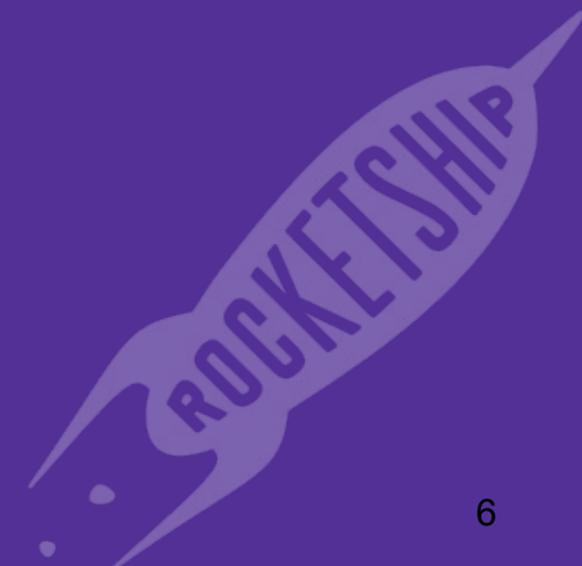
Check Date	Check #	Vendor and Invoice #	Invoice Amount	Amount of check	
<b>After School Program</b>					
7/1/2022	47021	Boys & Girls Club of Silicon Valley 202111555		688,295.00	
8/26/2022	ACH	Boys & Girls Club of Silicon Valley 202111715		315,713.80	
9/9/2022	ACH	Boys & Girls Club of Silicon Valley 202111840		315,713.80	
					<b>\$ 1,319,722.60</b>
<b>Rent</b>					
9/6/2022	47537	Launchpad Development Company Lease DC3-RIC 09-2022		208,684.30	
7/5/2022	47034	Mt. Diablo Unified School District_AR362893		100,000.00	
					<b>\$ 308,684.30</b>
<b>WIP -Hard Costs</b>					
8/26/2022	47508	VJS Construction_9856	65,094.20		
		VJS Construction_10131	141,134.80	206,229.00	
					<b>\$ 206,229.00</b>
<b>Student Transportation</b>					
8/19/2022	ACH	RLCL Acquisition_52855	2,250.00		
		RLCL Acquisition_52816	110,352.00		
		RLCL Acquisition_52910	2,354.40	114,956.40	
9/30/2022	ACH	RLCL Acquisition_53137		116,248.00	
					<b>\$ 231,204.40</b>
<b>Consultants-Health/Nurse</b>					
19-Aug	ACH	Curative_INV2386		128,560.00	
					<b>\$ 128,560.00</b>
Example	Jumpstart School startup online programs or furnitures.				

Total - All checks signed in excess of \$100,000

**\$ 6,682,858.66**



# Development Update



# FY23 Fundraising Target is \$8.45M, a \$2.25M increase from FY22

	FY22	FY22	FY23
Region	Fundraising Goal	ACTUAL	Fundraising Goal
National	3,700	4,869	3,200
Bay Area	0	0	100
TX	1,200	1,300	3,500
NSH	400	672	400
MKE	400	399	750
DC	500	591	500
<b>TOTAL</b>	<b>6,200</b>	<b>7,831</b>	<b>8,450</b>

Largest increases are in TX and MKE, where National Dev team is planning to allocate more time, ensuring they reach that goal



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



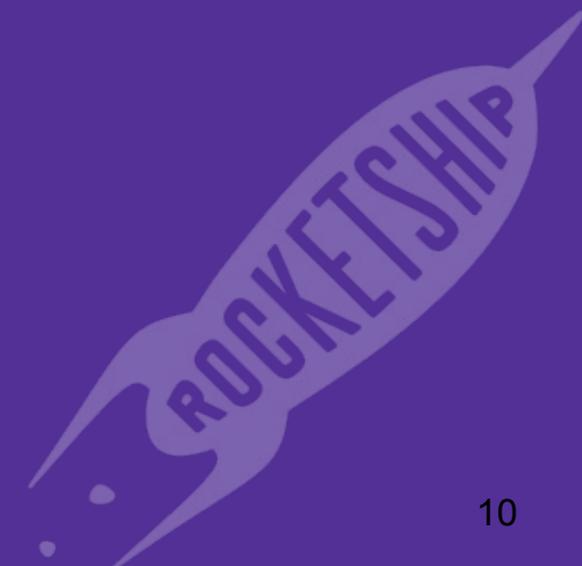
# Pipeline Health Report

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

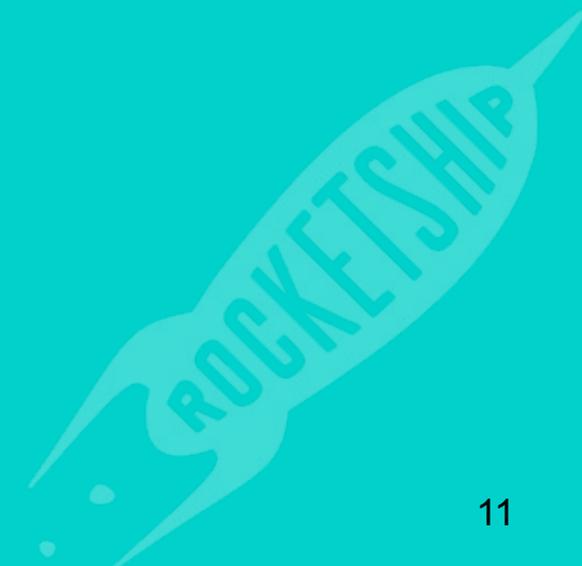
P = Pipeline    B = Benchmark

Region	Q1 Actual	Q2 Benchmark	Q3 Benchmark	Q4 Benchmark	Summary
National	C&C: \$1.7m Q1 B: \$1.7m	C&C: \$725k P: \$200k Q2 B: \$900k 	C&C: \$0 P: \$30k Q3 B: \$100k 	C&C: 0 P: \$500k Q4 B: \$500k 	C&C YTD: <b>\$2.4M</b> YE Goal: <b>\$3.2M</b> Gap to Goal: \$800K 
Bay Area	C&C: \$90k Q1 B: \$0	C&C: \$0m P: \$5k Q2 B: \$50k 	C&C: \$0m P: \$50k Q3 B: \$25k 	C&C: \$0m P: \$75k Q4 B: \$25k 	C&C YTD: <b>\$90K</b> YE Goal: <b>\$100K</b> Gap to Goal: \$10K 
Nashville	C&C: \$41k Q1 B: \$40k	C&C: \$0 P: \$200k Q2 B: \$100k 	C&C: \$0 P: \$55k Q3 B: \$50k 	C&C: \$0 P: \$300k Q4 B: \$210k 	C&C YTD: <b>\$41k</b> YE Goal: <b>\$400k</b> Gap to Goal: \$359K 
Milwaukee	C&C: \$52 Q1 B: \$50k	C&C: \$0 P: \$300k Q2 B: \$100k 	C&C: \$0 P: \$315k Q3 B: \$300k 	C&C: \$0 P: \$1.3m Q4 B: \$300k 	C&C YTD: <b>\$52</b> YE Goal: <b>\$750k</b> Gap to Goal: \$750k 
DC	C&C: \$0k Q1 B: \$100k	C&C: \$100k P: \$140k Q2 B: \$50k 	C&C: \$0 P: \$327k Q3 B: \$100 	C&C: \$100k P: \$1m Q4 B: \$250k 	C&C YTD: <b>\$200k</b> YE Goal: <b>\$500k</b> Gap to Goal: \$300k 
Texas	C&C: \$0 Q1 B: \$0	C&C: \$150k P: \$2.25m Q2 B: \$1.5m 	C&C: \$0 P: \$2.4m Q3 B: \$2m 	C&C: \$0 P: \$50k Q4 B: \$0 	C&C YTD: <b>\$150k</b> YE Goal: <b>\$3.5m</b> Gap to Goal: \$3.35m 

# Financial Update



# FY22 Audit and Year End Actuals



# FY22 Audit Update

- The FY22 audits have been completed for Milwaukee and DC.
  - Both were clean audits with no financial findings
  - There was a minor compliance finding on the Milwaukee audit
- The Rocketship Education and Launchpad audits are on track for completion for the Audit Committee on 11/21.
  - We do not anticipate any financial audit findings
  - There is one California compliance finding
- ASC 842 lease accounting standards implementation
  - We will implement the new GAAP accounting lease standards in FY23 which will have a material impact on both the statement of activities and statement of financial position
  - This will cause year-end financial statements to differ from the budgets and forecasts.
  - We do not expect to have a detailed analysis of the impact until late spring



# FY22 Year End Highlights

## **Rocketship realized an FY22 CINA of \$149K with revenues of \$185M.**

- The FY22 CINA was significantly impacted by return to in-person instruction
  - Enrollment and ADA were negatively impacted by COVID causing negative revenue variances in three of our regions
  - Non-compensation expenses were higher in all regions
  - ESSER (and other COVID relief) funding along with the associated expenses totaled in excess of \$19M.
    - This represented approximately 10% of total revenues
    - This was instrumental in ensuring a smooth return to school and in providing Rocketeers with the additional supports and services they needed.
- National operated with a positive CINA of \$752K Revenue
- California and Milwaukee operated with slightly negative CINA
- Nashville operated with a positive CINA driven by an increase in per pupil funding
- DC operated with a negative CINA which includes \$1.4M in deferred rent expense



# FY22 Statement of Activities

	FY22 Actuals						
(\$000)	CA	MKE	NSH	DC	NTL	Elim	RPS
Federal Income	19,111	2,754	3,747	6,802	93		32,508
State Revenue Sources	88,869	6,636	14,568	33,048	0		143,120
Other Local Revenues	70	23	9	669	197		968
Int Transfers/Network Support Fee	5,492	631	876	1,566	15,696	(23,472)	790
Grants and Fundraising	251	393	694	651	5,314		7,304
<b>Revenues</b>	<b>113,794</b>	<b>10,437</b>	<b>19,894</b>	<b>42,736</b>	<b>21,300</b>	<b>(23,472)</b>	<b>184,690</b>
Compensation	58,146	5,379	8,634	16,220	12,768		101,147
Non Compensation	29,834	3,280	5,414	17,435	7,427		63,390
Rent	11,090	572	1,097	6,902	353		20,014
Network Service Fee	14,842	1,294	2,627	4,699	0	(23,472)	(10)
<b>Expense</b>	<b>113,913</b>	<b>10,526</b>	<b>17,771</b>	<b>45,256</b>	<b>20,548</b>	<b>(23,472)</b>	<b>184,541</b>
<b>CINA</b>	<b>(119)</b>	<b>(88)</b>	<b>2,123</b>	<b>(2,519)</b>	<b>752</b>		<b>149</b>

# FY22 Year End Balance Sheet

## RPS Balance Sheet Highlights:

- Cash
  - FY22 \$41M (or 22% of total expenses) down from \$42M in FY21
  - This represents 83 DCOH (days cash on hand).
- Accounts Receivable
  - FY22 \$26.4M minimal change from FY21
  - ESSER receivables account for more than 50% of total receivables
  - Total Assets \$79.5M
  - Liabilities total \$32.5M
  - Net Assets total \$47.0M

Rocketship is in strong financial health as demonstrated by our balance sheet. Rocketship has:

- 83 Days Cash on Hand
- Net Asset Margin of 26%
- Liabilities as a Percentage of Assets of 41%

## Comparison of Key Balance Sheet Metrics FY21 and FY22

	FY21	FY22
Days Cash on Hand	106	83
Liabilities as a % of Assets	41%	41%
Net Asset Margin	32%	26%



# RPS Balance Sheet YoY Comparison

RPS Balance Sheet				
(000s)	Audited FY19	Audited FY20	Audited FY21	Preliminary FY22
Cash and cash equivalents	30,060	30,806	42,198	41,448
Accounts Receivable	12,585	19,026	26,412	26,438
Prepaid	2,967	3,558	5,702	6,284
Security Deposits	436	431	450	453
Property, plant & equipment	5,009	4,777	4,466	4,889
<b>Total Assets</b>	<b>51,057</b>	<b>58,598</b>	<b>79,228</b>	<b>79,513</b>
Accounts Payable	7,779	3,794	5,566	5,632
Accrued Liabilities	3,461	3,755	6,613	7,332
Deferred Revenue	912	1,582	2,931	5,669
Deferred Lease Liability	7,757	8,385	10,671	12,608
Long-Term Loans	2,525	7,873	6,793	1,289
<b>Total Liabilities</b>	<b>22,434</b>	<b>25,389</b>	<b>32,574</b>	<b>32,530</b>
<b>Net Assets</b>	<b>28,623</b>	<b>33,209</b>	<b>46,654</b>	<b>46,982</b>
<b>Total Liabilities and Net Assets</b>	<b>51,057</b>	<b>58,598</b>	<b>79,228</b>	<b>79,513</b>

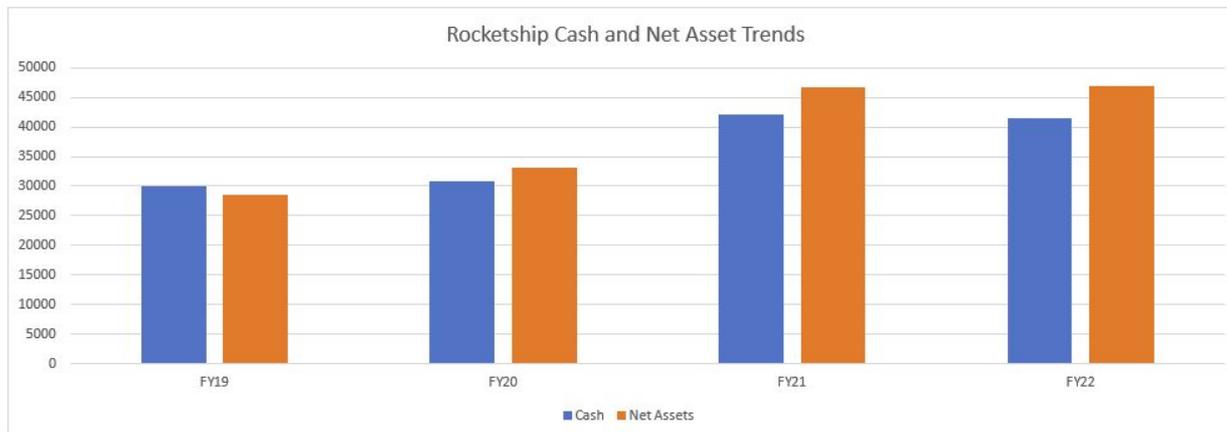
Rocketship's cash and net asset positions have improved dramatically from FY19 to FY22

Cash:

- \$30M in FY19
- \$41M in FY22

Net Assets:

- \$29M in FY19
- \$47M in FY22



This provides Rocketship with a reserves that will allow us to weather a downturn in revenue, a delay in cash receipts or significant increase in expenses



# FY22 Year End Budget to Actuals

## **The overall RPS CINA is \$3.2M lower than budgeted. This is driven primarily by variances in the CA and DC CINAs**

- The FY22 California financial picture has shifted dramatically as a result of lower enrollment than projected in the August budget and lower ADA (primarily attendance impact due to COVID, especially Omicron surge, and keeping our kids/team safe through quarantines).
  - This decrease was partially offset by hold harmless revenue. We anticipate approximately \$9M in hold harmless funding to offset the total change in ADA for FY22.
  - We booked approximately \$4M in FY22, \$5M will be booked in FY23.
  - Had we recognized all of the hold harmless revenue in FY22, the CA CINA would have had a positive variance.
- In DC, enrollment declines and the demographic makeup of our student bodies impacted revenue and we saw additional expenses related to return to in person learning.
- In TN, an increase in state funding created a positive CINA variance of \$1.3M.

*Note: Grants and Fundraising figures in the FY22 actuals differ from the Development Team numbers because they include additional revenue sources.*



# FY22 Year End Budget to Actuals

(\$000)	FY22 Year End Budget to Actual							August Budget	Variance
	CA	MKE	NSH	DC	NTL	Elim	RPS		
Federal Income	19,111	2,754	3,747	6,802	93		32,508	28,957	3,550
State Revenue Sources	88,869	6,636	14,568	33,048	0		143,120	148,437	(5,317)
Other Local Revenues	70	23	9	669	197		968	1,471	(503)
Int Transfers/Network Support Fee	5,492	631	876	1,566	15,696	(23,472)	790		790
Grants and Fundraising	251	393	694	651	5,314		7,304	6,320	984
<b>Revenues</b>	<b>113,794</b>	<b>10,437</b>	<b>19,894</b>	<b>42,736</b>	<b>21,300</b>	<b>(23,472)</b>	<b>184,690</b>	<b>185,186</b>	<b>(495)</b>
Compensation	58,146	5,379	8,634	16,220	12,768		101,147	106,049	4,902
Non Compensation	29,834	3,280	5,414	17,435	7,427		63,390	55,262	(8,129)
Rent	11,090	572	1,097	6,902	353		20,014	20,554	540
Network Service Fee	14,842	1,294	2,627	4,699	0	(23,472)	(10)	0	10
<b>Expense</b>	<b>113,913</b>	<b>10,526</b>	<b>17,771</b>	<b>45,256</b>	<b>20,548</b>	<b>(23,472)</b>	<b>184,541</b>	<b>181,865</b>	<b>(2,676)</b>
<b>CINA</b>	<b>(119)</b>	<b>(88)</b>	<b>2,123</b>	<b>(2,519)</b>	<b>752</b>		<b>149</b>	<b>3,321</b>	<b>(3,172)</b>

# National NeST FY22 Budget to Actual

National (\$000)	FY22		
	Budget	Actual	Variance
Federal Income	250	93	(157)
State Revenue Sources	0		0
Other Local Revenues	72	197	125
Int Transfers/Network Svc Fee	16,643	15,696	(946)
Grants and Fundraising	3,820	5,314	1,494
<b>Revenues</b>	<b>20,785</b>	<b>21,300</b>	<b>515</b>
Compensation	13,466	12,768	698
Non-Comp	7,150	7,427	(277)
Rent	177	353	(176)
<b>Expense</b>	<b>20,793</b>	<b>20,548</b>	<b>245</b>
<b>CINA</b>	<b>(8)</b>	<b>752</b>	<b>760</b>

National NeST ended the year with a positive CINA of \$752K representing a positive variance of \$760K.

This was driven by a positive fundraising variance and by savings against budgeted compensation.



# California FY22 Budget v Actual

California (\$000)	FY2022								
	Schools			NeST			Region		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Federal Income	14,641	19,111	4,470	0	0	0	14,641	19,111	4,470
State Revenue Sources	96,369	87,937	(8,431)	0	931	931	96,369	88,869	(7,500)
Other Local Revenues	193	70	(123)	0	0	0	193	70	(123)
Int Transfers/Network Svc Fee	575	600	25	5,336	4,892	(444)	5,911	5,492	(419)
Grants and Fundraising	0	204	204	0	48	48	0	251	251
<b>Revenues</b>	<b>111,778</b>	<b>107,922</b>	<b>(3,856)</b>	<b>5,336</b>	<b>5,872</b>	<b>535</b>	<b>117,115</b>	<b>113,794</b>	<b>(3,321)</b>
Compensation	57,462	54,951	2,511	3,260	3,195	65	60,722	58,146	2,576
Non Compensation	24,634	27,945	(3,311)	1,477	1,789	(312)	26,111	29,734	(3,623)
Rent	11,056	10,788	268	284	402	(118)	11,340	11,190	150
Network Service Fee	15,621	14,842	779	0	0	0	15,621	14,842	779
<b>Expense</b>	<b>108,773</b>	<b>108,527</b>	<b>247</b>	<b>5,021</b>	<b>5,386</b>	<b>(365)</b>	<b>113,794</b>	<b>113,913</b>	<b>(119)</b>
<b>Net Income</b>	<b>3,005</b>	<b>(604)</b>	<b>(3,609)</b>	<b>316</b>	<b>486</b>	<b>170</b>	<b>3,321</b>	<b>(119)</b>	<b>(3,439)</b>

The variance in the California actuals is driven primarily by a shift in state revenue.

We will receive approximately \$9M in hold harmless revenue from the state to offset the impact that COVID had on FY22 ADA.

We booked \$4M of the hold harmless revenue in FY22, the remainder will be recognized in FY23 per our auditor's instructions.

Had we recognized the full \$9M in hold harmless revenue in FY22, it would have eliminated the negative CINA variance.



# Milwaukee FY22 Budget v Actual

Milwaukee	FY22 YE Budget to Actual								
	Schools			NeST +			Region		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
(\$000)									
Federal Income	2,610	2,754	144	0	0	0	2,610	2,754	144
State Revenue Sources	6,921	6,636	(285)	0	0	0	6,921	6,636	(285)
Other Local Revenues	200	23	(177)	0	0	0	200	23	(177)
Int Transfers/Network Svc Fee	100	200	100	442	437	(5)	542	637	95
Grants and Fundraising	400	388	(12)	0		0	400	388	(12)
<b>Revenues</b>	<b>10,231</b>	<b>10,001</b>	<b>(230)</b>	<b>442</b>	<b>437</b>	<b>(5)</b>	<b>10,673</b>	<b>10,438</b>	<b>(235)</b>
Compensation	5,410	4,826	584	659	553	106	6,069	5,379	690
Non Compensation	2,779	3,150	(371)	127	130	(3)	2,906	3,280	(374)
Rent	592	572	20	0	0	0	592	572	20
Network Service Fee	1,325	1,294	31	0	0	0	1,325	1,294	31
<b>Expense</b>	<b>10,107</b>	<b>9,843</b>	<b>264</b>	<b>786</b>	<b>683</b>	<b>103</b>	<b>10,893</b>	<b>10,526</b>	<b>367</b>
<b>Net Income</b>	<b>124</b>	<b>157</b>	<b>33</b>	<b>(344)</b>	<b>(246)</b>	<b>98</b>	<b>(220)</b>	<b>(89)</b>	<b>131</b>

Overall, Milwaukee's actuals were consistent with the budget

# Nashville FY22 Budget v Actual

Nashville	FY2022								
	Budget	Schools Actual	Variance	Budget	NeST Actual	Variance	Budget	Region Actual	Variance
(\$000)									
Federal Income	4,249	3,747	(502)	71		(71)	4,320	3,747	(573)
State Revenue Sources	11,825	14,568	2,743	0		0	11,825	14,568	2,743
Other Local Revenues	0	32	32	0		0	0	32	32
Int Transfers/Network Svc Fee	0		0	757	876	119	757	876	119
Grants and Fundraising	400		(400)	0	671	671	400	671	271
<b>Revenues</b>	<b>16,474</b>	<b>18,347</b>	<b>1,873</b>	<b>827</b>	<b>1,547</b>	<b>719</b>	<b>17,302</b>	<b>19,894</b>	<b>2,593</b>
Compensation	7,445	7,620	(176)	1,117	1,014	102	8,561	8,634	(73)
Non Compensation	4,451	4,966	(515)	166	464	(298)	4,617	5,431	(813)
Rent	1,079	1,079	(0)	0		0	1,079	1,079	(0)
Network Service Fee	2,270	2,627	(357)	0		0	2,270	2,627	(357)
<b>Expense</b>	<b>15,245</b>	<b>16,292</b>	<b>(1,048)</b>	<b>1,283</b>	<b>1,479</b>	<b>(196)</b>	<b>16,528</b>	<b>17,771</b>	<b>(1,243)</b>
<b>Net Income</b>	<b>1,229</b>	<b>2,055</b>	<b>826</b>	<b>(456)</b>	<b>68</b>	<b>524</b>	<b>774</b>	<b>2,123</b>	<b>1,349</b>

Nashville had a positive CINA variance of \$1.3M. This was primary driven by a significant increase in per pupil revenue.

# DC FY22 Budget v Actual

DC (\$000)	FY2022								
	Schools			NeST			Region		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Federal Income	6,705	6,802	97	0		0	6,705	6,802	97
State Revenue Sources	33,324	33,048	(276)	0		0	33,324	33,048	(276)
Other Local Revenues	1,006	669	(336)	0		0	1,006	669	(336)
Int Transfers/Network Svc Fee	0		0	1,585	1,570	(14)	1,585	1,570	(14)
Grants and Fundraising	500	647	147	0		0	500	647	147
<b>Revenues</b>	<b>41,535</b>	<b>41,166</b>	<b>(368)</b>	<b>1,585</b>	<b>1,570</b>	<b>(14)</b>	<b>43,119</b>	<b>42,736</b>	<b>(383)</b>
Compensation	14,870	14,788	82	1,246	1,432	(186)	16,115	16,220	(104)
Non Compensation	15,155	16,608	(1,453)	429	762	(333)	15,584	17,370	(1,786)
Rent	7,348	6,902	446	0	65	(65)	7,348	6,967	381
Network Service Fee	4,754	4,699	54	0		0	4,754	4,699	54
<b>Expense</b>	<b>42,126</b>	<b>42,997</b>	<b>(871)</b>	<b>1,675</b>	<b>2,259</b>	<b>(584)</b>	<b>43,801</b>	<b>45,256</b>	<b>(1,455)</b>
<b>Net Income</b>	<b>(592)</b>	<b>(1,831)</b>	<b>(1,240)</b>	<b>(90)</b>	<b>(688)</b>	<b>(598)</b>	<b>(682)</b>	<b>(2,519)</b>	<b>(1,838)</b>

The DC additional non-compensation variance was primary due to expenses associated with return to school.

DC revenues were lower than anticipated due to enrollment decline and shift in student demographics.

# FY22 Year Over Year Comparison

There were significant changes in the statement of activities from FY21 to FY22

- FY22 CINA was \$149K compared to FY21 CINA of \$13.5M
- RPS revenues increased by \$23M while expenses increased by \$36M
- Revenue increases were driven primarily by state and federal COVID relief funds
- The COVID relief funds generated offsetting expenses both in compensation and non-compensation
- There were significant savings in FY21 associated with remote learning such as transportation, custodial expenses, after school expenses, utilities, etc. These expenses returned in FY22.
- Many expenses increased in FY22 in conjunction with the impact of COVID surges and the Omicron variant such as substitute teachers which was \$2M higher than in FY21.
- Special education expenses far exceeded the FY21 amounts. These expenditures were necessary to provide a high quality, meaningful inclusion model for our special education students and to ensure that we continue to serve all students with excellence.
- CINA was lower in FY22 for all regions and NeSTs but the largest changes were in CA and DC
  - CA was driven in large measure by changes in enrollment and attendance. This was ameliorated by a partial hold harmless revenue. We booked \$4M of a total \$9M in hold harmless revenue in FY22, the balance will be booked in FY23. This is overshadowed by state and federal COVID relief funds.
  - In DC, there were significant additional expenditures associated with return to in person learning and an increase in enrollment.



# FY22 Statement of Activities

	Regional and National NeSTs						Total
	CA	WI	NSH	DC	ELIM		
	FY2022	FY2022	FY2022	FY2022	FY2022	FY2022	FY2022
<b>Revenues</b>							
State revenue	931,377	87,937,368	6,635,924	14,567,771	33,047,998	-	143,120,438
Federal revenue	92,733	19,111,373	2,754,098	3,747,237	6,802,121	-	32,507,563
Other local revenue	196,971	69,896	23,079	9,230	669,106	-	968,281
Contributions	6,042,093	203,607	387,979	23,252	646,879	-	7,303,809
Other Revenue	23,462,123	600,000	200,000	-	-	(23,472,010)	790,112
<b>Total Revenues</b>	<b>30,725,297</b>	<b>107,922,243</b>	<b>10,001,080</b>	<b>18,347,490</b>	<b>41,166,104</b>	<b>(23,472,010)</b>	<b>184,690,203</b>
<b>Expenses</b>							
Compensation	18,961,717	54,950,886	4,826,466	7,620,094	14,788,046	-	101,147,209
Materials and Supplies	1,912,896	6,842,396	945,012	1,281,693	3,183,168	-	14,165,165
Student Food Services	-	3,895,420	532,103	570,109	946,167	-	5,943,798
Facility Fee	2,000	10,311,781	572,095	1,079,480	6,901,804	-	18,867,160
Facility Costs	968,887	3,656,913	370,088	690,372	1,328,438	-	7,014,698
Other Program Expenses	8,508,673	14,027,001	1,302,801	2,424,051	11,150,561	-	37,413,088
Administration and general	-	14,842,237	1,294,086	2,626,693	4,699,107	(23,472,010)	(9,888)
<b>Total Expenses</b>	<b>30,354,173</b>	<b>108,526,634</b>	<b>9,842,651</b>	<b>16,292,492</b>	<b>42,997,291</b>	<b>(23,472,010)</b>	<b>184,541,231</b>
<b>CINA</b>	<b>371,124</b>	<b>(604,391)</b>	<b>158,429</b>	<b>2,054,998</b>	<b>(1,831,187)</b>	<b>-</b>	<b>148,973</b>
Total Beginning net assets	10,858,430	38,410,779	(2,438,993)	1,709,246	(1,865,312)	-	46,674,150
Total Ending Net Assets	11,229,554	37,806,389	(2,280,564)	3,764,243	(3,696,499)	-	46,823,122

# FY21 Statement of Activities

	Regional and National NeSTs	CA	WI	NSH	DC	ELIM	Total
	FY2021	FY2021	FY2021	FY2021	FY2021	FY2021	FY2021
<b>Revenues</b>							
State revenue	-	83,607,653	6,360,578	13,315,012	30,787,153	-	134,070,395
Federal revenue	159,545	12,452,127	1,462,844	1,292,911	4,119,768	-	19,487,195
Other local revenue	178,301	6,993	3,460	7	205,479	-	394,240
Contributions	4,336,947	242,272	375,002	1,170	860,055	-	5,815,446
Other Revenue	22,962,067	375,000	100,000	-	-	(21,227,066)	2,210,000
<b>Total Revenues</b>	<b>27,636,860</b>	<b>96,684,044</b>	<b>8,301,883</b>	<b>14,609,100</b>	<b>35,972,456</b>	<b>(21,227,066)</b>	<b>161,977,277</b>
<b>Expenses</b>							
Compensation	17,307,142	46,703,849	4,146,162	6,106,238	11,395,781	-	85,659,172
Materials and Supplies	1,339,078	6,351,311	743,887	1,046,119	2,090,111	-	11,570,507
Student Food Services	-	523,160	86,406	168,831	110,224	-	888,621
Facility Fee	-	10,553,572	651,685	1,079,480	7,156,182	-	19,440,918
Facility Costs	524,121	2,502,768	301,276	451,908	580,024	-	4,360,096
Other Program Expenses	6,899,108	7,588,074	958,410	1,399,675	9,747,657	-	26,592,924
Administration and general	-	13,971,378	1,070,882	2,166,890	4,017,917	(21,227,066)	-
<b>Total Expenses</b>	<b>26,069,450</b>	<b>88,194,112</b>	<b>7,958,708</b>	<b>12,419,140</b>	<b>35,097,895</b>	<b>(21,227,066)</b>	<b>148,512,238</b>
<b>CINA</b>	<b>1,567,410</b>	<b>8,489,933</b>	<b>343,175</b>	<b>2,189,960</b>	<b>874,561</b>	<b>-</b>	<b>13,465,039</b>
Total Beginning net assets	9,291,020	29,920,847	(2,782,168)	(480,715)	(2,739,873)	-	33,209,110
Total Ending Net Assets	10,858,430	38,410,779	(2,438,993)	1,709,246	(1,865,312)	-	46,674,150

# Comparison of FY22 to FY21 Statement of Activities

	Regional and National NeSTs	CA	WI	NSH	DC	ELIM	Total
	2022 v 2021	2022 v 2021	2022 v 2021	2022 v 2021	2022 v 2021	2022 v 2021	2022 v 2021
<b>Revenues</b>							
State revenue	931,377	4,329,715	275,346	1,252,758	2,260,845	-	9,050,042
Federal revenue	(66,812)	6,659,246	1,291,255	2,454,326	2,682,353	-	13,020,368
Other local revenue	18,669	62,902	19,619	9,223	463,626	-	574,041
Contributions	1,705,147	(38,665)	12,977	22,082	(213,177)	-	1,488,363
Other Revenue	500,056	225,000	100,000	-	-	(2,244,944)	(1,419,888)
<b>Total Revenues</b>	<b>3,088,437</b>	<b>11,238,199</b>	<b>1,699,197</b>	<b>3,738,390</b>	<b>5,193,648</b>	<b>(2,244,944)</b>	<b>22,712,927</b>
<b>Expenses</b>							
Compensation	1,654,575	8,247,037	680,304	1,513,857	3,392,264	-	15,488,037
Materials and Supplies	573,817	491,085	201,125	235,574	1,093,057	-	2,594,658
Student Food Services	-	3,372,259	445,696	401,278	835,944	-	5,055,177
Facility Fee	2,000	(241,791)	(79,589)	0	(254,378)	-	(573,758)
Facility Costs	444,766	1,154,145	68,812	238,464	748,414	-	2,654,602
Other Program Expenses	1,609,565	6,438,928	344,391	1,024,376	1,402,904	-	10,820,164
Administration and general	-	870,859	223,204	459,803	681,191	(2,244,944)	(9,888)
<b>Total Expenses</b>	<b>4,284,723</b>	<b>20,332,522</b>	<b>1,883,943</b>	<b>3,873,352</b>	<b>7,899,396</b>	<b>(2,244,944)</b>	<b>36,028,993</b>
<b>CINA</b>	<b>(1,196,286)</b>	<b>(9,094,323)</b>	<b>(184,746)</b>	<b>(134,963)</b>	<b>(2,705,748)</b>	<b>-</b>	<b>(13,316,066)</b>
Total Beginning net assets	1,567,410	8,489,933	343,175	2,189,960	874,561	-	13,465,039
Total Ending Net Assets	371,124	(604,391)	158,429	2,054,998	(1,831,187)	-	148,973

# Forecasted FY22 YE Loans and Deferred Network Support Fee

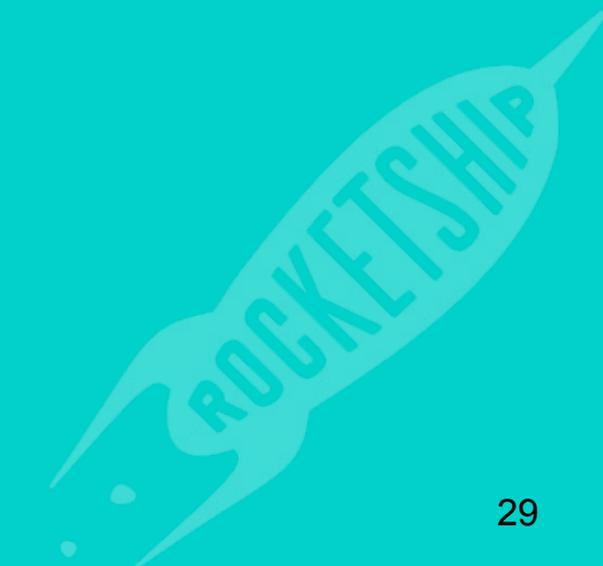
At present there is a total of \$11.3M due to National and Regional NeST for loans and deferred network support fees. In an effort to ensure that our first priority is supporting our schools and regions, we have at times deferred Network Support fees. We plan to explore repayment options in FY23 if at all possible for regions, while still continuing to prioritize the needs of our schools and regions.

National will not make any new grants, loans or network support fee deferrals in FY23.

	FY20	FY21	FY22
CA	5,450	3,604	1,968
MKE	4,213	4,321	4,471
DC	2,648	2,421	3,666
Nashville	1,177	1,246	1,146
<b>Total</b>	<b>13,488</b>	<b>11,592</b>	<b>11,251</b>



# FY23 Enrollment Update



# Enrollment

School/Region	FY23 Budget	Sept	Change	Percent
	Staffing Projection	Forecast		
RMS	483	499	16	3%
RSSP	311	328	17	5%
RLS	381	369	(12)	-3%
ROMO	577	568	(9)	-2%
RDP	438	430	(8)	-2%
RBM	460	498	38	8%
RSA	517	514	(3)	-1%
RSK	574	560	(14)	-2%
RFZ	564	563	(1)	0%
RRS	587	594	7	1%
RRWC	275	316	41	15%
RFA	675	671	(4)	-1%
RDL	594	577	(17)	-3%
<b>CA</b>	<b>6,436</b>	<b>6,487</b>	<b>51</b>	<b>1%</b>
RNNE	500	502	2	0%
RUA	518	496	(22)	-4%
RDCP	388	342	(46)	-12%
<b>NSH</b>	<b>1,406</b>	<b>1,340</b>	<b>(66)</b>	<b>-5%</b>
RSCP	443	444	1	0%
RTP	279	270	(9)	-3%
<b>MKE</b>	<b>722</b>	<b>714</b>	<b>(8)</b>	<b>-1%</b>
RISE	600	529	(71)	-12%
RLP	649	657	8	1%
RIC	303	306	3	1%
<b>DC</b>	<b>1,552</b>	<b>1,492</b>	<b>(60)</b>	<b>-4%</b>
TX1	413	330	(83)	-20%
<b>TX</b>	<b>413</b>	<b>330</b>	<b>(83)</b>	<b>-20%</b>
<b>Total</b>	<b>10,529</b>	<b>10,363</b>	<b>(166)</b>	<b>-2%</b>

Actual enrollment has been strong as compared to the Budget Staffing Projections for 18 of our 22 Rocketship schools.

In CA enrollment has exceeded the budget projections by 51 students.

MKE has effectively met its enrollment targets.

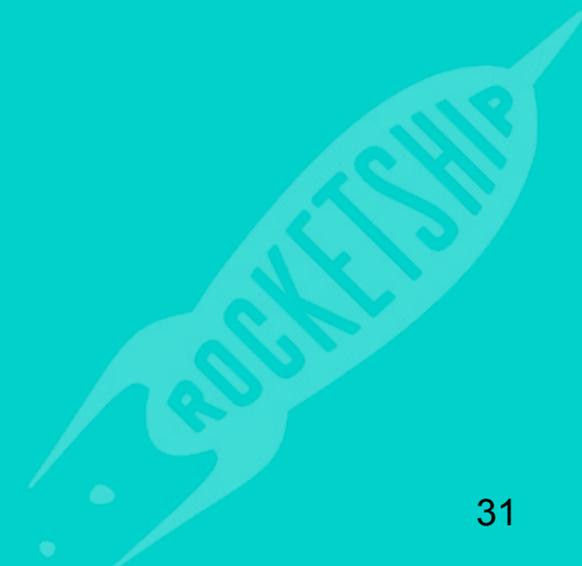
In DC, enrollment at RISE is 71 students lower than projected. This is primarily PreK students who participate in the Appletree program. The financial impact of a decrease in PreK enrollment in DC is significantly lower than for K-5 enrollment.

Enrolment at our two new schools is lower than projected. This is consistent with other new school openings.



# FY23 First Quarter Update

## Rocketship Consolidated & National NeST



# FY23 Q1 Update - Budget v Actuals and September Reforecast

The Q1 actuals and September reforecast indicate that Rocketship is in a strong position to exceed FY23 CINA targets.

While September Budget v Actuals show a negative CINA variance our analysis indicates that this is the result of both revenue and expense timing issues.

Our forecast shows a sharp reversal of the Q1 trend with a positive CINA variance of \$11.5M.

The forecast may shift lower over the course of the year as we gain a better understanding of one-time CA revenue streams.

*Note: Grants and Fundraising figures in the FY23 actuals differ slightly from the Development Team numbers because they include additional revenue sources.*



# RPS Q1 BvA

	Board Approved Budget - September Q1 FY23								
	September Budget								
(\$000)	CA	MKE	NSH	DC	NTL	Elim	RPS	September Actuals	Variance
Federal Income	3,716	527	1,359	1,459	0	0	7,061	3,082	(3,979)
State Revenue Sources	22,465	1,588	4,694	8,395	0	0	37,142	32,979	(4,163)
Other Local Revenues	32	0	0	136	18	0	186	149	(37)
Int Transfers/Network Support Fee	1,394	101	295	397	4,158	(6,346)	0	91	91
Grants and Fundraising	0	188	100	0	43	0	330	1,936	1,606
<b>Revenues</b>	<b>27,607</b>	<b>2,404</b>	<b>6,449</b>	<b>10,387</b>	<b>4,219</b>	<b>(6,346)</b>	<b>44,719</b>	<b>38,238</b>	<b>(6,482)</b>
Compensation	14,937	1,348	2,847	4,283	3,783	0	27,198	26,970	228
Non Compensation	10,870	1,031	2,516	4,025	1,951	(259)	20,135	17,827	2,308
Rent	2,660	161	0	1,842	43	0	4,706	4,600	105
Network Service Fee	3,709	303	885	1,190	0	(6,087)	0	0	0
<b>Expense</b>	<b>32,177</b>	<b>2,843</b>	<b>6,248</b>	<b>11,340</b>	<b>5,777</b>	<b>(6,346)</b>	<b>52,038</b>	<b>49,397</b>	<b>2,641</b>
<b>CINA</b>	<b>(4,570)</b>	<b>(439)</b>	<b>201</b>	<b>(953)</b>	<b>(1,558)</b>	<b>0</b>	<b>(7,319)</b>	<b>(11,160)</b>	<b>(3,840)</b>

The Q1 Budget to Actual shows a negative CINA variance of \$3.8M.

This is driven primarily lower than anticipated federal and state revenue.

- The federal revenue variance is due to timing of ESSER Funds.
- The state revenue variance is driven by timing of one-time and hold harmless funding in CA.

Expenses show a positive variance of \$2.6M. This is driven primarily by lower than projected spending in California for the Extended Learning Opportunity Program (ELOP) which provides approximately \$15M for afterschool and summer school programs.



# FY23 September Reforecast

(\$000)	Board Approved Budget - September Re-Forecast							September Re-Forecast	Variance
	Board Approved								
	CA	MKE	NSH	DC	NTL	Elim	RPS		
Federal Income	17,292	2,455	4,424	6,420	0	0	30,591	32,152	1,561
State Revenue Sources	117,146	6,385	18,778	34,957	0	0	177,266	190,326	13,060
Other Local Revenues	184	0	1	508	72	0	766	792	27
Int Transfers/Network Support Fee	6,999	410	1,109	1,648	20,228	(30,393)	0	400	400
Grants and Fundraising	100	750	400	500	3,200	0	4,950	4,960	10
<b>Revenues</b>	<b>141,721</b>	<b>9,999</b>	<b>24,712</b>	<b>44,034</b>	<b>23,500</b>	<b>(30,393)</b>	<b>213,573</b>	<b>228,630</b>	<b>15,057</b>
Compensation	59,748	5,391	11,387	17,130	15,133	0	108,789	109,107	(317)
Non Compensation	39,699	3,425	6,369	15,436	5,854	(1,871)	68,911	72,619	(3,707)
Rent	10,704	643	1,989	7,348	171	0	20,855	20,418	437
Network Service Fee	19,022	1,229	3,327	4,944	0	(28,522)	0	0	0
<b>Expense</b>	<b>129,173</b>	<b>10,688</b>	<b>23,072</b>	<b>44,858</b>	<b>21,158</b>	<b>(30,393)</b>	<b>198,555</b>	<b>202,143</b>	<b>(3,588)</b>
<b>CINA</b>	<b>12,549</b>	<b>(689)</b>	<b>1,640</b>	<b>(824)</b>	<b>2,342</b>	<b>0</b>	<b>15,017</b>	<b>26,487</b>	<b>11,470</b>

The September Reforecast shows a positive CINA variance of \$11.5M.

This is driven primarily by additional revenue in CA associated with one-time state revenue of approximately \$2,500 per ADA. This may shift as we do not yet have state revenue recognition guidance for these funds.

Expenses are projected to be \$3.4M higher. This is a conservative estimate that maintains Rocketship-wide contingencies in excess of \$2.5M.



# National NeST Q1 Financial Update

The National Q1 BvA shows a positive CINA variance of \$574K. This is driven primarily by philanthropy. The BvA shows expenses greater than budget of \$781K. The larger than budgeted non-compensation expense is associated, in large measure, with temporary and consulting support in payroll and finance.

The National FY23 reforecast shows a positive CINA variance of \$1.3M. This is driven by additional revenue associated with increased funding. Expenses are projected to increase by \$1.2M. This is a conservative estimate as it maintains a significant portion of National's \$1M contingency.

National NeST support fee revenue may shift as we gain clarity on revenue recognition guidelines from CDE. Regardless of these guidelines, the state has indicated that CA will receive the one-time funds in FY23.

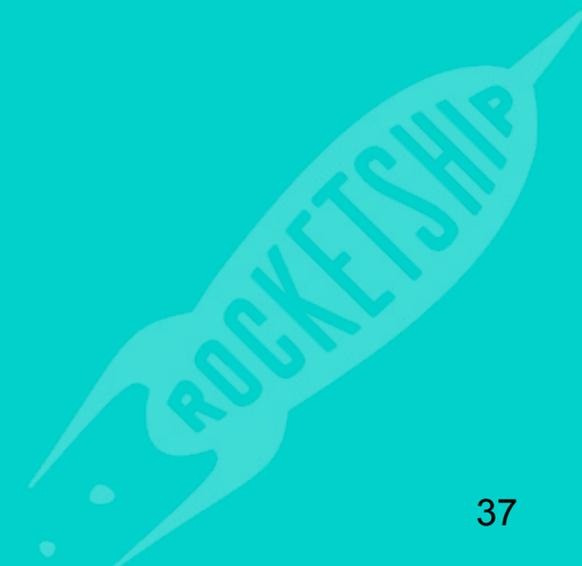
We plan to use approximately \$1.5M of the forecasted \$2.9M CINA to implement new systems that are critical to Rocketship's infrastructure. These include an HRIS, contract management system, compliance management system and upgrades to our financial analysis system.



# National Q1 BvA and September Reforecast

National	Q1-FY23			FY23 September Reforecast		
(\$000)	Budget	Actuals	Variance	Budget	Forecast	Variance
Federal Income						
State Revenue Sources						
Other Local Revenues	18	52	34	72	106	34
Int Transfers/Network Support Fee	4,158	3,635	(523)	19,428	21,891	2,463
Grants and Fundraising	43	1,887	1,844	3,200	3,203	3
<b>Revenues</b>	<b>4,219</b>	<b>5,574</b>	<b>1,355</b>	<b>22,700</b>	<b>25,199</b>	<b>2,499</b>
Compensation	3,783	3,958	(175)	15,133	15,833	(700)
Non Compensation	1,951	2,518	(567)	5,854	6,295	(441)
Rent	43	82	(40)	171	210	(40)
<b>Expense</b>	<b>5,777</b>	<b>6,559</b>	<b>(781)</b>	<b>21,158</b>	<b>22,338</b>	<b>(1,181)</b>
<b>CINA</b>	<b>(1,558)</b>	<b>(985)</b>	<b>574</b>	<b>1,542</b>	<b>2,861</b>	<b>1,319</b>

# FY23 First Quarter Update Regions



# CA Q1 BvA

CA	Q1 - FY23				
	Total Schools	CA NeST	Total	Actuals	Variance
(\$000)					
Federal Income	3,716	0	3,716	1,353	(2,363)
State Revenue Sources	22,465	0	22,465	18,352	(4,113)
Other Local Revenues	32	0	32	13	(19)
Int Transfers/Network Support Fee	125	1,269	1,394	1,083	(311)
Grants and Fundraising	0	0	0	1	1
<b>Revenues</b>	<b>26,338</b>	<b>1,269</b>	<b>27,607</b>	<b>20,802</b>	<b>(6,805)</b>
Compensation	14,179	758	14,937	14,321	616
Non Compensation	10,342	528	10,870	8,360	2,511
Rent	2,587	73	2,660	2,589	71
Network Service Fee	3,709	0	3,709	3,275	434
<b>Expense</b>	<b>30,817</b>	<b>1,359</b>	<b>32,177</b>	<b>28,544</b>	<b>3,632</b>
<b>CINA</b>	<b>(4,480)</b>	<b>(90)</b>	<b>(4,570)</b>	<b>(7,742)</b>	<b>(3,172)</b>

The California region shows a Q1 negative CINA variance of \$3.2M. This is driven by lower than anticipated ESSER revenue as well as state hold harmless and special program revenue. The revenue variances are a result of timing and will correct themselves over the course of the year.

The non-compensation savings in Q1 are related to the ELOP program expenditures which will increase over the course of the year.

# CA September Reforecast

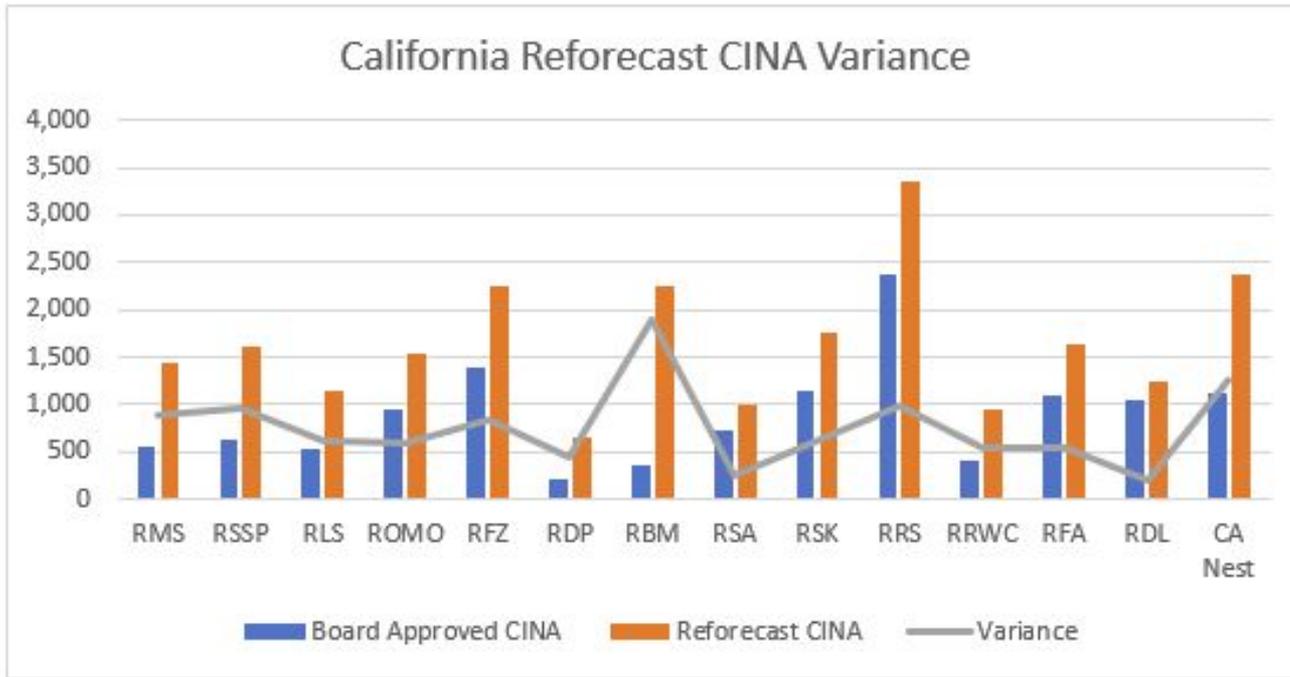
CA	September Reforecast				
	FY23 Budgets				
(\$000)	Total Schools	CA NeST	Total	Sept Reforecast	Variance
Federal Income	17,292	0	17,292	17,539	247
State Revenue Sources	117,206	0	117,206	129,980	12,774
Other Local Revenues	124	0	124	115	(9)
Int Transfers/Network Support Fee	500	6,499	6,999	8,319	1,320
Grants and Fundraising	0	100	100	100	0
<b>Revenues</b>	<b>135,123</b>	<b>6,599</b>	<b>141,721</b>	<b>156,053</b>	<b>14,331</b>
Compensation	56,714	3,033	59,748	59,035	713
Non Compensation	37,543	2,161	39,704	41,665	(1,961)
Rent	10,406	292	10,698	10,487	211
Network Service Fee	19,022	0	19,022	21,646	(2,623)
<b>Expense</b>	<b>123,686</b>	<b>5,486</b>	<b>129,172</b>	<b>132,832</b>	<b>(3,660)</b>
<b>CINA</b>	<b>11,437</b>	<b>1,112</b>	<b>12,549</b>	<b>23,220</b>	<b>10,671</b>

California September reforecast shows a positive CINA variance of \$10.1M. California is projected to receive an additional \$2,500 per ADA in one-time funding which contributes to a \$14M increase in revenue. We are currently awaiting state guidance regarding the revenue recognition of these funds. While this may impact the CINA, it will not impact the region's cash position.

The additional revenues are offset by approximately \$2M in additional non-compensation expenses. This is a conservative estimate as the region has \$1.7M in contingency.



# CA School Reforecast



All CA schools are projected to operate with positive CINAs for FY23.

All CA schools show a positive CINA variance in the September reforecast.

Board Approved CINA	RMS	RSSP	RLS	ROMO	RFZ	RDP	RBM	RSA
Reforecast CINA	549	643	524	950	1,403	226	351	736
Variance	1,441	1,615	1,152	1,549	2,249	666	2,245	996
	891	972	627	599	846	440	1,895	260
	RSK	RRS	RRWC	RFA	RDL	CA Nest	CA Region	
Board Approved CINA	1,137	2,362	408	1,090	1,057	1,112	12,549	
Reforecast CINA	1,748	3,356	953	1,630	1,251	2,370	23,221	
Variance	610	994	545	540	194	1,258	10,672	

While the variance may shift as a result of revenue recognition, we project that all schools will maintain a positive CINA.



# DC Q1 BvA

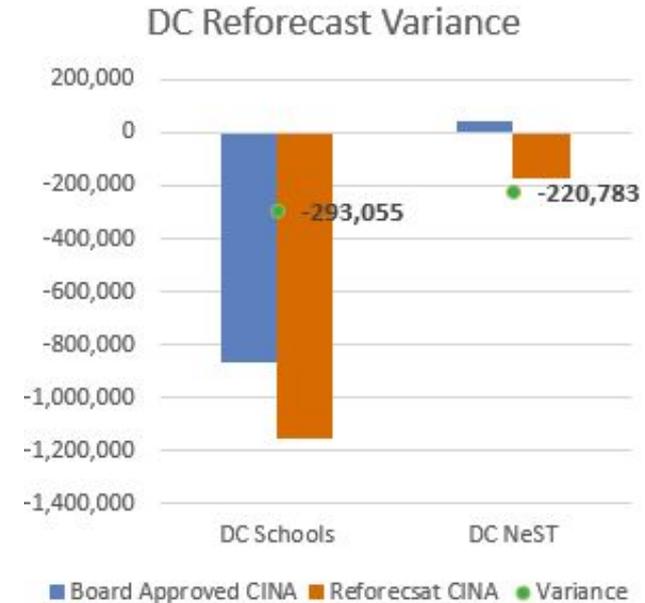
DC	Q1 - FY23				
	Q1 Budget				
(\$000)	DC Schools	DC NeST	Total	Actuals	Variance
Federal Income	1,459	0	1,459	485	(974)
State Revenue Sources	8,395	0	8,395	8,291	(103)
Other Local Revenues	136	0	136	54	(81)
Int Transfers/Network Support Fee	0	397	397	341	(56)
Grants and Fundraising	0	0	0	0	0
<b>Revenues</b>	<b>9,989</b>	<b>397</b>	<b>10,387</b>	<b>9,172</b>	<b>(1,215)</b>
Compensation	3,867	416	4,283	4,367	(84)
Non Compensation	3,910	115	4,025	3,912	113
Rent	1,842	0	1,842	1,767	75
Network Service Fee	1,190	0	1,190	1,024	165
<b>Expense</b>	<b>10,809</b>	<b>531</b>	<b>11,340</b>	<b>11,070</b>	<b>270</b>
<b>CINA</b>	<b>(819)</b>	<b>(134)</b>	<b>(953)</b>	<b>(1,899)</b>	<b>(945)</b>

DC Q1 BvA shows a negative CINA variance of \$945K. This is primarily driven by lower than anticipated revenue.

- Federal revenue variance due to timing
- State revenue variance due to decreased enrollment.

# DC Q1 September Reforecast

DC	September Reforecast				
	FY23 Budgets			Sept Reforecast	Variance
	Total Schools	DC NeST	Total		
(\$000)					
Federal Income	7,769	0	7,769	7,695	(74)
State Revenue Sources	34,590	0	34,590	33,909	(681)
Other Local Revenues	507	0	507	514	7
Int Transfers/Network Support Fee	0	1,654	1,654	1,663	9
Grants and Fundraising	0	500	500	500	0
<b>Revenues</b>	<b>42,867</b>	<b>2,154</b>	<b>45,020</b>	<b>44,280</b>	<b>(740)</b>
Compensation	15,467	1,665	17,131	17,169	(37)
Non Compensation	15,937	444	16,380	16,413	(33)
Rent	7,368	0	7,368	7,049	319
Network Service Fee	4,959	0	4,959	4,982	(23)
<b>Expense</b>	<b>43,731</b>	<b>2,108</b>	<b>45,839</b>	<b>45,613</b>	<b>226</b>
<b>CINA</b>	<b>(864)</b>	<b>46</b>	<b>(818)</b>	<b>(1,332)</b>	<b>(514)</b>



DC September reforecast shows a negative CINA variance of \$514K. This is primarily driven by a decrease in state revenue associated with enrollment variance. Expenses are projected to be slightly lower.

We are working with the DC region to identify opportunities to close this gap.

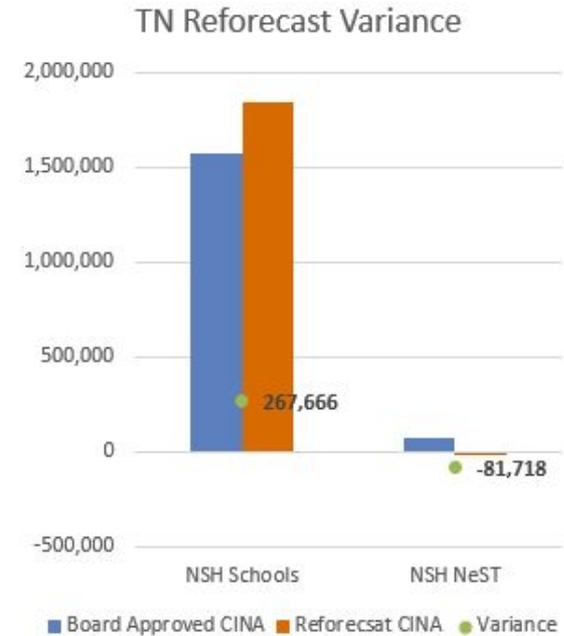
# TN Q1 BvA

TN	Q1 - FY23				
	Q1 Budget				
(\$000)	Total Schools	TN NeST	Total	Actuals	Variance
Federal Income	1,359	0	1,359	987	(373)
State Revenue Sources	4,694	0	4,694	4,739	45
Other Local Revenues	0	0	0	18	17
Int Transfers/Network Support Fee	0	295	295	248	(47)
Grants and Fundraising	0	100	100	46	(54)
<b>Revenues</b>	<b>6,054</b>	<b>395</b>	<b>6,449</b>	<b>6,038</b>	<b>(411)</b>
Compensation	2,525	321	2,847	3,072	(225)
Non Compensation	2,477	39	2,516	2,172	343
Rent	0	0	0	19	(19)
Network Service Fee	885	0	885	744	141
<b>Expense</b>	<b>5,888</b>	<b>360</b>	<b>6,248</b>	<b>6,008</b>	<b>240</b>
<b>CINA</b>	<b>166</b>	<b>35</b>	<b>201</b>	<b>30</b>	<b>(171)</b>

TN Q1 budget to actual shows a negative CINA variance of \$171K. This is driven primarily by lower than budgeted federal ESSER revenue. We anticipate that this timing issue will be resolved within the school year.

# TN September Reforecast

TN	September Reforecast				
	FY23 Budgets			Sept Reforecast	Variance
(\$000)	Total Schools	TN NeST	Total		
Federal Income	4,424	0	4,424	4,434	10
State Revenue Sources	18,778	0	18,778	19,950	1,172
Other Local Revenues	1	0	1	44	43
Int Transfers/Network Support Fee	0	1,109	1,109	1,166	57
Grants and Fundraising	0	400	400	405	0
<b>Revenues</b>	<b>23,203</b>	<b>1,509</b>	<b>24,712</b>	<b>25,999</b>	<b>1,282</b>
Compensation	10,102	1,286	11,387	11,695	(307)
Non Compensation	6,213	154	6,367	7,050	(683)
Rent	1,989	0	1,989	2,007	0
Network Service Fee	3,327	1	3,328	3,421	(93)
<b>Expense</b>	<b>21,631</b>	<b>1,441</b>	<b>23,072</b>	<b>24,173</b>	<b>(1,083)</b>
<b>CINA</b>	<b>1,572</b>	<b>68</b>	<b>1,640</b>	<b>1,826</b>	<b>186</b>



TN September reforecast shows a positive CINA variance of \$186K. This is primarily driven by a large increase in per-pupil state revenue. The increase in revenue is projected to be offset by an additional \$1M in expenses.

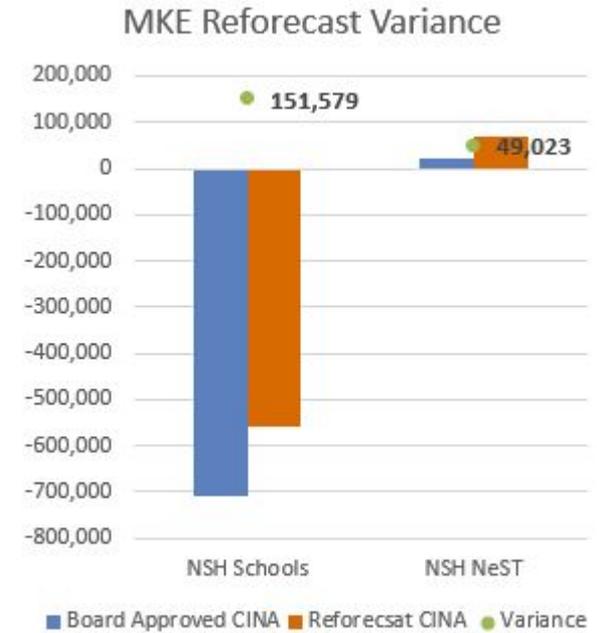
# MKE Q1 BvA

WI	Q1 - FY23				
	Q1 Budget				
(\$000)	Total Schools	MKE NeST	Total	Actuals	Variance
Federal Income	527	0	527	258	(269)
State Revenue Sources	1,588	0	1,588	1,597	8
Other Local Revenues	0	0	0	12	12
Int Transfers/Network Support Fee	0	101	101	87	(14)
Grants and Fundraising	75	113	188	2	(185)
<b>Revenues</b>	<b>2,191</b>	<b>213</b>	<b>2,404</b>	<b>1,955</b>	<b>(449)</b>
Compensation	1,171	176	1,348	1,251	97
Non Compensation	998	33	1,031	1,093	(61)
Rent	161	0	161	161	0
Network Service Fee	303	0	303	15	288
<b>Expense</b>	<b>2,633</b>	<b>210</b>	<b>2,843</b>	<b>2,520</b>	<b>323</b>
<b>CINA</b>	<b>(443)</b>	<b>4</b>	<b>(439)</b>	<b>(564)</b>	<b>(126)</b>

The Milwaukee region shows a Q1 negative CINA variance of \$126K. This is driven by lower than anticipated ESSER and philanthropic revenues which will correct over the course of the year.

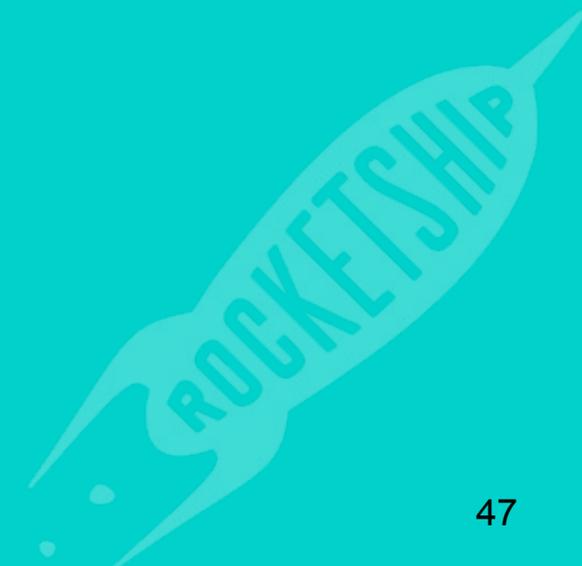
# MKE September Reforecast

WI	September Reforecast				
	FY23 Budgets				
(\$000)	Total Schools	MKE NeST	Total	Sept Reforecast	Variance
Federal Income	2,455	0	2,455	2,484	29
State Revenue Sources	6,385	0	6,385	6,487	102
Other Local Revenues	0	0	0	13	13
Int Transfers/Network Support Fee	0	410	410	415	5
Grants and Fundraising	300	450	750	752	2
<b>Revenues</b>	<b>9,140</b>	<b>860</b>	<b>9,999</b>	<b>10,151</b>	<b>152</b>
Compensation	4,685	706	5,391	5,375	16
Non Compensation	3,292	133	3,425	3,356	69
Rent	643	0	643	664	(20)
Network Service Fee	1,229	0	1,229	1,245	(16)
<b>Expense</b>	<b>9,849</b>	<b>839</b>	<b>10,688</b>	<b>10,639</b>	<b>49</b>
<b>CINA</b>	<b>(710)</b>	<b>21</b>	<b>(689)</b>	<b>(488)</b>	<b>201</b>



Milwaukee September reforecast shows a positive CINA variance of \$201K.

# Launchpad Update



# Launchpad Updates:

Texas-2 Project Update

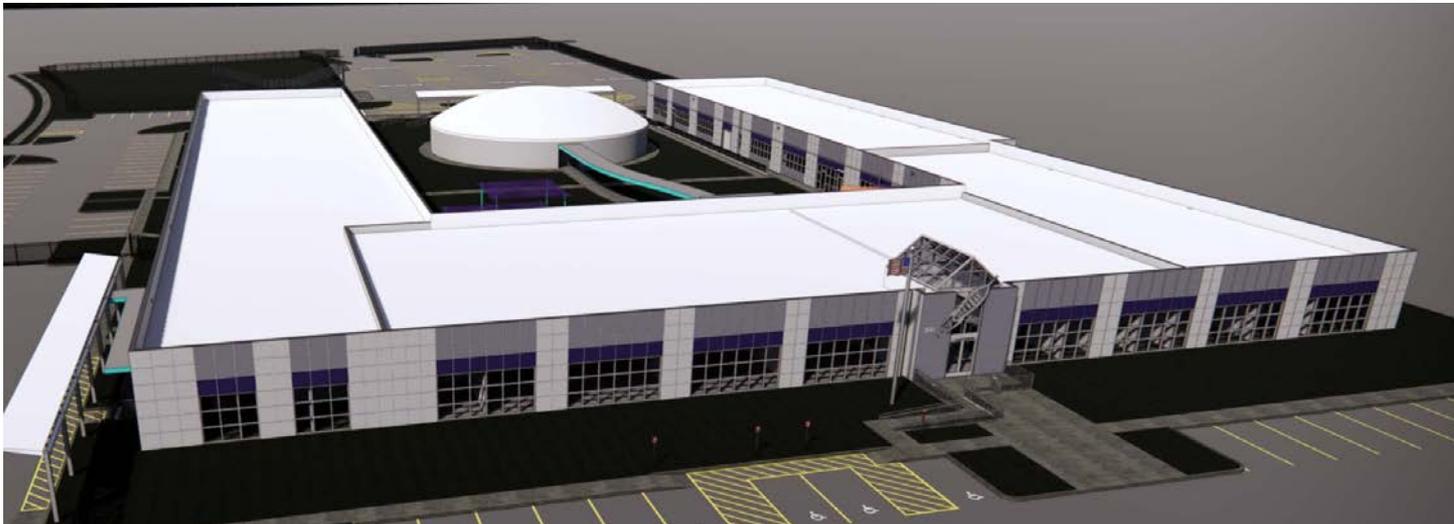
RTP Expansion Project Update

RIC Acquisition Update



# Texas-2 Update

- RPS Texas closed financing with the Charter School Growth Fund on 11/3
  - \$16mm loan split between CSGF's senior and mezzanine funds, blended effective interest rate of 1.35%; principal payments scaled to match 15% of per-pupil revenue
  - Requirement that if EFF (original co-lender) opts to participate, RPS Texas will support a refinance (within limits of payments and terms)
- Interior demolition started week of 11/7, targeting full construction start ~12/8
- Permits submitted 10/18, on track for issuance this month
- Initial bids exceeded project budget by about \$1.3mm. Value-engineering to reduce or postpone scope and get under total budget
- Launchpad approved by RPS Texas Board to serve as for-hire project manager/owner's representative - performing developer services but not as owner/landlord.



# RTP Expansion Project Update

## Goals:

1. Refinance existing IFF acquisition loan (\$2.7mm)
2. Provide expansion to existing campus, focusing on leadership priorities of gym and cafeteria space.

## Updates:

1. Financing has been challenging due to affordability issues -adding ~\$2.3mm in debt burden but can only afford \$160k per year in new facilities expense.
2. Schedule shifted backwards a few months. Start hard construction first week of April for a substantial completion of 10/18/23.
3. Most likely financing stack: IFF as senior lender plus CSGF mezzanine and equity from sale of excess land on north end of property
4. To stay on schedule, we'll continue to approve submittals and shop drawings and make equipment selections and orders through financing close in February/March



# RIC (DC3) Acquisition

- RIC, the third Rocketship D. C. campus is located in a Turner-Agassi property developed on a ground leased site.
- Launchpad's "purchase option" is a right to terminate the existing Turner-Agassi lease and assume the underlying ground lease.
- Target a closing in Q1 or Q2 2023, with new debt issued through DC Obligated Group
- Using DC group's previous spreads over AAA, we'd expect a rate today of about 6.0%
- Even at 6.25%, we'd save \$1mm in 2023-24 relative to scheduled rent, with savings increasing per year.
- Plan to set bond with a shorter call period than usual (i.e. 5 years instead of 10) to make refinance easier if rates fall

