



**Thursday, December 7, 2023**  
**Rocketship Public Schools National Board of Directors Meeting (2023-24 Q2)**

**Meeting Time: 1:00pm**

**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. You will be recognized once the public comment time begins, and be 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:**

198 W Alma Ave. San Jose, CA 95110  
2960 Story Rd San Jose, CA 95116  
1700 Cavallo Road, Antioch, CA 94509  
370 Wooster Ave. San Jose, CA 95116  
70 S. Jackson Ave. San Jose, CA 95116  
2351 Olivera Rd, Concord, CA 94520  
331 S. 34th St. San Jose, CA 95116  
788 Locust St., San Jose, CA 95110  
950 Owsley Ave. San Jose, CA 95122  
1440 Connecticut Drive, Redwood City, CA 94061  
3173 Senter Road San Jose, 95111  
2249 Dobern Ave. San Jose, CA 95116  
683 Sylvandale Ave San Jose, CA 95111  
311 Plus Park Blvd Suite 130, Nashville, TN 37217  
185 Spur Ridge Court, Healdsburg CA 95448  
3290 N. 44th St., Milwaukee, WI 53216  
3413 W. Pacific Ave, Burbank, CA 91505  
9112 Vendome Dr, Bethesda MD 20817  
228 Hamilton Ave, Palo Alto CA 94301  
125 Fox Hollow Rd, Woodside, CA 94062  
6768 Christiansted Lane, Nashville, TN 37211  
1080 North 7th Street, San Jose, CA 95112  
1221 Oriental Gardens Rd, Jacksonville, FL 32207  
1198 Crestmont Drive, Lafayette CA 94549  
2215 Ewell Rd, Belmont, CA 94002  
1884 Pinecrest Dr, Altadena CA 91001  
1670 Las Plumas Ave, San Jose, CA 95133  
809 Pico Ln, Los Altos, CA 94022  
4732 Knoll Park Circle, Antioch CA 94531  
2066 Cowden Ave, Memphis TN 38104  
1600 Wewatta St, Denver, CO 80202  
16620 Lower Valley Ridge Drive, Brookfield, WI 53005  
347 Douglas Ave, Nashville TN 37207

**1. Opening Items**

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

**2. Consent Items**

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- A. Approve minutes from the October 11, 2023 meeting of the Board of Directors
- B. Reappoint Greg Stanger, Daniel Velasco, Alex Terman, Yolanda Bernal Samano and June Nwabara to the Rocketship Board of Directors for a term of 2 years through December 2025
- C. Reappoint Peter Philpott as advisor to the Rocketship Board of Directors for a term of 2 years through December 2025
- D. Approve Fourth Amendment to the Office Lease between Hudson Gateway Place, LLC and Rocketship Education
- E. Approve the After School Education and Safety Program Plans for all California Schools
- F. Approve addendum to facility use agreement between Rocketship Education and the Mt. Diablo Unified School District for the use and occupation of Glenbrook Middle School
- G. Approve agreement between Rocketship Education and YMCA of Silicon Valley

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### **3. Agenda Items**

- A. Mission Moment
- B. Board Updates (CEO, Regional, Board Chair, Committee Chair, and Development)
- C. Review and approve 2022-23 audit
- D. Approve the First Interim Reports for 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 Futuro, Rocketship Delta Prep and Rocketship Redwood City
- E. LCAP Mid Year Update

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### **4. Break**

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### **5. Agenda Items (contd.)**

- A. Five Year Strategic Plan

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### **6. Closed Session**

- A. Public Employee Performance Evaluation Pursuant to Gov. Code Section § 54957: CEO Evaluation
- B. Conference with Legal Counsel — Anticipated Litigation: Potential/threatened litigation pursuant to California Government Code § 54956.9. Number of cases: 2

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### **7. Agenda Items (contd.)**

- A. Public report on actions taken in closed session

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### **8. 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](mailto: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](mailto:compliance@rsed.org) por lo menos 24 horas antes del inicio de la reunión.

**Rocketship Public Schools Board of Directors  
Summary of Consent Items - December 7, 2023**

**Item 2A. Approve minutes from the October 11th, 2023 meeting of the Board of Directors**

We held our last Board of Directors meetings on October 11, 2023 and this agenda item puts forth the minutes from those meetings for approval.

**Item 2B. Reappoint Greg Stanger, Daniel Velasco, Alex Terman, Yolanda Bernal Samano and June Nwabara to the Rocketship Education Board of Directors for a term of 2 years through the end of December 2025**

This item reappoints these members to the Rocketship Public Schools Board of Directors, including to their current committees and officer positions, to avoid term expiry.

**Item 2C. Reappoint Peter Philpott as advisor to the Rocketship Education Board of Directors for a term of 2 years through the end of December 2025**

This item reappoints Peter Philpott as advisor to the Rocketship Public Schools Board of Directors, to avoid term expiry.

**Item 2D. Approve Fourth Amendment to the Office Lease between Hudson Gateway Place, LLC and Rocketship Education**

Please see attached executive summary.

**Item 2E. Approve the After School Education and Safety Program Plans for all CA Schools**

Please see attached executive summary.

**Item 2F. Approve addendum to facility use agreement between Rocketship Education and the Mt. Diablo Unified School District for the use and occupation of Glenbrook Middle School**

Please see attached executive summary.

**Item 2G. Approve agreement between Rocketship Education and YMCA of Silicon Valley**

Please see attached executive summary.

## **Rocketship Public Schools National Board of Directors Meeting (2023-24 Q2) (Wednesday, October 11, 2023)**

*Generated by Cristina Vasquez on Thursday, October 12, 2023*

### **1. Opening Items**

#### **A. Call to order**

At 2:02pm, Mr. Jordan took roll call. With a quorum of board members present, Mr. Jordan called the meeting to order. Present: Deb McGriff, Ray Raven, Alex Terman, Daniel Velasco, Charmaine Detweiler, Yolanda Bernal Samano, Julie Miller, Hugo Castaneda, Deja Gipson, Michelle Mercado, Dan Sanchez, Brian Kilb, April Taylor, Louis Jordan  
Absent: June Nwabara, Joey Slotter, Greg Stanger, Malka Borrego, Rajen Sheth, Mike Fox, Peter Philpott (advisor)

#### **B. Public comment on off-agenda items**

At 2:05pm, Mr. Jordan called for public comment on off-agenda items. No members of the public provided comment.

### **2. Consent Items**

#### **A. Approve minutes from August 23, 2023 meeting of the Board of Directors**

**B. Approve the 22-23 unaudited actuals for 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, Rocketship Futuro, and Rocketship Delta Prep**

#### **C. Approve revised EL Identification, Reclassification and Monitoring Policy**

At 2:06pm, Ms. Detweiler made a motion to approve the consent items. This motion was seconded by Mr. Terman, and carried unanimously by roll call vote.

Y: Deb McGriff, Ray Raven, Alex Terman, Daniel Velasco, Charmaine Detweiler, Yolanda Bernal Samano, Julie Miller, Hugo Castaneda, Deja Gipson, Michelle Mercado, Dan Sanchez, Brian Kilb, April Taylor, Louis Jordan

N: --

Abstain: --

### **3. Agenda Items**

#### **A. Annual Board of Directors Training: Open Meeting and Conflict of Interest Laws, including Brown Act, and best practices for board duties**

At 2:07pm, the board discussed item 3(A). No action was taken.

At 3:09pm, Yolanda Bernal Samano left the meeting.

#### **B. Organizational Health Dashboard Overview**

At 3:11pm, the board discussed item 3(B). No action was taken.

### **8. Adjourn**

At 3:31pm, Ms. McGriff made a motion to adjourn the meeting. This motion was seconded by Ms. Detweiler, and carried unanimously by roll call vote.

Y: Deb McGriff, Ray Raven, Alex Terman, Daniel Velasco, Charmaine Detweiler, Julie Miller, Hugo Castaneda, Deja Gipson, Michelle Mercado, Dan Sanchez, Brian Kilb, April Taylor, Louis Jordan

N: --

Abstain: --



## FOURTH AMENDMENT

**THIS FOURTH AMENDMENT** (this “**Amendment**”) is made and entered into as of October 18 \_\_\_\_\_, 2023, by and between **HUDSON GATEWAY PLACE, LLC, a Delaware limited liability company** (“**Landlord**”), and **ROCKETSHIP EDUCATION, a California corporation** (“**Tenant**”).

### RECITALS

- A. Landlord (as successor in interest to CA-Gateway Office Limited Partnership, a Delaware limited partnership) and Tenant are parties to that certain Office Lease dated October 12, 2012, as previously amended by that certain First Amendment dated November 13, 2013, that certain Second Amendment (“**Second Amendment**”) dated June 26, 2017 and that certain Third Amendment dated August 10, 2022 (as amended, the “**Lease**”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately **4,741** rentable square feet (the “**Premises**”) at the building commonly known as Gateway Office I located at 2001 Gateway Place, San Jose, California (the “**Building**”) described as Suite 225E consisting of approximately 1,884 rentable square feet located on the second floor of the Building; and Suite 230E consisting of approximately 2,857 rentable square feet located on the second floor of the Building.
- B. The Lease will expire by its terms on January 31, 2024 (the “**Second Extended Expiration Date**”), and the parties wish to extend the term of the Lease on the following terms and conditions.

**NOW, THEREFORE**, in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Extension.** The term of the Lease is hereby extended through June 30, 2029 (the “**Third Extended Expiration Date**”). The portion of the term of the Lease beginning on the date immediately following the Second Extended Expiration Date (the “**Third Extension Date**”) and ending on the Third Extended Expiration Date shall be referred to herein as the “**Third Extended Term**”.
2. **Base Rent.** During the Third Extended Term, the schedule of Base Rent shall be as follows:

Period of Third Extended Term	Annual Rate Per Square Foot (rounded to the nearest 100 <sup>th</sup> of a dollar)	Monthly Base Rent
2/1/24 – 1/31/25	\$48.00	\$18,964.00
2/1/25 – 1/31/26	\$49.44	\$19,532.92
2/1/26 – 1/31/27	\$50.92	\$20,118.91
2/1/27 – 1/31/28	\$52.45	\$20,722.47
2/1/28 – 1/31/29	\$54.02	\$21,344.15
2/1/29 – 6/30/29	\$55.65	\$21,984.47

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease, as amended.

Notwithstanding the foregoing, Base Rent shall be abated, in the amounts; provided, however, that if a Default exists when any such abatement would otherwise apply, such abatement shall be deferred until the date, if any, on which such Default is cured:

- (i) \$18,964.00 per month for the full calendar months of February 2024 and March 2024;
  - (ii) \$19,532.92 for the full calendar month of February 2025;
  - (iii) \$20,118.91 for the full calendar month of February 2026; and
  - (iv) \$20,722.47 for the full calendar month of February 2027.
3. **Additional Security Deposit.** No additional Security Deposit shall be required in connection with this Amendment.
  4. **Expenses and Taxes.** During the Third Extended Term, Tenant shall pay for Tenant’s Share of Expenses and Taxes in accordance with the terms of the Lease; provided, however, that during the Third Extended Term, the Base Year for Expenses and Taxes shall be 2024.

5. **Improvements to Premises.**

5.1. **Configuration and Condition of Premises.** Tenant acknowledges that it is in possession of the Premises and agrees to accept them “as is” without any representation by Landlord regarding their configuration or condition and without any obligation on the part of Landlord to perform or pay for any alteration or improvement, except as may be otherwise expressly provided in this Amendment.

5.2. **Responsibility for Improvements to Premises.** Landlord shall perform improvements to the Premises in accordance with the Third Extension Work Letter attached hereto as **Exhibit A.**

6. **Other Pertinent Provisions.** Landlord and Tenant agree that, effective as of the date of this Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

6.1. **Deletion.** Section 7 (entitled “Extension Option”) of the Second Amendment is of no further force and effect.

7. **Miscellaneous.**

7.1. This Amendment and the attached exhibits, which are hereby incorporated into and made a part of this Amendment, set forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Tenant shall not be entitled, in connection with entering into this Amendment, to any free rent, allowance, alteration, improvement or similar economic incentive to which Tenant may have been entitled in connection with entering into the Lease, except as may be otherwise expressly provided in this Amendment.

7.2. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

7.3. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

7.4. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered it to Tenant.

7.5. Each party hereto, and their respective successors and assigns shall be authorized to rely upon the signatures of all of the parties hereto which are delivered by facsimile, PDF or DocuSign (or the like) as constituting a duly authorized, irrevocable, actual, current delivery hereof with original ink signatures of each person and entity. This Amendment may be executed in counterparts, each of which shall be deemed an original part and all of which together shall constitute a single agreement.

7.6. Capitalized terms used but not defined in this Amendment shall have the meanings given in the Lease.

7.7. Tenant shall indemnify and hold Landlord, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Tenant in connection with this Amendment. Landlord shall indemnify and hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Landlord in connection with this Amendment. Tenant acknowledges that any assistance rendered by any agent or employee of any affiliate of Landlord in connection with this Amendment has been made as an accommodation to Tenant solely in furtherance of consummating the transaction on behalf of Landlord, and not as agent for Tenant.

**[SIGNATURES ARE ON FOLLOWING PAGE]**

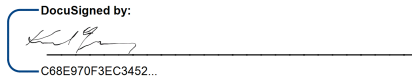
**IN WITNESS WHEREOF**, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

**LANDLORD:**

**HUDSON GATEWAY PLACE, LLC, a Delaware limited liability company**

By: Hudson Pacific Properties, L.P.,  
a Maryland limited partnership,  
its sole member

By: Hudson Pacific Properties, Inc.,  
a Maryland corporation,  
its general partner

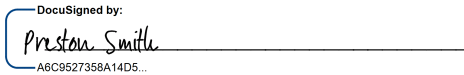
By: 

Name: Kenneth Young

Title: Senior Vice President, Leasing

**TENANT:**

**ROCKETSHIP EDUCATION, a California corporation**

By: 

Name: Preston Smith

Title: CEO/Co-Founder

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT A****THIRD EXTENSION WORK LETTER**

As used in this **Exhibit A** (this “**Third Extension Work Letter**”), the following terms shall have the following meanings:

- (i) For purposes of this **Exhibit A**, “**Tenant Improvements**” means all improvements to be constructed in the Premises pursuant to this Third Extension Work Letter;
- (ii) For purposes of this **Exhibit A**, “**Tenant Improvement Work**” means the construction of the Tenant Improvements, together with any related work (including demolition) that is necessary to construct the Tenant Improvements; and
- (iii) “**Agreement**” means the Amendment of which this Third Extension Work Letter is a part.

**1 COST OF TENANT IMPROVEMENT WORK.** Except as provided in Section 2.7 below, the Tenant Improvement Work shall be performed at Landlord’s expense.

**2 WORK LIST.**

2.1 **Work List.** Landlord shall perform improvements to the Premises in accordance with the following work list (for purposes of this **Exhibit A**, the “**Work List**”) using Building-standard methods, materials and finishes.

**WORK LIST**

	<b>ITEM</b>
<b>1.</b>	<b>Paint the interior of the Premises using Building standard paint.</b>
<b>2.</b>	<b>Clean the carpets in the interior of the Premises.</b>

2.2 [Intentionally Omitted]

2.3 [Intentionally Omitted]

2.4 [Intentionally Omitted]

2.5 [Intentionally Omitted]

2.6 [Intentionally Omitted]

2.7 **Revisions to Work List.** The Work List shall not be revised without Landlord’s agreement, which agreement may be withheld or conditioned in Landlord’s sole and absolute discretion. If Tenant requests any revision to the Work List, Landlord shall provide Tenant with notice approving or disapproving such revision, and, if Landlord approves such revision, Landlord shall have such revision made and delivered to Tenant, together with notice of any resulting change in the cost of the Tenant Improvement Work, within 10 business days after the later of Landlord’s receipt of such request or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 15 business days after the later of such receipt or such execution and delivery) if such revision is material, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Work List without Tenant’s consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Work List within two (2) business days after receiving Landlord’s request for approval thereof. Any change order affecting the Work List shall be deemed a revision to the Work List. Tenant shall reimburse Landlord, immediately upon demand, for any increase in the total cost associated with the Tenant Improvement Work that results from any revision to the Work List requested by Tenant, including the cost of preparing such revision.

2.8 [Intentionally Omitted]

### 3 CONSTRUCTION.

3.1 **Contractor.** Landlord shall retain a contractor of its choice (for purposes of this **Exhibit A**, the “**Contractor**”) to perform the Tenant Improvement Work. In addition, Landlord may select and/or approve of any subcontractors, mechanics and materialmen used in connection with the performance of the Tenant Improvement Work.

3.2 [Intentionally Omitted]

3.3 **Permits.** Landlord shall cause the Contractor to apply to the appropriate municipal authorities for, and obtain from such authorities, all permits necessary for the Contractor to complete the Tenant Improvement Work (for purposes of this **Exhibit A**, the “**Permits**”).

#### 3.4 **Construction**

3.4.1 **Performance of Tenant Improvement Work.** Landlord shall cause the Contractor to perform the Tenant Improvement Work in accordance with the Work List.

3.4.2 **Contractor’s Warranties.** Tenant waives all claims against Landlord relating to any defects in the Tenant Improvements; provided, however, that if, within 30 days after substantial completion of the Tenant Improvement Work, Tenant provides notice to Landlord of any non-latent defect in the Tenant Improvements, or if, within 11 months after substantial completion of the Tenant Improvement Work, Tenant provides notice to Landlord of any latent defect in the Tenant Improvements, then Landlord shall promptly cause such defect to be corrected.

4 **COMPLIANCE WITH LAW; SUITABILITY FOR TENANT’S USE.** Landlord shall cause the Work List to comply with Law. Except as provided in the preceding sentence, Tenant shall be responsible for ensuring that the Work List is suitable for Tenant’s use of the Premises, and neither the preparation nor the approval of the Work List by Landlord or its consultants shall relieve Tenant from such responsibility. Landlord may contest any alleged violation of Law in good faith, including by seeking a waiver or deferment of compliance, asserting any defense allowed by Law, and exercising any right of appeal (provided that, after completing such contest, Landlord makes any modification to the Work List or any alteration to the Premises that is necessary to comply with any final order or judgment).

5 **COMPLETION.** Tenant acknowledges and agrees that the Tenant Improvement Work may be performed during Building HVAC Hours before or after the Third Extension Date. Landlord and Tenant shall cooperate with each other in order to enable the Tenant Improvement Work to be performed in a timely manner and with as little inconvenience to the operation of Tenant’s business as is reasonably possible. Notwithstanding any contrary provision of this Agreement, any delay in the completion of the Tenant Improvement Work or inconvenience suffered by Tenant during the performance of the Tenant Improvement Work shall not delay the Third Extension Date, nor shall it subject Landlord to any liability for any loss or damage resulting therefrom or entitle Tenant to any credit, abatement or adjustment of rent or other sums payable under the Lease.

6 **MISCELLANEOUS.** Notwithstanding any contrary provision of this Agreement, if Tenant Defaults under this Agreement before the Tenant Improvement Work is completed, Landlord’s obligations under this Third Extension Work Letter shall be excused until such Default is cured and Tenant shall be responsible for any resulting delay in the completion of the Tenant Improvement Work. This Third Extension Work Letter shall not apply to any space other than the Premises.

# ROCKETSHIP PUBLIC SCHOOLS

## Executive Summary Rocketship Public Schools Board of Directors

<b>Agenda Item:</b>		<b>OPEN/ACTION</b>
<b>Subject:</b> Approval of Renewal of the Lease at 2001 Gateway Place		<b>INFORMATION</b>
	X	<b>CONSENT</b>

**Recommendation(s):**

Staff members recommend that the RPS Board of Directors approve the 4th amendment to the lease for office space at 2001 Gateway Place to extend the term of the lease through June 30, 2029.

**Background:**

Rocketship Public Schools originally leased space at 2001 Gateway Place in San Jose in 2012 for a 5 year term. That lease has been renewed twice previously - for 5 years in 2017 and for 2 years in 2022. The current lease term expires January 31, 2024 and Rocketship currently leases 4,741 square feet of office space in suites 225E and 230E.

The space is currently adequate to Rocketship’s needs for National and California support team office space as well as providing meeting space for board meetings.

The offered lease extension would extend 5 years, 5 months - ending June 30, 2029. Rent has been negotiated at the below rates, averaging an annual gross rent of \$243,343.

Period of Third Extended Term	Annual Rate Per Square Foot (rounded to the nearest 100 <sup>th</sup> of a dollar)	Monthly Base Rent
2/1/24 – 1/31/25	\$48.00	\$18,964.00
2/1/25 – 1/31/26	\$49.44	\$19,532.92
2/1/26 – 1/31/27	\$50.92	\$20,118.91
2/1/27 – 1/31/28	\$52.45	\$20,722.47
2/1/28 – 1/31/29	\$54.02	\$21,344.15
2/1/29 – 6/30/29	\$55.65	\$21,984.47

The lease includes negotiated rent abatements in February and March of 2024 as well as February 2025, 2026, and 2027. Those abates reduce average annual net rent to \$221,694. This represents a 3.7% reduction in rent compared to the 2023 lease year. Total rent due over the 65 months of lease term would be \$1,200, 846.

Additionally, the lease amendment includes a clause that commits the landlord to repaint the office and deep clean the carpet at no expense to Rocketship.

**Summary of Previous Board Action by Board:**

N/A

**Fiscal Impact:**

\$1,200,846

**Submitted by:**

Operations and Extended Learning Team

# ROCKETSHIP PUBLIC SCHOOLS

**Executive Summary  
Rocketship Public Schools  
Board of Directors  
December 7, 2023**

<b>Agenda Item:</b> <b>2.C. Approve the After School Education and Safety Program Plans for all CA Schools</b>  <b>Subject:</b> <b>Approval of the California Region After School Education and Safety Program Plan to meet Extended Learning Opportunities Program (ELOP) requirements</b>		OPEN/ACTION
		INFORMATION
	X	CONSENT

**Recommendation(s):**

In light of the critical role these program plans play in the successful implementation of after-school initiatives, it is recommended that the Rocketship Public Schools Board of Directors (“Board”) approve the presented program plans for the California region. This endorsement ensures alignment with Quality Standards, adherence to Continuous Quality Improvement (CQI) requirements, and the fulfillment of regulatory obligations outlined in [California Code, Education Code Section 8482.3](#).

**Background:**

Rocketship Public Schools, as the designated after-school grantee, follows EC Section 8482.3 guidelines for developing, reviewing, and updating the program plan every three years in California. Collaborating with after-school partners which include the Boys and Girls of Silicon Valley and YMCA of Silicon Valley (“subcontractors”), to ensure responsiveness to dynamic educational needs. When working with subcontractors, Rocketship maintains ultimate responsibility, emphasizing close collaboration and annual reviews for plan effectiveness.

We've adapted to recent regulatory changes, including the adoption of Quality Standards by the Expanded Learning Division. By embracing Continuous Quality Improvement (CQI), we align our program plans with specific Quality Standard prompts. This ensures a comprehensive approach to program development and reflective, intentional program management.

Based on EC Section 8482.3(f), Rocketship is required to secure program plan approval from the governing board in a public meeting and posted on our website every three years or any time there is a change to the program plan.

**Summary of Previous Board Action by Board:**

N/A

**Fiscal Impact:**

N/A

**Submitted by:**  
Operations and Extended Learning Team

**ADDENDUM TO FACILITY USE AGREEMENT BETWEEN  
ROCKETSHIP EDUCATION  
AND THE MT. DIABLO UNIFIED SCHOOL DISTRICT  
FOR THE USE AND OCCUPATION OF  
Glenbrook Middle School  
2351 Olivera Rd, Concord, CA 94520**

WHEREAS, in or around November 2020, MT. DIABLO UNIFIED SCHOOL DISTRICT (“District”), and ROCKETSHIP EDUCATION entered into a Facility Use Agreement (“Agreement”) for use and occupation of the facilities at Glenbrook Middle School, 2351 Olivera Rd, Concord, CA 94520; and

WHEREAS, the Agreement is currently within its initial five (5) year term, from July 1, 2021 through June 30, 2026, with the possibility of additional five-year terms as set forth in Section 4.1 of the Agreement; and

Whereas, Sections 3.2 and 3.3 of the Agreement set forth the parties’ respective obligations regarding routine and deferred maintenance; and

Whereas, the parties wish to define with more specificity their respective obligations regarding routine and deferred maintenance, and execute an addendum (“Addendum”) to the Agreement accordingly.

NOW THEREFORE, the parties do hereby covenant, promise and agree, as follows:

- 1) The parties’ respective obligations regarding routine and deferred maintenance are set forth in Exhibit A to this Addendum.
- 2) In the event that a specific responsibility is not listed on the attached exhibit, the parties shall meet and confer with respect to who shall be the responsible party for that specific responsibility, and memorialize any agreement in writing.
- 3) If the parties cannot agree as to who shall be the responsible party for that specific responsibility, they shall utilize the Dispute Resolution procedure contained in Element N of the Rocketship Futuro charter.
- 4) The parties agree that this Addendum is entered into under Section 22.2 of the Agreement, which provides that the “Agreement may only be modified or amended by written instrument executed by Charter School and the District,” and that the remaining provisions of the Agreement remain in full force and effect.
- 5) The term of this Addendum shall be coterminous with that of the Agreement and any of its renewal terms.

**Dated:**

**ROCKETSHIP EDUCATION**

\_\_\_\_\_  
Matt Shaw  
Chief Financial Officer  
Rocketship Education

**Dated:**

**MOUNT DIABLO UNIFIED SCHOOL DISTRICT**

\_\_\_\_\_  
Dr. Adam Clark  
Superintendent  
Mt Diablo Unified School District

# EXHIBIT A



## Matrix of Responsibility for Routine and Deferred Maintenance

Activity	Responsible Party	
	<b>Rocketship</b>	<b>MDUSD</b>
Custodial	<ul style="list-style-type: none"> <li>-Daily cleaning of, and performance of routine repairs to, exclusive use facilities</li> <li>-Sweeping and vacuuming floors; Steam-clean carpets</li> <li>-Dusting, cleaning and sanitizing tabletops and countertops</li> <li>-Cleaning and restocking exclusive use restrooms</li> <li>-Emptying trash cans and recycling bins</li> <li>-Restocking sanitary devices (soap and paper towels)</li> <li>-Graffiti abatement</li> </ul>	<ul style="list-style-type: none"> <li>- None</li> </ul>
Plumbing: Restrooms	<ul style="list-style-type: none"> <li>-Repairing leaks</li> <li>-Repair and replacement of component parts of toilets, urinals, faucets, and sinks</li> <li>-Unclogging obstructions in intake pipes and supply lines of sinks</li> <li>-Replacing components of, and repairing, internal and external doors</li> <li>-Repairing and/or replacing components, such as mirrors, soap dispensers, toilet paper dispensers, paper towel dispensers, sanitary containers, trash cans, and hand dryers</li> <li>-Purchasing component parts.</li> <li>-Rocketship will advise the District of the identity of any vendors not referred by the District</li> </ul>	<ul style="list-style-type: none"> <li>-Replacing toilets, urinals, and sinks</li> <li>-Repairs and replacement of plumbing system and component pipes and joints, excluding intake pipes and supply lines of sinks</li> <li>-District will provide a list of local vendors</li> </ul>
Plumbing: Sinks and Faucets	<ul style="list-style-type: none"> <li>-Repair and replacement of component parts</li> <li>-Unclogging obstructions in intake pipes and supply lines</li> <li>-Repairing leaks outside of walls</li> <li>-Purchasing component parts and making repairs</li> <li>-Rocketship will advise the District of the identity of any vendors not referred by the District</li> <li>-Rocketship will handle clogs outside of walls</li> </ul>	<ul style="list-style-type: none"> <li>-Replacing entire sink units where replacement is needed</li> <li>-District will provide a list of local vendors</li> <li>-District will handle clogs and leaks internal to walls</li> </ul>
Heating, Ventilation, and Air Conditioning	<ul style="list-style-type: none"> <li>-Retain certified/qualified vendors to conduct periodic inspections and identify needed repairs on all units serving exclusive use rooms</li> <li>-Replace fungible parts (<i>e.g.</i>, filters, belts) on all units serving exclusive use rooms</li> <li>-Inspect and repair thermostat, as needed</li> <li>-Conduct repairs on compressors contained entirely inside a Rocketship exclusive-use room</li> <li>-Clean, maintain and repair duct system on compressors contained entirely inside a Rocketship exclusive-use room</li> <li>-Rocketship shall replace fungible parts on all systems, and clean, maintain, and repair duct system on compressors contained entirely inside a Rocketship exclusive-use room</li> </ul>	<ul style="list-style-type: none"> <li>-Inspect and maintain compressor units that are not contained within a Rocketship exclusive-use room</li> <li>-Clean, maintain and repair duct systems located outside of Rocketship exclusive-use rooms</li> <li>-Replace compressors and duct system components that are no longer functional and in need of replacement</li> <li>-All rooftop unit work will be completed by District (including filters, belts, etc.)</li> <li>-Replace units that are no longer functional or at the end of their useful life, or for which the cost to continue repairing exceeds the cost to replace.</li> </ul>
Electrical	<ul style="list-style-type: none"> <li>-Replace light bulbs</li> <li>-Responsible for providing, maintaining, repairing and replacing all end-user electronic devices</li> <li>-Repair or replace outlets and outlet covers</li> </ul>	<ul style="list-style-type: none"> <li>-Inspection, maintenance, and repair of electrical infrastructure system</li> <li>-District M&amp;O will complete work on any electrical panel</li> <li>-The District will refer Rocketship to local vendors</li> <li>-</li> </ul>

## Matrix of Responsibility for Routine and Deferred Maintenance

Activity	Responsible Party	
	Rocketship	MDUSD
Classroom Lighting	<ul style="list-style-type: none"> <li>-Replace light bulbs</li> <li>-Repair or replace component parts (<i>i.e.</i>, light fixtures, covers)</li> <li>-Only certified electrician may perform ballast replacements</li> </ul>	<ul style="list-style-type: none"> <li>-Inspection, maintenance, and repair of electrical infrastructure system</li> <li>-The District will refer Rocketship to local vendors.</li> </ul>
Roofing	<ul style="list-style-type: none"> <li>-Inspecting roofs and gutters for debris</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>-Conducting repair and replacement of roof components and roofing systems</li> <li>-Clean roofs and gutters</li> <li>-The District will refer Rocketship to local vendors.</li> </ul>
Floor	<ul style="list-style-type: none"> <li>-Repairing or replacing tiles</li> <li>-Removing scuff marks or other irregularities</li> <li>-Repairing or replacing trim</li> </ul>	<ul style="list-style-type: none"> <li>-Replacement of entire floor surfaces if needed</li> <li>-Repair and replacement of floor systems in need of repair or replacement</li> <li>-The District will provide tiles for Rocketship to replace.</li> </ul>
Painting	<ul style="list-style-type: none"> <li>-Painting of interior of exclusive use rooms and doors (excluding tiled surfaces and restrooms)</li> <li>-Conducting touch-up of painted surfaces in exclusive use area</li> </ul>	<ul style="list-style-type: none"> <li>-Painting of all external surfaces requiring a new coat</li> </ul>
Asbestos Detection and Removal	<ul style="list-style-type: none"> <li>-Notifying the District of asbestos-bearing objects</li> </ul>	<ul style="list-style-type: none"> <li>-Conduct detection and removal of asbestos-bearing objects as required by law</li> </ul>
Lead Detection and Removal	<ul style="list-style-type: none"> <li>-Notifying the District of lead-bearing objects</li> </ul>	<ul style="list-style-type: none"> <li>-Conduct detection and removal of lead-bearing objects as required by law</li> </ul>
Paving/ Blacktop/ Hardscape	<ul style="list-style-type: none"> <li>-Inspect exclusive use paving/blacktop/hardscape for needed repairs</li> <li>-Conduct caulking of cracks or other fissures in exclusive use paving/ blacktop/hardscape</li> </ul>	<ul style="list-style-type: none"> <li>-Conduct repaving and repairs other than caulking of paving/blacktop/ hardscape</li> </ul>
Walkways	<ul style="list-style-type: none"> <li>-Inspect walkways for cracks, fissures, hazards, uneven surfaces, or needed repairs</li> </ul>	<ul style="list-style-type: none"> <li>-Repave and repair walkways</li> <li>-Replace expansion joints</li> </ul>
Underground Tanks	<ul style="list-style-type: none"> <li>-No obligations</li> </ul>	<ul style="list-style-type: none"> <li>-Repair and replace underground tanks, if any</li> </ul>
Wall Systems	<ul style="list-style-type: none"> <li>-Repair and maintain cosmetic irregularities on walls (scratches, holes, fissures)</li> </ul>	<ul style="list-style-type: none"> <li>-Conduct major repairs to wall systems involving repair or replacements of beams, joints, or drywall</li> </ul>
Landscape/ Irrigation		<ul style="list-style-type: none"> <li>-All landscape &amp; irrigation service and maintenance work</li> </ul>

# ROCKETSHIP PUBLIC SCHOOLS

Executive Summary  
Rocketship Education  
Board of Directors  
December 7, 2023

<b>Agenda Item: 2.F</b>  <b>Subject: Approve Addendum to Facility Use Agreement between Rocketship Education and the Mt. Diablo Unified School District for the Use and Occupation of Glenbrook Middle School</b>		OPEN/ACTION
		INFORMATION
	X	CONSENT

**Recommendation(s):**

Rocketship Education and the Mt. Diablo Unified School District (“MDUSD”) have negotiated an addendum to the Facilities Use Agreement for Rocketship Futuro Academy’s use of the Glenbrook Middle School (“Addendum”). The Addendum further clarifies the parties respective rights and responsibilities with respect to certain facilities operations and maintenance tasks, and improvement projects. Staff members recommend that the Rocketship Education Board of Directors (“Board”) approve the Addendum.

**Background:**

In November 2020, Rocketship Education entered into a Facility Use Agreement (“FUA”) with the MDUSD for the use and occupation of the facilities at Glenbrook Middle School, 2351 Olivera Rd, Concord, CA 94520 (the “Site”). The FUA is currently within its initial five year term, from July 1, 2021 to June 20, 2026.

In response to feedback and input from school staff at Rocketship Futuro Academy regarding ownership of certain operations and maintenance tasks, the Rocketship Operations, External Affairs and Legal team engaged staff from MDUSD. As a result of this engagement, discussion and negotiations, the parties agreed to the terms delineated in the Addendum. The Addendum is intended to define with more specificity the parties’ respective obligations regarding routine and deferred maintenance and facility improvements. The Addendum includes a matrix of responsibility for routine and deferred maintenance, more explicitly outlining the responsibilities of both Rocketship Education and MDUSD.

**Summary of Previous Board Action by Board:**

N/A

**Fiscal Impact:**

N/A

**Submitted by:**

Legal Team

To: Board Members  
From: Preston Smith, Co-Founder & CEO  
Date: December 7, 2023  
Re: CEO's Update

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

Sixteen years ago, Rocketship Mateo Sheedy opened its doors in downtown San Jose with a humble 160 students. Today, we have grown into a formidable force in public education, with 23 schools spread across California, Milwaukee, Tennessee, Washington DC, and Texas, serving nearly 11,000 children and families each day. Our progress from that single school to a widespread national network mirrors the rise of innovative public charter schools across the country. Along the way, we have accomplished a great deal in regards to student achievement, parent power, scaling our impact, and more.

While we celebrate the incredible progress our network has made, Rocketship remains a work in progress. Just as our Rocketeers continuously learn and grow, we, too, are committed to continuous learning. To that end and per our August Board meeting, we are excited to launch our next five years as an organization with new ambitious goals for our team, Rocketeers, and community as we advance our vision to realize **Equal Access to Opportunity for All**.

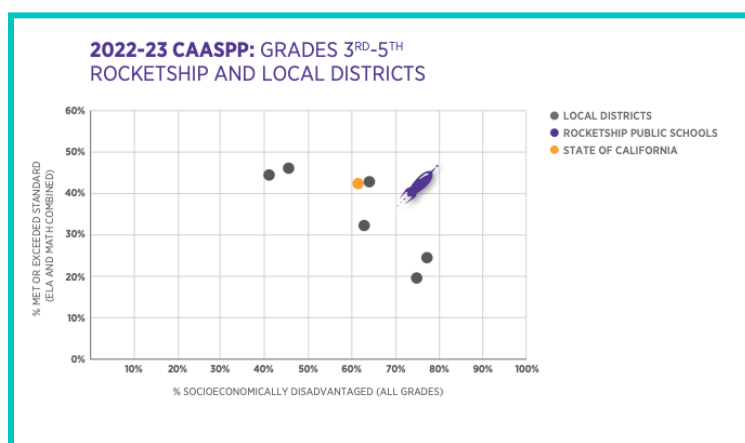


## QUALITY SCHOOLS

Operate high-performing elementary schools to enable Rocketeers to matriculate to middle school on a college-ready trajectory and put pressure on the systems of schools in RPS communities to improve quality.

All Rocketship schools strive for large academic gains each year because we know it's the only way historically underserved communities can catch up with their national peers and thus are able to fully unleash their potential. As we reflect on the 2022-23 school year, we have much to celebrate across our network.

Among California schools that serve a similar population, Rocketship California ranks at or above the 70th percentile for socioeconomically disadvantaged students in both math and English Language Arts. We're proud to share that all of our schools outperformed their local district averages for socioeconomically disadvantaged students. The chart on this page shows achievement results plotted against the percentage of students classified as socioeconomically disadvantaged for local districts, the state of California, and Rocketship California. Our Rocketeers continue to beat the odds and outperform their peers. This analysis underscores how our Rocketeers are charting a new course for disadvantaged students in our state. Our high-quality schools and instructional model are proving that demographics do not define the amazing potential of the Rocketeers we have the privilege to serve.



In Wisconsin, among Milwaukee district and charter schools that serve a similar population, Rocketship Wisconsin ranked in the 81st percentile in English Language Arts and math combined on the Wisconsin Forward Exam in 2023. While our scores did dip from the heights we achieved before the pandemic, our disadvantaged students are still outperforming their peers at local schools. We are proud of our Rocketeers and educators who are making real progress yet we know that our absolute achievement is not where our Rocketeers deserve it to be. Being better than the local public school system is not good enough and the absolute metrics for our Milwaukee Rocketeers are a stark reminder of the gaps we have yet to close in our region with the nation's largest racial achievement gap.

Accelerating student growth is an integral part of our school model. We serve a majority of socioeconomically disadvantaged students of color, and many of our students come to us academically behind their similar-age peers. We know the only way for them to reach their full potential and be college and career-ready is by gaining more than a year's worth of academic growth each school year. That's why we are excited to share that students at all three Rocketship Tennessee schools exceeded the state's growth expectations during the 2022-2023 school year! Rocketship United Academy and Rocketship Dream Community Prep scored a Level 5 in both subjects on the Tennessee Value-Added

Assessment System (TVAAS) and Rocketship Nashville Northeast Elementary scored a Level 5 in literacy. These scores validate our internal data, which indicated that students at all three campuses gained an average of 1.25 years of academic growth last school year. We credit these results to the personalized instruction our teachers provide in the classroom and our strong partnership with each family to ensure our student's academic success is supported at home. When students have their individual needs met and teachers are supported effectively, there's no limit to what we can accomplish.

In Washington DC, Rocketship Infinity Community Prep was named a 'Bold Performance' School by Empower K12, an independent research nonprofit, for their 2023 results on DC's Partnership for Assessment of Readiness for College and Careers (PARCC) exam. Rocketship Infinity had the highest growth in the entire city from third to fourth grade last year. We are proud to have one of only 12 DC district or

charter schools honored for boldly supporting priority students — students designated as at-risk, students with disabilities, and students of color — to reach academic success. Bold Performance Schools have 2023 PARCC proficiency rates that are an average 15.1 percentage points better than other schools serving a high priority student population and 11.5 percentage points better than the pre-pandemic average for schools with similar demographics. We remain committed to ensuring that all of our DC schools and Rocketeers return to their prior level of excellence and achievement and Rocketship Infinity demonstrates what is possible for our DC schools and region.



In Texas, when we launched our inaugural school in Fort Worth, 40% of our Rocketeers started the school year two or more grade levels behind. The enormous gaps our students started with were a powerful and sober reminder of the tremendous need in Fort Worth. Every year a student spends in an underperforming school is another year they fall further behind their collegebound peers. Eventually, those gaps become insurmountable. That is why we chose to open multiple grade levels in our first year. Of course, we do not expect to close academic gaps that accumulated over several years of prior schooling in a single school year at Rocketship. But we do expect to shift our students' trajectory from falling further behind to gaining ground on their college-bound peers. We are proud to report that our Rocketeers are on the right path. By their second semester, our Rocketeers exceeded one year of academic growth.

Our commitment to our students and families requires consistency, commitment to professional growth and a sense of possibility— to see the best in our Rocketeers, and to provide a joyful and rigorous academic experience that allows them to reach their greatest potential. We have far more to

do and realize in order to achieve our ambitious student achievement goals and I am proud of our collective response to unfinished learning as a Rocketship team, network, and community.

## COMMUNITY POWER

Growing the power and impact of our families to affect positive change in their communities through family organizing and leadership, civic engagement, and coalition building.

A parent is a child's first teacher and lifelong advocate. Parents hold extraordinary power to change outcomes for their children and improve the quality of their community. But they often don't have a seat at decision-making tables. We're working to change that. SRI International, an independent nonprofit research institute that supports government and nonprofit agencies, spent months analyzing our parent leadership work and published a report detailing our model and results. The study authors noted that, "Rocketship parents are learning to use their voices to influence local and state policies that impact their families and communities." We are unleashing the power of human potential every single day within our classrooms and beyond.

Recently, Rocketship Fuerza (California) families, members of the community, the District 5 council member and his staff, and the City of San Jose Department of Transportation came together to discuss how the city can increase pedestrian safety for our families on Jackson Ave. The town hall was a success, and everyone in attendance united together in support of installing a crosswalk for our Rocketship school and larger community across a busy intersection. East San Jose will soon be safer because of the efforts of our Rocketship parent leaders.

This has been years in the making with our Rocketship families leading the way. With our combined efforts, we have been able to demonstrate the power of our community at research meetings and a town hall that all attracted over 100 attendees, as well as a petition in support of the crosswalk in front of Rocketship Fuerza that has gained 1,500 signatures so far. Through this process, we anticipate a new crosswalk coming Spring of next year, but equally transformative, we are excited about the new parents who are leaning into this work, learning about the cycles of advocacy, learning how to use their voice and we hope, that in partnership, our combined efforts will lead to more community transformation.



## SCALED IMPACT

Magnify our national impact by increasing the number of Rocketeers across current and future regions and by exploring innovative ways to deepen and extend our impact.

This fall, we opened our 23rd school, Rocketship Explore Elementary. Our second Texas campus serves students in grades pre-kindergarten through third grade on Fort Worth's eastside. Our families were inspired to choose the name Explore because they wanted to cultivate a school culture that encourages

Rocketeers to explore possibilities within themselves and learn from the broader community. We are so excited that Rocketship Explore Elementary will offer experiential, project-based learning, small group student support, and music classes for all Rocketeers.

To support this work I am proud to report that Rocketship National has already exceeded its annual fundraising goal for 2023-24. This includes significant upgrades from long-standing supporters who see the power and promise of our network as well as new funders who are excited to support the next phase of our impact. Additionally, Rocketship Wisconsin recently won a competitive federal grant for \$2.5M over the next five years. Rocketship Wisconsin is one of just 30 organizations nationwide to win this grant and was the only recipient in all of Wisconsin and the only charter school network in the entire country to be awarded this funding. This award will put the region on track to reach its current and future fundraising goals.

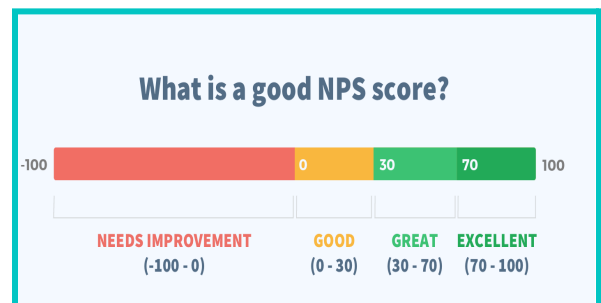


I am looking forward to diving into our lever of Scaled Impact during our Board meeting as we work to further define what's next over the 5 years in regards to our direct and transformational impact.

## CULTURE OF EXCELLENCE & BELONGING

Building a culture where all team members strive for excellence and feel that Rocketship is a great place to work.

We remain committed to ensuring that Rocketship is a great place to work where all our team members can fully unleash their potential. We use our Net Promoter Score (NPS) as an organization to monitor progress toward this ambition. Net promoter is a measure of staff agreement on the question "I'd recommend Rocketship as a great place to work." It measures the % of "Promoters" minus % of "Detractors." Our net promoter score among our team from the 2022-23 school year is 31.7 – up from 26 in 2022, which puts us right on the cusp of the good/great categories. However, we are aspiring to rise more firmly into the great category (30-70 NPS range) and to achieve that goal, we know that the quality of our team's manager is an essential ingredient.



Thus, annually in the fall we conduct our Performance Management and Coaching survey. Overall, scores remained stable from last year, and in-line with the past five years with a 6.1 overall score out of 7 (no change overall from 22-23). Our highest scored items demonstrate that our managers show care and respect (interpersonal skills) and provide strong clarity on objectives. Areas for further review are related to capturing progress toward goals (performance management) and coaching practices to



# ROCKETSHIP

PUBLIC SCHOOLS

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prioritize responsibilities and improving instructional / professional skills (coaching). This survey will further inform our professional development and priorities to elevate our NPS in 2023-24 and beyond.



*In November, Rocketship Transformation Prep celebrated a new 5,000 square foot addition to its campus.*



Board of Directors  
Rocketship Education  
Redwood City, California

We have audited the financial statements of Rocketship Education Inc. and its Affiliates (RSEA) as of and for the year ended June 30, 2023, and have issued our report thereon dated REPORT DATE. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Appeals Panel, as well as certain information related to the planned scope and timing of our audit in our planning communication dated May 3, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Rocketship Education are described in Note 1 to the financial statements.

RSEA changed accounting policies related to the change in accounting principle by adopting Financial Accounting Standards Board (FASB) Accounting Standards Update No. 2016-02, Leases (ASC 842), for the year ended June 30, 2023.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

##### *Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

**Significant unusual transactions**

We identified no significant unusual transactions.

**Difficulties encountered in performing the audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**Uncorrected misstatements**

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

Federal Revenues Receivable	\$71,719	
Unearned Revenue	\$47,340	
State Revenues Receivable		\$119,059

Reconcile Federal and State conditional grants

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

**Corrected misstatements**

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

**Disagreements with management**

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

**Management representations**

We have requested certain representations from management that are included in the management representation letter dated REPORT DATE.

**Management consultations with other independent accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Audits of group financial statements***

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

***Quality of component auditor's work***

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

***Limitations on the group audit***

There were no restrictions on our access to information of components or other limitations on the group audit.

***Supplementary information in relation to the financial statements as a whole***

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

With respect to the Consolidating Statement of Financial Position – Schools, Consolidating Statement of Activities – Schools, Consolidating Statement of Cash Flows – Schools, Schedule of Instructional Time - California, Schedule of Average Daily Attendance – California, and Reconciliation of Annual Financial Report with Audited Financial Statements, (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated REPORT DATE.

The Local Education Agency Organization Structure accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

***Upcoming auditing standards***

Our promise is to get to know you and help you. For your consideration, we provided recent auditing standards applicable to your entity.

Accounting Estimates and Risk Assessment –

- Effective for fiscal years beginning after December 15, 2023. For your entity – June 30, 2024's financial statements.
- Enhanced financial reporting framework surrounding management estimates, including a method, assumptions, and further audit process on the data (Statement on Auditing Standards (SAS) No. 143).
- Enhances the requirements and guidance on identifying and assessing the risks of material misstatement, particularly the areas of understanding the entity's system of internal control and assessing control risk (SAS 145).
- Additional consideration on the entity and its control environment, requiring separate assessment of inherent risk and control risk.
- Expanded testing and disclosures for the use of specialists and pricing information from external information sources.

This communication is intended solely for the information and use of the Board of Directors and management of RSEA and is not intended to be, and should not be, used by anyone other than these specified parties.

**CliftonLarsonAllen LLP**

Glendora, California  
REPORT DATE

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2023  
(WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022)**

**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  
Rocketship Dream Community Prep**

**Wisconsin**

**Rocketship Southside Community Prep  
Rocketship Transformation Prep**

**DC**

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

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Rocketship Education Inc. and its Affiliates (RSEA), a California nonprofit public benefit corporation, which comprise the consolidated statement of financial position as of June 30, 2023, 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.

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, 2023, 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RSEA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Change in Accounting Principle***

As discussed in Note 1 to the consolidated financial statements, in the current year the RSEA adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with response to this matter.

#### ***Responsibilities of Management 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.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RSEA's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 RSEA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RSEA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Report on Summarized Comparative Information***

We have previously audited RSEA's 2022 consolidated financial statements, and we expressed an unmodified opinion on those statements in our report dated December 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on RSEA’s consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, which is the responsibility of management, 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 *2022-2023 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), which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Rocketship Education, Rocketship Education Wisconsin Inc., Rocketship Education DC Public Charter School Inc, Launchpad Development Company, and Eliminations columns in the consolidated statements of financial position, activities, and cash flows, as well as the accompanying supplementary schedules of the consolidating statements of financial position, activities and cash flows, which are also the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the portion marked “unaudited,” 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. The Local Education Agency Organization Structure, which is marked “unaudited,” has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.

**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, 2023**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

	Rocketship Education	Rocketship Education Wisconsin Inc.	Rocketship Education DC Public Charter School, Inc.	Launchpad Development Company	Eliminations	2023 Total	2022 Total
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and Cash Equivalents	\$ 53,474,373	\$ 195,583	\$ 6,435,133	\$ 8,683,978	\$ -	\$ 68,789,067	\$ 48,532,010
Restricted Cash	-	-	-	9,814,305	-	9,814,305	9,720,654
Accounts Receivable	29,754,914	1,929	5,400,399	374,018	-	35,531,260	25,916,680
Grants Receivable	449,000	341,115	50,000	-	-	840,115	15,000
Prepaid Expenses and Other Assets	3,881,557	291,029	1,347,555	386,818	-	5,906,959	6,547,464
Total Current Assets	<u>87,559,844</u>	<u>829,656</u>	<u>13,233,087</u>	<u>19,259,119</u>	<u>-</u>	<u>120,881,706</u>	<u>90,731,808</u>
<b>LONG-TERM ASSETS</b>							
Intracompany Receivable	8,366,269	-	-	-	(8,366,269)	-	-
Security Deposits	459,297	-	-	-	(400,000)	59,297	53,297
Accounts Receivable	-	-	-	-	-	-	8,475
Deferred Rent Asset	-	-	-	14,394,946	(14,394,946)	-	-
Operating Right-of-Use (ROU) Lease Asset	148,778,282	7,578,233	113,221,578	86,358,096	(266,194,054)	89,742,135	-
Property, Plant, and Equipment, Net	5,671,866	319,046	15,130	148,460,811	-	154,466,853	156,960,429
Total Long-Term Assets	<u>163,675,714</u>	<u>7,897,279</u>	<u>113,236,708</u>	<u>249,213,853</u>	<u>(289,355,269)</u>	<u>244,668,285</u>	<u>157,022,201</u>
Total Assets	<u>\$ 251,235,558</u>	<u>\$ 8,726,935</u>	<u>\$ 126,469,795</u>	<u>\$ 268,472,972</u>	<u>\$ (289,355,269)</u>	<u>\$ 365,549,991</u>	<u>\$ 247,754,009</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Accounts Payable and Accrued Liabilities	\$ 11,678,235	\$ 159,996	\$ 3,761,467	\$ 425,301	\$ -	\$ 16,024,999	\$ 14,580,021
Accrued Interest	45,357	-	-	589,870	-	635,227	615,761
Deferred Revenues	19,677,628	-	-	3,462,468	(3,462,468)	19,677,628	5,680,705
Current Portion of Lease Liabilities - Operating	6,609,268	366,093	1,789,648	4,146,345	(7,343,699)	5,567,655	-
Current Portion of Loans Payable	540,439	-	-	7,055,506	-	7,595,945	4,546,870
Total Current Liabilities	<u>38,550,927</u>	<u>526,089</u>	<u>5,551,115</u>	<u>15,679,490</u>	<u>(10,806,167)</u>	<u>49,501,454</u>	<u>25,423,357</u>
<b>LONG-TERM LIABILITIES</b>							
Security Deposits	-	-	-	400,000	(400,000)	-	-
Accrued Interest	170,888	-	-	-	-	170,888	172,481
Deferred Rent Liability	-	-	-	-	-	-	6,711,830
Intracompany Payable	-	4,220,562	3,664,334	481,373	(8,366,269)	-	-
Lease Liabilities - Operating	144,020,403	7,521,004	120,236,530	87,388,812	(269,782,833)	89,383,916	-
Loans Payable	250,000	-	-	175,031,989	-	175,281,989	182,003,696
Total Long-Term Liabilities	<u>144,441,291</u>	<u>11,741,566</u>	<u>123,900,864</u>	<u>263,302,174</u>	<u>(278,549,102)</u>	<u>264,836,793</u>	<u>188,888,007</u>
Total Liabilities	<u>182,992,218</u>	<u>12,267,655</u>	<u>129,451,979</u>	<u>278,981,664</u>	<u>(289,355,269)</u>	<u>314,338,247</u>	<u>214,311,364</u>
<b>NET ASSETS (DEFICIT)</b>							
Without Donor Restriction	68,243,340	(3,579,174)	(2,982,184)	(10,508,692)	-	51,173,290	33,008,787
With Donor Restriction	-	38,454	-	-	-	38,454	433,858
Total Net Assets (Deficit)	<u>68,243,340</u>	<u>(3,540,720)</u>	<u>(2,982,184)</u>	<u>(10,508,692)</u>	<u>-</u>	<u>51,211,744</u>	<u>33,442,645</u>
Total Liabilities And Net Assets	<u>\$ 251,235,558</u>	<u>\$ 8,726,935</u>	<u>\$ 126,469,795</u>	<u>\$ 268,472,972</u>	<u>\$ (289,355,269)</u>	<u>\$ 365,549,991</u>	<u>\$ 247,754,009</u>

See accompanying Notes to Consolidated Financial Statements.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

	Rocketship Education	Rocketship Education Wisconsin Inc.	Rocketship Education DC Public Charter School, Inc.	Launchpad Development Company	Eliminations	2023 Total	2022 Total
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>							
<b>REVENUES</b>							
LCFF State Aid & Property Tax Revenue	\$ 79,949,741	\$ -	\$ -	\$ -	\$ -	\$ 79,949,741	\$ 68,623,477
Apportionment Revenue	20,307,365	6,169,824	24,650,855	-	-	51,128,044	44,700,518
Other State Revenue	35,846,429	182,351	10,086,644	-	-	46,115,424	29,777,584
Federal Revenue	23,662,961	2,666,389	9,115,774	-	-	35,445,124	32,507,563
Other Local Revenue	8,095,758	19,009	1,105,223	25,920,179	(29,666,552)	5,473,617	1,405,104
Contributions	4,490,739	76,909	107,881	-	-	4,675,529	7,075,182
Contributions of Nonfinancial Assets	1,831,229	-	-	-	-	1,831,229	-
Amounts Released from Restriction	350,000	65,000	-	-	-	415,000	17,000
Total Without Donor Restriction Revenues	<u>174,534,222</u>	<u>9,179,482</u>	<u>45,066,377</u>	<u>25,920,179</u>	<u>(29,666,552)</u>	<u>225,033,708</u>	<u>184,106,428</u>
<b>EXPENSES</b>							
Program Expenses:							
Educational Programs	122,998,113	9,029,326	42,282,249	-	(23,142,078)	151,167,610	132,441,662
Program Supports	11,465,346	-	-	18,107,047	-	29,572,393	33,483,700
Supporting Services:							
Administration and General	23,881,148	1,364,909	6,362,587	489,373	(6,524,474)	25,573,543	22,879,450
Fundraising	555,659	-	-	-	-	555,659	507,147
Total Supporting Services	<u>24,436,807</u>	<u>1,364,909</u>	<u>6,362,587</u>	<u>489,373</u>	<u>(6,524,474)</u>	<u>26,129,202</u>	<u>23,386,597</u>
Total Expenses	<u>158,900,266</u>	<u>10,394,235</u>	<u>48,644,836</u>	<u>18,596,420</u>	<u>(29,666,552)</u>	<u>206,869,205</u>	<u>189,311,959</u>
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>15,633,956</u>	<u>(1,214,753)</u>	<u>(3,578,459)</u>	<u>7,323,759</u>	<u>-</u>	<u>18,164,503</u>	<u>(5,205,531)</u>
<b>NET ASSETS WITH DONOR RESTRICTION</b>							
Amounts Released from Restriction	(350,000)	(65,000)	-	-	-	(415,000)	(17,000)
Contributions	-	19,596	-	-	-	19,596	433,858
<b>INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTION</b>	<u>(350,000)</u>	<u>(45,404)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(395,404)</u>	<u>416,858</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>15,283,956</u>	<u>(1,260,157)</u>	<u>(3,578,459)</u>	<u>7,323,759</u>	<u>-</u>	<u>17,769,099</u>	<u>(4,788,673)</u>
Net Assets (Deficit) - Beginning of Year	<u>52,959,384</u>	<u>(2,280,563)</u>	<u>596,275</u>	<u>(17,832,451)</u>	<u>-</u>	<u>33,442,645</u>	<u>38,231,318</u>
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u>\$ 68,243,340</u>	<u>\$ (3,540,720)</u>	<u>\$ (2,982,184)</u>	<u>\$ (10,508,692)</u>	<u>\$ -</u>	<u>\$ 51,211,744</u>	<u>\$ 33,442,645</u>

See accompanying Notes to Consolidated Financial Statements.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

	Programs			Management and General	Fundraising	Eliminations	Total 2023 Expenses	Total 2022 Expenses
	Educational Programs	Program Supports	Total					
Salaries	\$ 69,761,477	\$ 8,615,129	\$ 78,376,606	\$ 9,065,949	\$ 356,947	\$ -	\$ 87,799,502	\$ 81,042,560
Employee Benefits	9,073,126	575,110	9,648,236	537,069	57,455	-	10,242,760	9,464,728
Pension	6,498,997	640,955	7,139,952	171,590	-	-	7,311,542	6,416,455
Payroll Taxes	3,502,178	665,636	4,167,814	760,322	-	-	4,928,136	4,223,462
Management Fees	-	-	-	28,719,472	-	(28,719,472)	-	-
District Fee	90,909	-	90,909	1,208,379	-	-	1,299,288	1,642,503
Accounting Expenses	-	-	-	1,306,665	-	-	1,306,665	848,221
Legal Expenses	-	-	-	995,250	-	-	995,250	809,606
Instructional Materials	4,484,651	180,053	4,664,704	-	7,301	-	4,672,005	4,795,970
Other Fees For Services	28,406,486	827,350	29,233,836	3,528,120	66,455	-	32,828,411	24,909,490
Advertising	-	-	-	167,935	-	-	167,935	210,761
Office Expenses	4,080,879	24,847	4,105,726	1,010,493	17,158	-	5,133,377	3,705,681
Information Technology	4,413,211	84,962	4,498,173	965,650	2,838	-	5,466,661	5,960,090
Printing and Postage	217,252	-	217,252	115,233	-	-	332,485	407,136
Occupancy	29,243,394	3,671,975	32,915,369	440,534	9,510	(23,142,078)	10,223,335	11,165,624
Travel	2,200,108	1,229	2,201,337	2,383,443	8,780	-	4,593,560	2,635,011
Conferences and Meetings	3,579	-	3,579	9,779	-	-	13,358	25,654
Insurance	551,822	-	551,822	470,797	-	-	1,022,619	970,539
Bad Debt	-	-	-	2,118,856	-	(2,118,856)	-	-
Depreciation and Amortization	233,959	5,395,115	5,629,074	50,328	-	-	5,679,402	6,801,509
Interest Expense	-	8,501,798	8,501,798	118,349	-	(60,000)	8,560,147	10,943,932
Capital Expenses	6,402	14,535	20,937	-	-	-	20,937	151,922
Grants to School	-	-	-	-	-	-	-	-
Student Food Services	7,269,045	-	7,269,045	-	-	-	7,269,045	5,943,798
Other Expenses	4,272,213	373,699	4,645,912	2,327,658	29,215	-	7,002,785	6,237,307
Subtotal	174,309,688	29,572,393	203,882,081	56,471,871	555,659	(54,040,406)	206,869,205	
Eliminations	(23,142,078)	-	(23,142,078)	(30,898,328)	-	54,040,406	-	
Total 2023	<u>\$ 151,167,610</u>	<u>\$ 29,572,393</u>	<u>\$ 180,740,003</u>	<u>\$ 25,573,543</u>	<u>\$ 555,659</u>	<u>\$ -</u>	<u>\$ 206,869,205</u>	
Total 2022	<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>\$ 189,311,959</u>

See accompanying Notes to Consolidated Financial Statements.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2023**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

	Rocketship Education	Rocketship Education Wisconsin Inc.	Rocketship Education DC Public Charter School, Inc.	Launchpad Development Company	Eliminations	2023 Total	2022 Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Change in Net Assets	\$ 15,283,956	\$ (1,260,157)	\$ (3,578,459)	\$ 7,323,759	\$ -	\$ 17,769,099	\$ (4,788,673)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:							
Depreciation Expense	230,778	46,065	7,444	4,745,672	-	5,029,959	4,872,222
Amortization Expense	-	-	-	108,483	-	108,483	2,179,712
Loss/(Gain) on Disposal of Assets	-	-	-	195,091	-	195,091	(77,251)
(Increase) Decrease in Operating Assets:							
Accounts Receivable	(10,832,957)	1,390,525	(647,246)	483,573	-	(9,606,105)	1,020,647
Grants Receivable	(849,000)	(326,115)	(50,000)	-	-	(1,225,115)	2,000
Prepaid Expenses and Other Assets	2,247,270	(266,370)	(1,273,577)	(72,818)	-	634,505	(530,043)
Operating Right-of-Use (ROU) Lease Asset	(148,778,282)	(7,578,233)	(113,221,578)	(86,358,096)	-	(355,936,189)	-
Deferred Rent Asset	-	-	-	(4,861,927)	4,861,927	-	-
Increase (Decrease) in Operating Liabilities:							
Accounts Payable and Accrued Liabilities	1,511,855	(202,371)	1,770,243	(1,681,969)	-	1,397,758	1,952,538
Deferred Revenues	14,008,266	-	-	3,451,125	-	17,459,391	2,738,652
Deferred Rent Liability	(4,535,105)	(90,344)	(3,742,872)	(7,876,528)	(4,861,927)	(21,106,776)	1,166,080
Lease Liabilities - Operating	150,629,671	7,887,097	122,026,178	91,535,157	-	372,078,103	-
Net Cash Provided (Used) by Operating Activities	18,916,452	(399,903)	1,290,133	6,991,522	-	26,798,204	8,535,884
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Proceeds from Sale of Property, Plant and Equipment	-	-	-	-	-	-	1,079,193
Purchases of Property, Plant, and Equipment	(1,124,779)	(211,208)	-	(1,346,953)	-	(2,682,940)	(1,036,008)
Net Cash Used by Investing Activities	(1,124,779)	(211,208)	-	(1,346,953)	-	(2,682,940)	43,185
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Intracompany Loans	1,367,053	-	(520,639)	(846,414)	-	-	-
Transfer of Cost of Issuance	-	-	-	16,559	-	16,559	-
Proceeds from Debt	-	-	-	1,058,204	-	1,058,204	43,704,197
Repayment of Debt	(659,857)	-	-	(4,179,462)	-	(4,839,319)	(55,749,388)
Net Cash Provided (Used) by Financing Activities	707,196	-	(520,639)	(3,951,113)	-	(3,764,556)	(12,045,191)
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>18,498,869</b>	<b>(611,111)</b>	<b>769,494</b>	<b>1,693,456</b>	<b>-</b>	<b>20,350,708</b>	<b>(3,466,122)</b>
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	34,975,504	806,694	5,665,639	16,804,827	-	58,252,664	61,718,786
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>	<b>\$ 53,474,373</b>	<b>\$ 195,583</b>	<b>\$ 6,435,133</b>	<b>\$ 18,498,283</b>	<b>\$ -</b>	<b>\$ 78,603,372</b>	<b>\$ 58,252,664</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>\$ 53,474,373</b>	<b>\$ 195,583</b>	<b>\$ 6,435,133</b>	<b>\$ 8,683,978</b>	<b>\$ -</b>	<b>\$ 68,789,067</b>	<b>\$ 48,532,010</b>
Cash and Cash Equivalents	-	-	-	9,814,305	-	9,814,305	9,720,654
Restricted Cash	-	-	-	-	-	-	-
Total	<u>\$ 53,474,373</u>	<u>\$ 195,583</u>	<u>\$ 6,435,133</u>	<u>\$ 18,498,283</u>	<u>\$ -</u>	<u>\$ 78,603,372</u>	<u>\$ 58,252,664</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>							
Cash Paid for Interest, Net	\$ 60,122	\$ 60,000	\$ -	\$ 8,328,243	\$ (60,000)	\$ 8,388,365	\$ 11,041,165

See accompanying Notes to Consolidated Financial Statements.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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 Dream Community Prep (NASH3)*** – Tennessee charter school

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Principles of Consolidation (Continued)**

Rocketship Education Wisconsin Inc.

RSED incorporated Rocketship Education Wisconsin Inc. (REW), 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 and REW entered into a Network Services Agreement to provide services for the Wisconsin region.

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 Three Nashville LLC (NLLC3)*** – Facilities development
- ***Launchpad Development One DC LLC (DLLC1)*** – RISE facilities
- ***Launchpad Development Two DC LLC (DLLC2)*** – RLP facilities



**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Principles of Consolidation (Continued)**

Launchpad Development Company (Continued)

- *Launchpad Development Three DC LLC (DLLC3)* – Facilities development
- *Launchpad Development One TX LLC (TEX01)* – Facilities development
- *Launchpad Development Two TX LLC (TEX02)* – Facilities development

**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.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Asset Classes (Continued)**

*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.

**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, 2023.

**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, 2023, RSEA has conditional grants of \$32,249,340 of which \$19,677,628 is recognized as deferred revenue in the statement of financial position.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Donated Services and In-Kind Contributions**

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair values in the period received.

**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. RSEA file exempt organization returns in the U.S. federal jurisdiction and with the California Franchise Tax Board.

**Compensated Absences**

Accumulated unpaid employee vacation benefits are recognized as a liability of RSEA. Full-time school staff accrue between 10-15 days of paid vacation per 12-month period based on the employee's years of service and the paid time off (PTO) is paid out in full at the end of the school year. Full-time Network staff accrue between 10-25 days of vacation per 12-month period based on years of service. A maximum of 1.5 times their annual PTO accrual rate may be carried as an accrual balance at any time before an employee reaches their accrual limit.

**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, 2022, from which the summarized information was derived.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases**

RSEA leases school facilities, office space, land, and equipment. RSEA determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities on the statement of financial position. Finance leases are included in financing ROU assets, and lease liabilities – financing on the statement of financial position.

ROU assets represent RSEA's right to use an underlying asset for the lease term and lease liabilities represent the School's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the RSEA uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that RSEA will exercise that option. RSEA has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statement of financial position.

RSEA has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

RSEA's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, RSEA considers factors such as if RSEA has obtained substantially all of the rights to the underlying asset through exclusivity, if RSEA can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

**Adoption of New Accounting Standards**

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases* (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of ROU assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standards (Continued)**

RSEA adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

RSEA elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement. In addition, RSEA elected the hindsight practical expedient to determine the lease term for existing leases.

As a result of the adoption of the new lease accounting guidance, RSEA recognized on July 1, 2022 a ROU asset at the carrying amount of the operating lease asset of \$66,924,385. RSEA also recognized on July 1, 2022 a lease liability of \$71,547,497, which represents the present value of the remaining finance lease payments discounted using the RSEA's incremental borrowing rate ranging from 3.10 to 3.54%.

**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 were comprised of the following as of June 30, 2023:

Cash and Cash Equivalents	\$ 68,789,067
Accounts Receivable	35,531,260
Grants Receivable	840,115
Less: Net Assets With Donor Restrictions	<u>(38,454)</u>
Financial Assets Available for General Expenditure	<u>\$ 105,121,988</u>

As part of its liquidity management plan, RSEA monitors liquidity required and cash flows to meet operating needs on a monthly basis. RSEA structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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.

**NOTE 4 ACCOUNTS RECEIVABLE**

Due from federal and state governments consists of funds due as of June 30, 2023. Management believes that these receivables are fully collectible, therefore no provision was recorded as of June 30, 2023.

**NOTE 5 GRANTS RECEIVABLE**

Grants receivable of \$899,000 consist of unconditional promises to give. Payments in the amount of \$499,000 are expected to be received during the year ended June 30, 2024 and the remaining \$400,000 is expected to be received in July 2024. As of June 30, 2023 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:

	<u>RSED</u>	<u>LDC</u>	<u>RSEA Total</u>
Land	\$ -	\$ 24,367,995	\$ 24,367,995
Furniture and Equipment	1,034,384	457,532	1,491,916
Buildings	6,418,564	156,348,417	162,766,981
Software	891,364	-	891,364
Other	669,209	1,221,001	1,890,210
Less: Accumulated Depreciation	<u>(3,007,480)</u>	<u>(33,934,134)</u>	<u>(36,941,614)</u>
Total	<u>\$ 6,006,041</u>	<u>\$ 148,460,811</u>	<u>\$ 154,466,852</u>

Depreciation and amortization expense was \$5,027,412 for the year ended June 30, 2023.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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.

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, 2023, balance on this loan is \$750,000. 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, 2023, the loans RFZ, RNNE, RRWC, and RUA have been paid off.

**Loans Payable**

**Rocketship's Schools – California School Finance Authority Revolving Loan Program**

As of June 30, 2023, one of Rocketship's California schools Delta Prep has a revolving loan payable to the California School Finance Authority (CSFA) with a balance of \$40,439. 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.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 7 DEBT (CONTINUED)**

**Loans Payable (Continued)**

**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%.

The Series 2015 Bonds are divided into \$6.135 million Series 2015A Bonds and \$250,000 Series 2015B Bonds (taxable), maturing between June 2016 and 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 2023, Series 2015A Bond experienced a principal maturity of \$525K.

**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 2023, Series 2016A Bond experienced a principal maturity of \$575K.

**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.



**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 7 DEBT (CONTINUED)**

**Loans Payable (Continued)**

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

In June 2023, Series 2017 Bonds experienced a principal maturity of \$215K.

**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). In June 2023, Series 2017H Bond experienced a principal maturity of \$225K.

**MKE2 LLC – IIF Acquisition Loan**

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 matured in July 2022. In June 2022, this \$2.7M loan was amended to extend the maturity date to July 2023. As of June 30 2023, MKE2 LLC – IIF Acquisition Loan had a balance of \$2.7M.

This loan was paid off in July 2023 with a new loan from Charter School Growth Fund.

**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 2023, Series 2019A Bond experienced a principal maturity of \$140K and Series 2019B Bond experienced a principal maturity of \$180K.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 7 DEBT (CONTINUED)**

**Loans Payable (Continued)**

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

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). In June 2023, Series 2021B Bond experienced a principal maturity of \$255K.

**LDC – Obligated Group Bonds (Series OG2021A and 2021B) - Refinance**

In September 2021, LDC completed bond financing in the amount of \$15.245 million (the Series OG2021 Bonds), proceeds from which were used to pay off Series 2011A and B and Series 2012A and B bonds. This refinancing process was completed on December 1, 2021 with the payoff of the Series 2011 and 2012 bonds.

The Series OG2021 Bonds are divided into \$14.78 million Series OG2021A Bonds and \$465,000 Series OG2021B Bonds (taxable). The Series OG2021 Bonds mature between June 2022 and 2035 (Series 2021A) and in June 2022 (Series 2021B). Interest is paid semi-annually at a coupon rate of 4.00%. In June 2023, Series OG2021 Bonds experienced a principal maturity of \$750K.

**LDC – Obligated Group Bonds (Series 2022A and OG2022B) - Refinance**

In March 2022, LDC completed bond financing in the amount of \$27.990 million (the Series 2022A and OG2022B Bonds), proceeds from which were used to pay off Series 2014A and B bonds. This refinancing process was completed on June 1, 2022 with the payoff of the Series 2014A and B bonds.

The Series 2022A and OG2022B Bonds are divided into \$27.195 million Series 2022A Bonds and \$795,000 Series OG2022B Bonds (taxable). The Series 2022A and OG2022B Bonds mature between June 2022 and 2042 (Series 2022A) and between June 2023 and 2024 (Series OG2022B). Interest is paid semi-annually at coupon rates between 4.00% and 4.375%. In June 2023, Series 2022A Bonds experienced a principal maturity of \$490K and the Series 2022B Bonds experienced a principal maturity of \$485K.

Amortization expense for cost of issuance and discounts/premiums for all bond series was \$66,412 for the year ended June 30, 2023.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 7 DEBT (CONTINUED)**

**Loans Payable (Continued)**

**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, 2023, the line of credit balance has been paid off.

Future maturities of debt in summary:

<u>Year Ended June 30,</u>	<u>RSED</u>	<u>LDC</u>	<u>Total</u>
2024	\$ 540,439	\$ 7,055,506	\$ 7,595,945
2025	250,000	4,656,812	4,906,812
2026	-	5,033,392	5,033,392
2027	-	6,235,256	6,235,256
2028	-	5,307,418	5,307,418
Thereafter	-	153,214,596	153,214,596
Subtotal	<u>790,439</u>	<u>181,502,980</u>	<u>182,293,419</u>
Cost of Issuance and Discounts/Premiums	-	584,515	584,515
Total	<u>\$ 790,439</u>	<u>\$ 182,087,495</u>	<u>\$ 182,877,934</u>

**NOTE 8 CONTRIBUTIONS OF NONFINANCIAL ASSETS**

In October 2012, RSN entered into a five-year agreement 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 agreement was renewed on November 1, 2017. RSEA recognized contributed nonfinancial assets representing in-kind rent for its RSN administrative offices in the amount of \$286,512 during the year ended June 30, 2023.

RSEA also received donations of stock securities recorded at fair value on the date the contribution was received. Total stock donations received were valued at \$1,544,717 for the year ended June 30, 2023.

**NOTE 9 LEASES – ASC 842**

RSEA leases school and administrative facilities from various related and unrelated parties. Related party leases are between RSEA and LLC subsidiaries of LDC. LDC leases certain school facilities and subleases them to RSEA schools. In addition to facility leases, RSEA leases equipment from unrelated third parties under long-term, non-cancelable lease agreements. The leases expire at various dates through 2058 and provide for renewal options ranging from 1 month to 10 years. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 LEASES – ASC 842 (CONTINUED)**

Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements generally require RSEA to pay real estate taxes, insurance, and repairs. Some lease agreements also require RSEA to comply with certain covenants and to maintain certain financial ratios. As of June 30, 2023, RSEA believes it was in compliance with all ratios and covenants.

The following table provides quantitative information concerning RSEA's leases for the year ended June 30, 2023:

Lease Costs	
Operating Lease Costs	\$ 6,759,474
Other Information:	
Operating Cash Flows from Operating Leases	\$ 5,333,645
Right-Of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 93,272,638
Weighted-Average Remaining Lease Term - Operating Leases	25.07 years
Weighted-Average Discount Rate - Operating	3.49%

RSEA classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2024	\$ 5,651,362
2025	5,271,603
2026	5,297,045
2027	4,758,386
2028	4,711,949
Thereafter	122,936,918
Total Lease Payments	148,627,263
Less: Present Value Discount	(53,675,692)
Present Value of Lease Liabilities	<u>\$ 94,951,571</u>

**NOTE 10 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).

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 EMPLOYEE RETIREMENT (CONTINUED)**

**State Teachers' Retirement System (STRS) (Continued)**

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.

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, 2022 total STRS plan net assets are \$300 billion, the total actuarial present value of accumulated plan benefits is \$434 billion, contributions from all employers totaled \$6.513 billion, and the plan is 74.4% 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](http://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 10.21% 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, 2023 was 19.10% 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	
	Required Contribution	Percent Contributed
2021	\$ 4,105,830	100 %
2022	\$ 4,876,240	100 %
2023	\$ 5,488,268	100 %

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 EMPLOYEE RETIREMENT (CONTINUED)**

**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.

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, 2023 to the Teacher Legacy Pension Plan was 6.81% 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](http://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, 2023 to the Teacher Retirement Plan were 5.00% 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](http://www.treasury.tn.gov/tcrs).

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 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 lesser of 5% of annual salary or \$2,500. During the year ended June 30, 2023 RSEA contributed \$1,030,306 to this plan.

**NOTE 11 RELATED PARTY TRANSACTIONS**

**Leases**

Rocketship Education Inc., Rocketship Education Wisconsin Inc., and Rocketship Education D.C. Public Charter School Inc. have entered into various lease agreements with Launchpad Development Company subsidiary LLCs for its charter facilities. Refer to Note 9 for general lease disclosures.

**Rocketship Education Wisconsin Inc. Line of Credit from RSN**

Rocketship Education Wisconsin Inc. entered into an unsecured line of credit agreement with RSN that requires quarterly interest payment at LIBOR +250 bps not to exceed 4% with a maturity date of June 30, 2025. The total amount of long term liabilities related to this line of credit was \$1,500,000 as of June 30, 2023.

**Management Services**

RMS, RSSP, RLS, ROMO, RDP, RBM, RSA, RSK, RFZ, RRWC, RFA, RDL, RNNE, RUA, NASH3, RSCP, RTP, RISE, RLP, AND RIC all receive management and support services from RSN for which they pay management fees.

For the year ended June 30, 2023, management fees were as follows:

Mateo Sheedy	\$ 1,426,264
Si Se Puede	1,159,562
Los Suenos	1,328,227
Mosaic	1,706,885
Discovery	1,228,726
Brilliant Minds	1,688,322
Alma	1,349,967
Spark	1,611,934
Rising Stars	1,763,018
Fuerza Community	1,714,115
Delta Legacy	1,426,902
Futuro	1,520,254
Redwood City	728,944
Nashville NE	1,419,330
United	1,374,208
Dream	808,340
Wisconsin Schools	1,249,279
D.C. Schools	5,215,195
Total	<u><u>\$ 28,719,472</u></u>

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 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.

**NOTE 13 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods.

Subject to Specific Purpose:

Comprehensive School Mental Health Systems	\$ 38,454
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Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time as follows for the year ended June 30:

Release of Restrictions	
JetPackEd Innovation	\$ 350,000
Recruitment and Retention	50,000
Time Restrictions	15,000
Total Release of Restrictions	<u>\$ 415,000</u>

**NOTE 14 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.

In the normal course of business, RSEA is subject to legal claims. After consultation with RSEA's legal counsel, management of RSEA is of the opinion that liabilities, if any, arising from such claims would not have a material effect on RSEA's financial position.



**SUPPLEMENTARY INFORMATION**

DRAFT

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE**  
**YEAR ENDED JUNE 30, 2023**  
**(SEE INDEPENDENT AUDITORS' REPORT)**  
**UNAUDITED**

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 2028

Rocketship Si Se Puede Academy (RSSP), chartered by the Santa Clara County Office of Education, Charter Number: 1061 – Established 2009, Expires 2025

Rocketship Los Suenos Academy (RLS), chartered by the Santa Clara County Office of Education, Charter Number: 1127 – Established 2009, Expires 2028

Rocketship Mosaic Elementary School (ROMO), chartered by the Franklin-McKinley Elementary School District, Charter Number: 1192 – Established 2011, Expires 2027

Rocketship Discovery Prep (RDP), chartered by the Santa Clara County Office of Education, Charter Number: 1193 – Established 2010, Expires 2027

Rocketship Brilliant Minds (RBM), chartered by the Santa Clara County Office of Education, Charter Number: 1393 – Established 2012, Expires 2025

Rocketship Alma Academy (RSA), chartered by the Santa Clara County Office of Education, Charter Number: 1394 – Established 2012, Expires 2025

Rocketship Spark Academy (RSK), chartered by the Franklin-McKinley Elementary School District, Charter Number: 1526 – Established 2013, Expires 2026

Rocketship Fuerza Community Prep (RFZ), chartered by the Santa Clara County Office of Education, Charter Number: 1687 – Established 2014, Expires 2027

Rocketship Redwood City Prep (RRWC), chartered by the Redwood City Elementary School District, Charter Number: 1736 – Established 2015, Expires 2027

Rocketship Rising Stars (RRS), chartered by the Santa Clara County Office of Education, Charter Number: 1778 – Established 2016, Expires 2027

Rocketship Futuro Academy (RFA), chartered by the State Board of Education, Charter Number: 1805 – Established 2016, Expires 2027

Rocketship Delta Prep (RDL), chartered by the Antioch Unified School District, Charter Number: 1965 – Established 2018, Expires 2026

Tennessee Charter Schools:

Rocketship Nashville Northeast Elementary (RNNE)

Rocketship United Academy (RUA)

Rocketship Dream Community Prep (RDCP)

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, 2023  
 (SEE INDEPENDENT AUDITORS' REPORT)  
 UNAUDITED**

**BOARD OF DIRECTORS**

<u>Name</u>	<u>Office</u>	<u>Term Expires (2-Year Term)</u>
Louis Jordan	Board Chair	2024
Alex Terman	Treasurer	2023
Greg Stanger	Secretary	2023
Deborah McGriff	Member	2024
Raymond Raven	Member	2023
Ralph Weber	Member	2023
Jolene Slotter	Member	2023
Michael Fox	Member	2023
June Nwabara	Member	2024
Charmaine Detweiler	Member	2024
Daniel Velasco	Member	2023
Yolanda Bernal Samano	Member	2024
Malka Borrego	Member	2023
Julie Miller	Member	2023
Hugo Castaneda	Member	2024
Michelle Mercado	Member	2024
Daniel Sanchez	Member	2024
Deja Gipson	Member	2024
Brian Kilb	Member	2025
Rajen Sheth	Member	2024

**ADMINISTRATION**

Preston Smith	Co-Founder, CEO and President
Matthew Shaw	Chief Financial Officer
Lynn Liao	Chief Talent Officer
Carolyn Davies Lynch	Chief Operating Officer
Christopher Murphy	Chief Communications Officer
Lamar Wade	Chief People Officer

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SCHOOLS**  
**JUNE 30, 2023**

	California							Total Page 1
	RSN	Mateo Sheedy	Si Se Puede	Los Suenos	Mosaic	Discovery	Brilliant Minds	
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash and Cash Equivalents	\$ 1,019,629	\$ 2,556,455	\$ 2,844,610	\$ 2,120,238	\$ 6,740,653	\$ 1,642,534	\$ 6,774,450	\$ 23,698,569
Restricted Cash	-	-	-	-	-	-	-	-
Accounts Receivable	3,463,464	1,469,545	1,257,232	2,023,680	1,578,765	1,105,811	1,774,210	12,672,707
Grants Receivable	449,000	-	-	-	-	-	-	449,000
Prepaid Expenses and Other Assets	1,496,481	182,609	129,332	135,999	161,504	132,610	152,782	2,391,317
Total Current Assets	6,428,574	4,208,609	4,231,174	4,279,917	8,480,922	2,880,955	8,701,442	39,211,593
<b>LONG-TERM ASSETS</b>								
Grants Receivable	400,000	-	-	-	-	-	-	400,000
Intracompany Receivable	8,970,299	13,893	504	5,851	-	5,851	24,236	9,020,634
Security Deposits	34,297	-	-	100,000	100,000	100,000	-	334,297
Operating Right-of-Use (ROU) Lease Asset	637,536	10,685,337	8,018,915	12,449,031	5,831,240	10,583,285	9,521,052	57,726,396
Property, Plant, and Equipment, Net	1,583,968	994,905	703,975	709,326	500,904	400,264	84,616	4,977,958
Total Long-Term Assets	11,626,100	11,694,135	8,723,394	13,264,208	6,432,144	11,089,400	9,629,904	72,459,285
Total Assets	<u>\$ 18,054,674</u>	<u>\$ 15,902,744</u>	<u>\$ 12,954,568</u>	<u>\$ 17,544,125</u>	<u>\$ 14,913,066</u>	<u>\$ 13,970,355</u>	<u>\$ 18,331,346</u>	<u>\$ 111,670,878</u>
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES</b>								
Accounts Payable and Accrued Liabilities	\$ 4,084,453	\$ 589,669	\$ 423,904	\$ 560,565	\$ 519,509	\$ 872,631	\$ 933,718	\$ 7,984,449
Accrued Interest	45,357	-	-	-	-	-	-	45,357
Deferred Revenue	-	1,208,885	808,118	1,020,925	1,753,454	1,283,562	1,335,371	7,410,315
Current Portion of Lease Liabilities - Operating	348,953	605,761	366,044	239,782	728,758	201,851	416,910	2,908,059
Current Portion of Loans Payable	500,000	-	-	-	-	-	-	500,000
Total Current Liabilities	4,978,763	2,404,315	1,598,066	1,821,272	3,001,721	2,358,044	2,685,999	18,848,180
<b>LONG-TERM LIABILITIES</b>								
Accrued Interest	170,400	-	-	-	-	-	-	170,400
Deferred Rent Liability	-	-	-	-	-	-	-	-
Intracompany Payable	-	-	-	-	614	-	-	614
Lease Liabilities - Operating	300,151	9,275,672	7,902,059	12,200,202	5,516,326	10,418,642	9,844,651	55,457,703
Loans Payable	250,000	-	-	-	-	-	-	250,000
Total Long-Term Liabilities	720,551	9,275,672	7,902,059	12,200,202	5,516,940	10,418,642	9,844,651	55,878,717
Total Liabilities	5,699,314	11,679,987	9,500,125	14,021,474	8,518,661	12,776,686	12,530,650	74,726,897
<b>NET ASSETS (DEFICIT)</b>								
Without Donor Restrictions	12,355,360	4,222,757	3,454,443	3,522,651	6,394,405	1,193,669	5,800,696	36,943,981
With Donor Restrictions	-	-	-	-	-	-	-	-
Total Net Assets (Deficit)	12,355,360	4,222,757	3,454,443	3,522,651	6,394,405	1,193,669	5,800,696	36,943,981
Total Liabilities and Net Assets	<u>\$ 18,054,674</u>	<u>\$ 15,902,744</u>	<u>\$ 12,954,568</u>	<u>\$ 17,544,125</u>	<u>\$ 14,913,066</u>	<u>\$ 13,970,355</u>	<u>\$ 18,331,346</u>	<u>\$ 111,670,878</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, 2023**

	From Page 1	California						Futuro	Total Page 2
		Alma	Spark	Fuerza	Redwood City	Rising Stars	Delta		
<b>ASSETS</b>									
<b>CURRENT ASSETS</b>									
Cash and Cash Equivalents	\$ 23,698,569	\$ 1,493,430	\$ 5,400,041	\$ 7,394,644	\$ 758,756	\$ 7,502,791	\$ 1,048,561	\$ 3,028,786	\$ 50,325,578
Restricted Cash	-	-	-	-	-	-	-	-	-
Accounts Receivable	12,672,707	2,875,902	1,845,519	1,860,805	632,882	2,077,731	2,523,482	1,802,068	26,291,096
Grants Receivable	449,000	-	-	-	-	-	-	-	449,000
Prepaid Expenses and Deposits	2,391,317	142,538	174,911	159,822	133,303	142,324	191,275	191,090	3,526,580
Total Current Assets	39,211,593	4,511,870	7,420,471	9,415,271	1,524,941	9,722,846	3,763,318	5,021,944	80,592,254
<b>LONG-TERM ASSETS</b>									
Grants Receivable	400,000	-	-	-	-	-	-	-	400,000
Intracompany Receivable	9,020,634	-	6,841	79,026	-	6,841	-	-	9,113,342
Security Deposits	334,297	100,000	-	-	-	-	-	25,000	459,297
Operating Right-of-Use (ROU) Lease Asset	57,726,396	5,371,069	10,819,797	8,742,449	71,241	10,702,668	15,972,996	1,240,632	110,647,248
Property, Plant, and Equipment, Net	4,977,958	338,308	150,121	49,399	-	-	2,998	61,590	5,580,374
Total Long-Term Assets	72,459,285	5,809,377	10,976,759	8,870,874	71,241	10,709,509	15,975,994	1,327,222	126,200,261
Total Assets	\$ 111,670,878	\$ 10,321,247	\$ 18,397,230	\$ 18,286,145	\$ 1,596,182	\$ 20,432,355	\$ 19,739,312	\$ 6,349,166	\$ 206,792,515
<b>LIABILITIES AND NET ASSETS</b>									
<b>CURRENT LIABILITIES</b>									
Accounts Payable and Accrued Liabilities	\$ 7,984,449	\$ 895,715	\$ 498,344	\$ 273,063	\$ (85,682)	\$ 313,941	\$ 447,161	\$ 649,357	\$ 10,976,348
Accrued Interest	45,357	-	-	-	-	-	-	-	45,357
Deferred Revenue	7,410,315	1,409,871	1,547,923	1,998,796	1,334,427	1,968,240	1,453,764	2,479,381	19,602,717
Current Portion of Lease Liabilities - Operating	2,908,059	551,305	610,405	461,122	50,986	609,974	478,537	403,942	6,074,330
Current Portion of Loans Payable	500,000	-	-	-	-	-	40,439	-	540,439
Total Current Liabilities	18,848,180	2,856,891	2,656,672	2,732,981	1,299,731	2,892,155	2,419,901	3,532,680	37,239,191
<b>LONG-TERM LIABILITIES</b>									
Accrued Interest	170,400	-	-	-	-	-	488	-	170,888
Deferred Rent Liability	-	-	-	-	-	-	-	-	-
Intracompany Payable	614	614	-	-	-	-	-	-	1,228
Lease Liabilities - Operating	55,457,703	4,825,333	9,242,550	9,838,413	14,999	9,243,081	16,531,422	853,362	106,006,863
Loans Payable	250,000	-	-	-	-	-	-	-	250,000
Total Long-Term Liabilities	55,878,717	4,825,947	9,242,550	9,838,413	14,999	9,243,081	16,531,910	853,362	106,428,979
Total Liabilities	74,726,897	7,682,838	11,899,222	12,571,394	1,314,730	12,135,236	18,951,811	4,386,042	143,668,170
<b>NET ASSETS (DEFICIT)</b>									
Without Donor Restrictions	36,943,981	2,638,409	6,498,008	5,714,751	281,452	8,297,119	787,501	1,963,124	63,124,345
With Donor Restrictions	-	-	-	-	-	-	-	-	-
Total Net Assets (Deficit)	36,943,981	2,638,409	6,498,008	5,714,751	281,452	8,297,119	787,501	1,963,124	63,124,345
Total Liabilities and Net Assets	\$ 111,670,878	\$ 10,321,247	\$ 18,397,230	\$ 18,286,145	\$ 1,596,182	\$ 20,432,355	\$ 19,739,312	\$ 6,349,166	\$ 206,792,515

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, 2023**

	Tennessee					Eliminations	RSED Total	Wisconsin	DC	Eliminations	Total
	From Page 2	Nashville NE	United	Partners Community	Dream Community						
<b>ASSETS</b>											
<b>CURRENT ASSETS</b>											
Cash and Cash Equivalents	\$ 50,325,578	\$ 857,883	\$ 4,134,561	\$ (611,825)	\$ (1,231,824)	\$ -	\$ 53,474,373	\$ 195,583	\$ 6,435,133	\$ -	\$ 60,105,089
Restricted Cash	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	26,291,096	1,410,765	1,128,459	-	924,594	-	29,754,914	1,929	5,400,399	-	35,157,242
Grants Receivable	449,000	-	-	-	-	-	449,000	341,115	50,000	-	840,115
Prepaid Expenses and Deposits	3,526,580	98,489	128,147	-	128,341	-	3,881,557	291,029	1,347,555	-	5,520,141
Total Current Assets	<u>80,592,254</u>	<u>2,367,137</u>	<u>5,391,167</u>	<u>(611,825)</u>	<u>(178,889)</u>	<u>-</u>	<u>87,559,844</u>	<u>829,656</u>	<u>13,233,087</u>	<u>-</u>	<u>101,622,587</u>
<b>LONG-TERM ASSETS</b>											
Grants Receivable	400,000	-	-	-	-	-	400,000	-	-	-	400,000
Intracompany Receivable	9,113,342	-	-	-	-	(747,073)	8,366,269	-	-	(7,884,896)	481,373
Security Deposits	459,297	-	-	-	-	-	459,297	-	-	-	459,297
Operating Right-of-Use (ROU) Lease Asset	110,647,248	7,414,138	7,495,715	-	23,221,181	-	148,778,282	7,578,233	113,221,578	-	269,578,093
Property, Plant, and Equipment, Net	5,580,374	75,572	15,920	-	-	-	5,671,866	319,046	15,130	-	6,006,042
Total Long-Term Assets	<u>126,200,261</u>	<u>7,489,710</u>	<u>7,511,635</u>	<u>-</u>	<u>23,221,181</u>	<u>(747,073)</u>	<u>163,675,714</u>	<u>7,897,279</u>	<u>113,236,708</u>	<u>(7,884,896)</u>	<u>276,924,805</u>
Total Assets	<u>\$ 206,792,515</u>	<u>\$ 9,856,847</u>	<u>\$ 12,902,802</u>	<u>\$ (611,825)</u>	<u>\$ 23,042,292</u>	<u>\$ (747,073)</u>	<u>\$ 251,235,558</u>	<u>\$ 8,726,935</u>	<u>\$ 126,469,795</u>	<u>\$ (7,884,896)</u>	<u>\$ 378,547,392</u>
<b>LIABILITIES AND NET ASSETS</b>											
<b>CURRENT LIABILITIES</b>											
Accounts Payable and Accrued Liabilities	\$ 10,976,348	\$ 365,317	\$ 207,016	\$ -	\$ 129,554	\$ -	\$ 11,678,235	\$ 159,996	\$ 3,761,467	\$ -	\$ 15,599,698
Accrued Interest	45,357	-	-	-	-	-	45,357	-	-	-	45,357
Deferred Revenue	19,602,717	35,822	39,089	-	-	-	19,677,628	-	-	-	19,677,628
Current Portion of Lease Liabilities - Operating	6,074,330	210,249	225,920	-	98,769	-	6,609,268	366,093	1,789,648	-	8,765,009
Current Portion of Loans Payable	540,439	-	-	-	-	-	540,439	-	-	-	540,439
Total Current Liabilities	<u>37,239,191</u>	<u>611,388</u>	<u>472,025</u>	<u>-</u>	<u>228,323</u>	<u>-</u>	<u>38,550,927</u>	<u>526,089</u>	<u>5,551,115</u>	<u>-</u>	<u>44,628,131</u>
<b>LONG-TERM LIABILITIES</b>											
Accrued Interest	170,888	-	-	-	-	-	170,888	-	-	-	170,888
Deferred Rent Liability	-	-	-	-	-	-	-	-	-	-	-
Intracompany Payable	1,228	283,868	405,259	56,718	-	(747,073)	-	4,220,562	3,664,334	(7,884,896)	-
Lease Liabilities - Operating	106,006,863	7,169,393	7,273,626	-	23,570,521	-	144,020,403	7,521,004	120,236,530	-	271,777,937
Loans Payable	250,000	-	-	-	-	-	250,000	-	-	-	250,000
Total Long-Term Liabilities	<u>106,428,979</u>	<u>7,453,261</u>	<u>7,678,885</u>	<u>56,718</u>	<u>23,570,521</u>	<u>(747,073)</u>	<u>144,441,291</u>	<u>11,741,566</u>	<u>123,900,864</u>	<u>(7,884,896)</u>	<u>272,198,825</u>
Total Liabilities	143,668,170	8,064,649	8,150,910	56,718	23,798,844	(747,073)	182,992,218	12,267,655	129,451,979	(7,884,896)	316,826,956
<b>NET ASSETS (DEFICIT)</b>											
Without Donor Restrictions	63,124,345	1,792,198	4,751,892	(668,543)	(756,552)	-	68,243,340	(3,579,174)	(2,982,184)	-	61,681,982
With Donor Restrictions	-	-	-	-	-	-	-	38,454	-	-	38,454
Total Net Assets (Deficit)	<u>63,124,345</u>	<u>1,792,198</u>	<u>4,751,892</u>	<u>(668,543)</u>	<u>(756,552)</u>	<u>-</u>	<u>68,243,340</u>	<u>(3,540,720)</u>	<u>(2,982,184)</u>	<u>-</u>	<u>61,720,436</u>
Total Liabilities and Net Assets	<u>\$ 206,792,515</u>	<u>\$ 9,856,847</u>	<u>\$ 12,902,802</u>	<u>\$ (611,825)</u>	<u>\$ 23,042,292</u>	<u>\$ (747,073)</u>	<u>\$ 251,235,558</u>	<u>\$ 8,726,935</u>	<u>\$ 126,469,795</u>	<u>\$ (7,884,896)</u>	<u>\$ 378,547,392</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, 2023**

	California							Total Page 1
	National	Mateo Sheedy	Si Se Puede	Los Suenos	Mosaic	Discovery	Brilliant Minds	
<b>WITHOUT DONOR RESTRICTION</b>								
<b>REVENUES</b>								
LCFF State Aid & Property Tax Revenue	\$ -	\$ 5,712,987	\$ 4,762,216	\$ 5,152,974	\$ 7,630,306	\$ 5,073,544	\$ 7,378,558	\$ 35,710,585
Apportionment Revenue	-	-	-	-	-	-	-	-
Other State Revenue	-	2,939,492	2,194,669	2,313,985	3,194,564	2,723,665	3,237,754	16,604,129
Federal Revenue	247,713	1,519,539	1,331,183	1,918,352	1,467,114	1,219,659	1,507,695	9,211,255
Other Local Revenue	30,233,432	30,244	2,315	(7,092)	(13,632)	(7,476)	(2,493)	30,235,298
Contributions	3,857,580	5,545	16,454	5,884	15,870	1,000	30,000	3,932,333
Contributions of Nonfinancial Assets	1,831,229	-	-	-	-	-	-	1,831,229
Amounts Released from Restriction	350,000	-	-	-	-	-	-	350,000
<b>Total Without Donor Restriction Revenues</b>	<b>36,519,954</b>	<b>10,207,807</b>	<b>8,306,837</b>	<b>9,384,103</b>	<b>12,294,222</b>	<b>9,010,392</b>	<b>12,151,514</b>	<b>97,874,829</b>
<b>EXPENSES</b>								
Program Expenses:								
Educational Programs	-	7,849,060	6,253,862	7,026,107	9,048,639	7,250,055	8,325,499	45,753,222
Program Supports	11,465,346	-	-	-	-	-	-	11,465,346
Supporting Services:								
Administration and General	22,867,339	1,486,515	1,203,481	1,379,863	1,793,405	1,279,148	1,756,984	31,766,735
Fundraising	555,659	-	-	-	-	-	-	555,659
<b>Total Supporting Services</b>	<b>23,422,998</b>	<b>1,486,515</b>	<b>1,203,481</b>	<b>1,379,863</b>	<b>1,793,405</b>	<b>1,279,148</b>	<b>1,756,984</b>	<b>32,322,394</b>
<b>Total Expenses</b>	<b>34,888,344</b>	<b>9,335,575</b>	<b>7,457,343</b>	<b>8,405,970</b>	<b>10,842,044</b>	<b>8,529,203</b>	<b>10,082,483</b>	<b>89,540,962</b>
<b>TRANSFERS</b>	<b>(315,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(315,000)</b>
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTION</b>	<b>1,316,610</b>	<b>872,232</b>	<b>849,494</b>	<b>978,133</b>	<b>1,452,178</b>	<b>481,189</b>	<b>2,069,031</b>	<b>8,018,867</b>
<b>NET ASSETS WITH DONOR RESTRICTION</b>								
Amounts Released from Restriction	(350,000)	-	-	-	-	-	-	(350,000)
Contributions	-	-	-	-	-	-	-	-
<b>INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTION</b>	<b>(350,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(350,000)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>966,610</b>	<b>872,232</b>	<b>849,494</b>	<b>978,133</b>	<b>1,452,178</b>	<b>481,189</b>	<b>2,069,031</b>	<b>7,668,867</b>
Net Assets (Deficit) - Beginning of Year	11,388,750	3,350,525	2,604,949	2,544,518	4,942,227	712,480	3,731,665	29,275,114
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<b>\$ 12,355,360</b>	<b>\$ 4,222,757</b>	<b>\$ 3,454,443</b>	<b>\$ 3,522,651</b>	<b>\$ 6,394,405</b>	<b>\$ 1,193,669</b>	<b>\$ 5,800,696</b>	<b>\$ 36,943,981</b>

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, 2023**

	From Page 1	California						Total Page 2	
		Alma	Spark	Fuerza	Redwood City	Rising Stars	Delta		Futuro
<b>WITHOUT DONOR RESTRICTION</b>									
<b>REVENUES</b>									
LCFF State Aid & Property Tax Revenue	\$ 35,710,585	\$ 5,421,528	\$ 7,160,378	\$ 7,357,731	\$ 3,366,788	\$ 7,419,792	\$ 6,473,607	\$ 7,039,332	\$ 79,949,741
Apportionment Revenue	-	-	-	-	-	-	-	-	-
Other State Revenue	16,604,129	2,873,945	2,901,265	3,123,950	1,327,948	3,352,351	2,688,594	2,472,731	35,344,913
Federal Revenue	9,211,255	1,540,994	1,435,843	1,721,024	590,026	1,787,542	920,787	1,351,327	18,558,798
Other Local Revenue	30,235,298	(7,714)	(9,118)	(8,243)	66,664	1,893	1,684	(2,844)	30,277,620
Contributions	3,932,333	3,788	-	18,566	-	-	49,534	31,377	4,035,598
Contributions of Nonfinancial Assets	1,831,229	-	-	-	-	-	-	-	1,831,229
Amounts Released from Restriction	350,000	-	-	-	-	-	-	-	350,000
<b>Total Without Donor Restriction Revenues</b>	<b>97,874,829</b>	<b>9,832,541</b>	<b>11,488,368</b>	<b>12,213,028</b>	<b>5,351,426</b>	<b>12,561,578</b>	<b>10,134,206</b>	<b>10,891,923</b>	<b>170,347,899</b>
<b>EXPENSES</b>									
Program Expenses:									
Educational Programs	45,753,222	8,526,580	8,613,171	8,624,154	4,924,375	8,195,280	8,378,925	8,498,478	101,514,185
Program Supports	11,465,346	-	-	-	-	-	-	-	11,465,346
Supporting Services:									
Administration and General	31,766,735	1,412,287	1,702,579	1,862,738	744,993	1,843,913	1,543,202	1,657,057	42,533,504
Fundraising	555,659	-	-	-	-	-	-	-	555,659
<b>Total Supporting Services</b>	<b>32,322,394</b>	<b>1,412,287</b>	<b>1,702,579</b>	<b>1,862,738</b>	<b>744,993</b>	<b>1,843,913</b>	<b>1,543,202</b>	<b>1,657,057</b>	<b>43,089,163</b>
<b>Total Expenses</b>	<b>89,540,962</b>	<b>9,938,867</b>	<b>10,315,750</b>	<b>10,486,892</b>	<b>5,669,368</b>	<b>10,039,193</b>	<b>9,922,127</b>	<b>10,155,535</b>	<b>156,068,694</b>
<b>TRANSFERS</b>	<b>(315,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTION</b>	<b>8,018,867</b>	<b>(106,326)</b>	<b>1,172,618</b>	<b>1,726,136</b>	<b>(2,942)</b>	<b>2,522,385</b>	<b>212,079</b>	<b>736,388</b>	<b>14,279,205</b>
<b>NET ASSETS WITH DONOR RESTRICTION</b>									
Amounts Released from Restriction	(350,000)	-	-	-	-	-	-	-	(350,000)
Contributions	-	-	-	-	-	-	-	-	-
<b>INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTION</b>	<b>(350,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(350,000)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>7,668,867</b>	<b>(106,326)</b>	<b>1,172,618</b>	<b>1,726,136</b>	<b>(2,942)</b>	<b>2,522,385</b>	<b>212,079</b>	<b>736,388</b>	<b>13,929,205</b>
Net Assets (Deficit) - Beginning of Year	29,275,114	2,744,735	5,325,390	3,988,615	284,394	5,774,734	575,422	1,226,736	49,195,140
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<b>\$ 36,943,981</b>	<b>\$ 2,638,409</b>	<b>\$ 6,498,008</b>	<b>\$ 5,714,751</b>	<b>\$ 281,452</b>	<b>\$ 8,297,119</b>	<b>\$ 787,501</b>	<b>\$ 1,963,124</b>	<b>\$ 63,124,345</b>

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, 2023**

	From Page 2	Tennessee				Eliminations	RSED Total	Wisconsin	DC	Eliminations	Total
		Nashville NE	United	Partners Community	Dream Community						
<b>WITHOUT DONOR RESTRICTION REVENUES</b>											
LCFF State Aid & Property Tax Revenue	\$ 79,949,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,949,741	\$ -	\$ -	\$ -	\$ 79,949,741
Apportionment Revenue	-	7,666,108	7,581,973	-	5,059,284	-	20,307,365	6,169,824	24,650,855	-	51,128,044
Other State Revenue	35,344,913	200,113	210,686	-	90,717	-	35,846,429	182,351	10,086,644	-	46,115,424
Federal Revenue	18,558,798	2,056,079	1,802,767	-	1,245,317	-	23,662,961	2,666,389	9,115,774	-	35,445,124
Other Local Revenue	30,277,620	6,976	14,524	-	51,636	(22,254,998)	8,095,758	19,009	1,105,223	(6,524,474)	2,695,516
Contributions	4,035,598	169,552	162,787	-	122,802	-	4,490,739	76,909	107,881	-	4,675,529
Contributions of Nonfinancial Assets	1,831,229	-	-	-	-	-	1,831,229	-	-	-	1,831,229
Amounts Released from Restriction	350,000	-	-	-	-	-	350,000	65,000	-	-	415,000
Total Without Donor Restriction Revenues	170,347,899	10,098,828	9,772,737	-	6,569,756	(22,254,998)	174,534,222	9,179,482	45,066,377	(6,524,474)	222,255,607
<b>EXPENSES</b>											
Program Expenses:											
Educational Programs	101,514,185	7,865,798	7,342,681	-	6,275,449	-	122,998,113	9,029,326	42,282,249	-	174,309,688
Program Supports	11,465,346	-	-	-	-	-	11,465,346	-	-	-	11,465,346
Supporting Services:											
Administration and General	42,533,504	1,421,766	1,367,410	-	813,466	(22,254,998)	23,881,148	1,364,909	6,362,587	(6,524,474)	25,084,170
Fundraising	555,659	-	-	-	-	-	555,659	-	-	-	555,659
Total Supporting Services	43,089,163	1,421,766	1,367,410	-	813,466	(22,254,998)	24,436,807	1,364,909	6,362,587	(6,524,474)	25,639,829
Total Expenses	156,068,694	9,287,564	8,710,091	-	7,088,915	(22,254,998)	158,900,266	10,394,235	48,644,836	(6,524,474)	211,414,863
<b>TRANSFERS</b>											
	-	-	-	-	-	-	-	-	-	-	-
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTION</b>											
	14,279,205	811,264	1,062,646	-	(519,159)	-	15,633,956	(1,214,753)	(3,578,459)	-	10,840,744
<b>NET ASSETS WITH DONOR RESTRICTION</b>											
Amounts Released from Restriction	(350,000)	-	-	-	-	-	(350,000)	(65,000)	-	-	(415,000)
Contributions	-	-	-	-	-	-	-	19,596	-	-	19,596
<b>INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTION</b>											
	(350,000)	-	-	-	-	-	(350,000)	(45,404)	-	-	(395,404)
<b>INCREASE (DECREASE) IN NET ASSETS</b>											
	13,929,205	811,264	1,062,646	-	(519,159)	-	15,283,956	(1,260,157)	(3,578,459)	-	10,445,340
Net Assets (Deficit) - Beginning of Year	49,195,140	980,934	3,689,246	(668,543)	(237,393)	-	52,959,384	(2,280,563)	596,275	-	51,275,096
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<b>\$ 63,124,345</b>	<b>\$ 1,792,198</b>	<b>\$ 4,751,892</b>	<b>\$ (668,543)</b>	<b>\$ (756,552)</b>	<b>\$ -</b>	<b>\$ 68,243,340</b>	<b>\$ (3,540,720)</b>	<b>\$ (2,982,184)</b>	<b>\$ -</b>	<b>\$ 61,720,436</b>

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, 2023**

	California							Total Page 1
	National	Mateo Sheedy	Si Se Puede	Los Suenos	Mosaic	Discovery	Brilliant Minds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Change in Net Assets	\$ 966,610	\$ 872,232	\$ 849,494	\$ 978,133	\$ 1,452,178	\$ 481,189	\$ 2,069,031	\$ 7,668,867
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:								
Depreciation	4,263	39,546	27,019	26,745	28,989	26,416	3,400	156,378
(Increase) Decrease in Operating Assets:								
Accounts Receivable	(2,765,595)	(129,155)	(740,721)	(1,816,747)	(691,833)	(240,698)	(1,362,774)	(7,747,523)
Grants Receivable	(849,000)	-	-	-	-	-	-	(849,000)
Prepaid Expenses and Deposits	516,823	628,336	(58,071)	122,073	(109,699)	127,026	(98,606)	1,127,882
Operating Right-of-Use (ROU) Lease Asset	(637,536)	(10,685,337)	(8,018,915)	(12,449,031)	(5,831,240)	(10,583,285)	(9,521,052)	(57,726,396)
Increase (Decrease) in Operating Liabilities:								
Accounts Payable and Accrued Liabilities	1,192,554	102,350	(4,068)	(16,425)	17,307	9,675	88,894	1,390,287
Deferred Revenue	-	730,101	534,795	638,204	1,251,981	834,796	773,357	4,763,234
Deferred Rent Liability	-	-	(274,397)	(52,331)	(468,930)	(147,589)	(829,544)	(1,772,791)
Lease Liabilities - Operating	649,104	9,881,433	8,268,103	12,439,984	6,245,084	10,620,493	10,261,561	58,365,762
Net Cash Provided (Used) by Operating Activities	(922,777)	1,439,506	583,239	(129,395)	1,893,837	1,128,023	1,384,267	5,376,700
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Purchase of Property, Plant, and Equipment	(1,082,728)	-	-	-	(9,278)	(1)	-	(1,092,007)
Net Cash Used by Investing Activities	(1,082,728)	-	-	-	(9,278)	(1)	-	(1,092,007)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Intracompany Loans	3,583,805	(13,893)	35,514	(5,851)	37,817	(339,372)	38,153	3,336,173
Repayment of Debt	(619,417)	-	-	-	-	-	-	(619,417)
Net Cash Provided (Used) by Financing Activities	2,964,388	(13,893)	35,514	(5,851)	37,817	(339,372)	38,153	2,716,756
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	958,883	1,425,613	618,753	(135,246)	1,922,376	788,650	1,422,420	7,001,449
Cash and Cash Equivalents - Beginning of Year	60,746	1,130,842	2,225,857	2,255,484	4,818,277	853,884	5,352,030	16,697,120
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,019,629</u>	<u>\$ 2,556,455</u>	<u>\$ 2,844,610</u>	<u>\$ 2,120,238</u>	<u>\$ 6,740,653</u>	<u>\$ 1,642,534</u>	<u>\$ 6,774,450</u>	<u>\$ 23,698,569</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>								
Cash Paid for Interest	\$ 59,976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,976

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, 2023**

	From Page 1	California						Futuro	Total Page 2
		Alma	Spark	Fuerza	Redwood City	Rising Stars	Delta		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Change in Net Assets	\$ 7,668,867	\$ (106,326)	\$ 1,172,618	\$ 1,726,136	\$ (2,942)	\$ 2,522,385	\$ 212,079	\$ 736,388	\$ 13,929,205
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:									
Depreciation	156,378	13,565	6,297	1,753	-	-	19,500	22,131	219,624
(Increase) Decrease in Operating Assets:									
Accounts Receivable	(7,747,523)	(396,777)	(585,090)	(609,925)	67,103	(931,842)	449,405	(231,335)	(9,985,984)
Grants Receivable	(849,000)	-	-	-	-	-	-	-	(849,000)
Prepaid Expenses and Deposits	1,127,882	(57,866)	762,138	(105,702)	(80,400)	668,621	(128,802)	(72,956)	2,112,915
Operating Right-of-Use (ROU) Lease Asset	(57,726,396)	(5,371,069)	(10,819,797)	(8,742,449)	(71,241)	(10,702,668)	(15,972,996)	(1,240,632)	(110,647,248)
Increase (Decrease) in Operating Liabilities:									
Accounts Payable and Accrued Liabilities	1,390,287	28,096	13,735	34,242	(42,543)	61,077	81,535	187,997	1,754,426
Deferred Revenue	4,763,234	953,532	1,198,218	1,442,944	1,075,995	1,467,318	1,148,379	1,883,735	13,933,355
Deferred Rent Liability	(1,772,791)	(12,372)	-	(1,859,499)	-	-	(1,083,556)	-	(4,528,218)
Lease Liabilities - Operating	58,365,762	5,376,638	9,852,955	10,299,535	65,985	9,853,055	17,009,959	1,257,304	112,081,193
Net Cash Provided (Used) by Operating Activities	5,376,700	427,421	1,601,074	2,387,035	1,011,957	2,937,946	1,735,503	2,542,632	18,020,268
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Purchase of Property, Plant, and Equipment	(1,092,007)	(9,274)	-	(1)	-	(1)	-	(1)	(1,101,284)
Net Cash Used by Investing Activities	(1,092,007)	(9,274)	-	(1)	-	(1)	-	(1)	(1,101,284)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
Intracompany Loans	3,336,173	38,153	(6,841)	34,453	(542,338)	(6,841)	(1,085,706)	-	1,767,053
Repayment of Debt	(619,417)	-	-	-	-	-	(40,440)	-	(659,857)
Net Cash Provided (Used) by Financing Activities	2,716,756	38,153	(6,841)	34,453	(542,338)	(6,841)	(1,126,146)	-	1,107,196
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	7,001,449	456,300	1,594,233	2,421,487	469,619	2,931,104	609,357	2,542,631	18,026,180
Cash and Cash Equivalents - Beginning of Year	16,697,120	1,037,130	3,805,808	4,973,157	289,137	4,571,687	439,204	486,155	32,299,398
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 23,698,569</u>	<u>\$ 1,493,430</u>	<u>\$ 5,400,041</u>	<u>\$ 7,394,644</u>	<u>\$ 758,756</u>	<u>\$ 7,502,791</u>	<u>\$ 1,048,561</u>	<u>\$ 3,028,786</u>	<u>\$ 50,325,578</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>									
Cash Paid for Interest	\$ 59,976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146	\$ -	\$ 60,122

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, 2023**

	Tennessee							DC	Total
	From Page 2	Nashville NE	United	Partners Community	Dream Community	RSED Total	Wisconsin		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Change in Net Assets	\$ 13,929,205	\$ 811,264	\$ 1,062,646	\$ -	\$ (519,159)	\$ 15,283,956	\$ (1,260,157)	\$ (3,578,459)	\$ 10,445,340
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:									
Depreciation	219,624	8,815	2,339	-	-	230,778	46,065	7,444	284,287
(Increase) Decrease in Operating Assets:									
Accounts Receivable	(9,985,984)	(144,132)	221,753	-	(924,594)	(10,832,957)	1,390,525	(647,246)	(10,089,678)
Grants Receivable	(849,000)	-	-	-	-	(849,000)	(326,115)	(50,000)	(1,225,115)
Prepaid Expenses and Deposits	2,112,915	71,705	(15,109)	-	77,759	2,247,270	(266,370)	(1,273,577)	707,323
Operating Right-of-Use (ROU) Lease Asset	(110,647,248)	(7,414,138)	(7,495,715)	-	(23,221,181)	(148,778,282)	(7,578,233)	(113,221,578)	(269,578,093)
Increase (Decrease) in Operating Liabilities:									
Accounts Payable and Accrued Liabilities	1,754,426	(117,387)	(189,330)	-	64,146	1,511,855	(202,371)	1,770,243	3,079,727
Deferred Revenue	13,933,355	35,822	39,089	-	-	14,008,266	-	-	14,008,266
Deferred Rent Liability	(4,528,218)	-	(6,887)	-	-	(4,535,105)	(90,344)	(3,742,872)	(8,368,321)
Lease Liabilities - Operating	112,081,193	7,379,642	7,499,546	-	23,669,290	150,629,671	7,887,097	122,026,178	280,542,946
Net Cash Provided (Used) by Operating Activities	18,020,268	631,591	1,118,332	-	(853,739)	18,916,452	(399,903)	1,290,133	19,806,682
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Purchase of Property, Plant, and Equipment	(1,101,284)	(23,495)	-	-	-	(1,124,779)	(211,208)	-	(1,335,987)
Net Cash Used by Investing Activities	(1,101,284)	(23,495)	-	-	-	(1,124,779)	(211,208)	-	(1,335,987)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
Intracompany Loans	1,767,053	(400,000)	-	-	-	1,367,053	-	(520,639)	846,414
Repayment of Debt	(659,857)	-	-	-	-	(659,857)	-	-	(659,857)
Net Cash Provided (Used) by Financing Activities	1,107,196	(400,000)	-	-	-	707,196	-	(520,639)	186,557
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	18,026,180	208,096	1,118,332	-	(853,739)	18,498,869	(611,111)	769,494	18,657,252
Cash and Cash Equivalents - Beginning of Year	32,299,398	649,787	3,016,229	(611,825)	(378,085)	34,975,504	806,694	5,665,639	41,447,837
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 50,325,578</u>	<u>\$ 857,883</u>	<u>\$ 4,134,561</u>	<u>\$ (611,825)</u>	<u>\$ (1,231,824)</u>	<u>\$ 53,474,373</u>	<u>\$ 195,583</u>	<u>\$ 6,435,133</u>	<u>\$ 60,105,089</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>									
Cash Paid for Interest	\$ 60,122	\$ -	\$ -	\$ -	\$ -	\$ 60,122	\$ 60,000	\$ -	\$ 120,122

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

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES  
SCHEDULE OF INSTRUCTIONAL TIME – CALIFORNIA  
YEAR ENDED JUNE 30, 2023**

	Instructional Minutes		Traditional	Status
	Requirement	Actual	Calendar Days	
<b>K/TK:</b>				
RMS	36,000	59,105	179	In Compliance
RSSP	36,000	59,070	179	In Compliance
RLS	36,000	61,540	179	In Compliance
ROMO	36,000	64,115	179	In Compliance
RDP	36,000	56,815	179	In Compliance
RBM	36,000	61,430	179	In Compliance
RSA	36,000	58,175	179	In Compliance
RSK	36,000	59,070	179	In Compliance
RFZ	36,000	56,815	179	In Compliance
RRWC	36,000	54,290	178	In Compliance
RFA	36,000	56,385	179	In Compliance
RRS	36,000	59,070	179	In Compliance
RDL	36,000	62,255	179	In Compliance
<b>Grade 1:</b>				
RMS	50,400	64,615	179	In Compliance
RSSP	50,400	64,115	179	In Compliance
RLS	50,400	63,830	179	In Compliance
ROMO	50,400	61,860	179	In Compliance
RDP	50,400	63,900	179	In Compliance
RBM	50,400	63,900	179	In Compliance
RSA	50,400	64,545	179	In Compliance
RSK	50,400	65,440	179	In Compliance
RFZ	50,400	64,080	179	In Compliance
RRWC	50,400	63,810	178	In Compliance
RFA	50,400	66,585	179	In Compliance
RRS	50,400	65,440	179	In Compliance
RDL	50,400	65,905	179	In Compliance
<b>Grade 2:</b>				
RMS	50,400	67,515	179	In Compliance
RSSP	50,400	64,115	179	In Compliance
RLS	50,400	66,800	179	In Compliance
ROMO	50,400	64,580	179	In Compliance
RDP	50,400	67,480	179	In Compliance
RBM	50,400	68,160	179	In Compliance
RSA	50,400	66,120	179	In Compliance
RSK	50,400	67,230	179	In Compliance
RFZ	50,400	65,905	179	In Compliance
RRWC	50,400	63,810	178	In Compliance
RFA	50,400	66,585	179	In Compliance
RRS	50,400	68,125	179	In Compliance
RDL	50,400	67,480	179	In Compliance

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

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**SCHEDULE OF INSTRUCTIONAL TIME – CALIFORNIA (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Instructional Minutes		Traditional Calendar	Status
	Requirement	Actual	Days	
<b>Grade 3:</b>				
RMS	50,400	67,515	179	In Compliance
RSSP	50,400	66,335	179	In Compliance
RLS	50,400	67,230	179	In Compliance
ROMO	50,400	65,010	179	In Compliance
RDP	50,400	67,480	179	In Compliance
RBM	50,400	68,160	179	In Compliance
RSA	50,400	66,120	179	In Compliance
RSK	50,400	67,230	179	In Compliance
RFZ	50,400	66,120	179	In Compliance
RRWC	50,400	63,810	178	In Compliance
RFA	50,400	66,585	179	In Compliance
RRS	50,400	69,020	179	In Compliance
RDL	50,400	67,480	179	In Compliance
<b>Grade 4:</b>				
RMS	54,000	67,515	179	In Compliance
RSSP	54,000	67,695	179	In Compliance
RLS	54,000	69,700	179	In Compliance
ROMO	54,000	65,010	179	In Compliance
RDP	54,000	67,480	179	In Compliance
RBM	54,000	68,160	179	In Compliance
RSA	54,000	66,120	179	In Compliance
RSK	54,000	69,020	179	In Compliance
RFZ	54,000	66,120	179	In Compliance
RRWC	54,000	63,810	178	In Compliance
RFA	54,000	66,585	179	In Compliance
RRS	54,000	69,020	179	In Compliance
RDL	54,000	67,480	179	In Compliance
<b>Grade 5:</b>				
RMS	54,000	67,515	179	In Compliance
RSSP	54,000	67,695	179	In Compliance
RLS	54,000	69,700	179	In Compliance
ROMO	54,000	65,010	179	In Compliance
RDP	54,000	67,480	179	In Compliance
RBM	54,000	68,160	179	In Compliance
RSA	54,000	66,120	179	In Compliance
RSK	54,000	69,020	179	In Compliance
RFZ	54,000	66,120	179	In Compliance
RRWC	54,000	63,810	178	In Compliance
RFA	54,000	66,585	179	In Compliance
RDL	54,000	67,480	179	In Compliance

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

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA) - CALIFORNIA**  
**YEAR ENDED JUNE 30, 2023**

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Grades TK/K-3:				
RMS	309.44	309.44	311.41	311.41
RSSP	208.05	208.05	209.65	209.65
RLS	245.49	246.08	250.12	250.69
ROMO	389.88	391.30	393.83	394.99
RDP	246.07	246.07	251.45	251.45
RBM	312.26	312.67	314.18	314.58
RDL	369.64	370.13	366.26	366.62
RSA	337.57	337.57	338.81	338.81
RSK	382.17	382.37	384.36	384.50
RFZ	359.76	359.76	361.83	361.83
RRWC	192.74	192.74	193.88	193.88
RRS	433.92	433.92	438.53	438.53
RFA	425.14	425.34	426.56	426.71
Subtotal	4,212.13	4,215.44	4,240.87	4,243.65
Grades 4-6:				
RMS	136.91	136.91	136.84	136.84
RSSP	74.41	74.41	73.25	73.25
RLS	89.80	89.88	89.94	90.02
ROMO	142.80	143.29	142.94	143.35
RDP	119.79	119.79	119.96	119.96
RBM	136.14	136.20	136.00	136.04
RDL	133.36	133.36	131.88	131.97
RSA	122.87	122.87	122.56	122.56
RSK	123.42	123.45	124.20	124.22
RFZ	142.61	142.61	143.47	143.47
RRWC	85.54	85.54	84.83	84.83
RRS	97.18	97.18	97.60	97.60
RFA	173.61	173.65	173.09	173.12
Subtotal	1,578.44	1,579.14	1,576.56	1,577.23
Grand Total	5,790.57	5,794.58	5,817.43	5,820.88

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, 2023**

	Mateo Sheedy	Si Se Puede	Los Suenos	Mosaic	Discovery	Brilliant Minds
June 30, 2023 Annual Financial Report Fund Balances (Net Assets)	\$ 4,222,757	\$ 3,454,443	\$ 3,522,651	\$ 6,394,405	\$ 1,193,669	\$ 5,800,696
Increase (Decrease) of Fund Balance (Net Assets):						
Cash and cash equivalents	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Operating Right-of-Use (ROU) Lease Asset	-	-	-	-	-	-
Property, plant & equipment, net	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Intracompany payable	-	-	-	-	-	-
Lease Liabilities - Operating	-	-	-	-	-	-
Net Adjustments and Reclassifications	-	-	-	-	-	-
June 30, 2023 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 4,222,757</u>	<u>\$ 3,454,443</u>	<u>\$ 3,522,651</u>	<u>\$ 6,394,405</u>	<u>\$ 1,193,669</u>	<u>\$ 5,800,696</u>

	Alma	Spark	Fuerza	Redwood City	Rising Stars	Delta	Futuro
June 30, 2023 Annual Financial Report Fund Balances (Net Assets)	\$ 2,638,409	\$ 6,498,008	\$ 5,714,751	\$ 277,177	\$ 8,297,119	\$ 787,501	\$ 1,918,206
Increase (Decrease) of Fund Balance (Net Assets):							
Cash and cash equivalents	-	-	-	1,458	-	-	-
Accounts receivable	-	-	-	(411,737)	-	(313,180)	-
Operating Right-of-Use (ROU) Lease Asset	-	-	-	71,241	-	-	1,240,632
Property, plant & equipment, net	-	-	-	-	-	-	61,590
Accounts payable	-	-	-	409,298	-	-	-
Deferred revenue	-	-	-	-	-	313,180	-
Intracompany payable	-	-	-	-	-	-	-
Lease Liabilities - Operating	-	-	-	(65,985)	-	-	(1,257,304)
Net Adjustments and Reclassifications	-	-	-	4,275	-	-	44,918
June 30, 2023 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 2,638,409</u>	<u>\$ 6,498,008</u>	<u>\$ 5,714,751</u>	<u>\$ 281,452</u>	<u>\$ 8,297,119</u>	<u>\$ 787,501</u>	<u>\$ 1,963,124</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.



**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	PTID	RSN	RMS	RSSP	RLS	ROMO	RDP	RBM	RDL	RSA	Total Page
<b>U.S. Department of Education</b>												
Pass Through Program From:												
California Department of Education												
Title I, Part A, Basic Grants												
Low-Income and Neglected	84.010	14329	\$ -	\$ 171,584	\$ 145,990	\$ 168,977	\$ 179,910	\$ 169,995	\$ 204,471	\$ 171,609	\$ 180,218	\$ 1,392,754
ESSA: School Improvement Funding for LEAs	84.010	15438	-	-	-	-	-	-	-	140,331	-	140,331
Metro Nashville Public Schools												
Title I, Part A, Basic Grants												
Low-Income and Neglected	84.010	N/A	-	-	-	-	-	-	-	-	-	-
Title I Totals			-	171,584	145,990	168,977	179,910	169,995	204,471	311,940	180,218	1,533,085
Pass Through Program From:												
California Department of Education												
Title II												
Title II Totals	84.367	14341	-	30,526	22,440	28,382	41,783	29,653	23,549	26,938	21,426	224,697
			-	30,526	22,440	28,382	41,783	29,653	23,549	26,938	21,426	224,697
Pass Through Program From:												
California Department of Education												
Title III - Immigrant Education Program												
Title III - Limited English Proficiency	84.365	15146	-	-	-	-	(3,737)	-	-	-	-	(3,737)
Title III Totals	84.365	14356	-	60,443	53,310	60,561	77,775	58,954	69,084	4,029	62,914	447,070
			-	60,443	53,310	60,561	74,038	58,954	69,084	4,029	62,914	443,333
Pass Through Program From:												
California Department of Education												
Title IV, Part A, Student Support & Academic Enrichment												
Title IV Totals	84.424	N/A	-	19,136	18,313	17,652	14,233	13,332	19,763	15,959	14,481	132,869
			-	19,136	18,313	17,652	14,233	13,332	19,763	15,959	14,481	132,869
Pass Through Program From:												
California Department of Education												
Charter School Grant												
Charter School Grant	84.282M	N/A	247,713	-	-	-	-	-	-	-	-	247,713
Pass Through Program From:												
Metro Nashville Public Schools												
Charter School Grant												
Charter School Program Cluster	84.282M	N/A	247,713	-	-	-	-	-	-	-	-	247,713
Pass Through Program From:												
California Department of Education												
Special Education IDEA												
Special Education IDEA	84.027	13379	-	70,321	48,446	58,723	81,918	68,118	76,927	86,029	75,752	566,234
Metro Nashville Public Schools												
Special Education IDEA												
Special IDEA Education Cluster	84.027	N/A	-	70,321	48,446	58,723	81,918	68,118	76,927	86,029	75,752	566,234
Pass Through Program From:												
California Department of Education												
ESSER II												
ESSER III	84.425D	15547	-	70,049	248,262	511,798	94,485	69,809	228,390	-	46,727	1,269,520
Expanded Learning Opportunities (ELO) Grant ESSER III	84.425U	15559	-	755,387	562,563	845,839	605,260	533,764	397,015	223,021	785,080	4,707,929
State Reserve, Emergency Needs	84.425U	15620	-	13,814	-	-	-	-	29,790	-	-	43,604
Expanded Learning Opportunities (ELO) Grant ESSER III	84.425U	15621	-	59,275	-	-	-	-	77,458	-	-	136,733
Metro Nashville Public Schools												
ESSER III												
ESSER Totals	84.425D	N/A	-	898,525	810,825	1,357,637	699,745	603,573	732,653	223,021	831,807	6,157,786
Total U.S. Department of Education			247,713	1,250,535	1,099,324	1,691,932	1,091,627	943,625	1,126,447	667,916	1,186,598	9,305,717

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, 2023**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	PTID	Total Previous Page	RSK	RFZ	RRWC	RRS	RFA	Tennessee	Federal Expenditures
<b>U.S. Department of Education</b>										
Pass Through Program From:										
California Department of Education										
Title I, Part A, Basic Grants										
Low-Income and Neglected	84.010	14329	\$ 1,392,754	\$ 142,730	\$ 192,492	\$ 108,706	\$ 177,512	\$ 212,843	\$ -	\$ 2,227,037
ESSA: School Improvement Funding for LEAs	84.010	15438	140,331	-	-	-	-	-	237,254	377,585
Metro Nashville Public Schools										
Title I, Part A, Basic Grants										
Low-Income and Neglected	84.010	N/A	-	-	-	-	-	-	923,441	923,441
Low-Income and Neglected Totals			1,533,085	142,730	192,492	108,706	177,512	212,843	1,160,695	3,528,063
Pass Through Program From:										
California Department of Education										
Title II										
Title II Totals	84.367	14341	224,697	29,446	35,227	17,350	33,498	31,293	-	371,511
Title II Totals			224,697	29,446	35,227	17,350	33,498	31,293	-	371,511
Pass Through Program From:										
California Department of Education										
Title III - Immigrant Education Program										
Title III - Limited English Proficiency	84.365	15146	(3,737)	-	-	-	-	-	-	(3,737)
Title III Totals	84.365	14356	447,070	65,271	69,054	20,753	64,410	63,388	-	729,946
Title III Totals			443,333	65,271	69,054	20,753	64,410	63,388	-	726,209
Pass Through Program From:										
California Department of Education										
Title IV, Part A, Student Support & Academic Enrichment										
Title IV Totals	84.424	N/A	132,869	12,328	15,397	10,000	18,032	16,693	-	205,319
Title IV Totals			132,869	12,328	15,397	10,000	18,032	16,693	-	205,319
Pass Through Program From:										
California Department of Education										
Charter School Grant										
Charter School Grant	84.282M	N/A	247,713	-	-	-	-	-	-	247,713
Pass Through Program From:										
Metro Nashville Public Schools										
Charter School Grant										
Charter School Program Cluster	84.282M	N/A	-	-	-	-	-	-	676,894	676,894
Charter School Program Cluster			247,713	-	-	-	-	-	676,894	924,607
Pass Through Program From:										
California Department of Education										
Special Education IDEA										
Special Education IDEA	84.027	13379	566,234	83,827	84,854	45,217	89,259	95,131	-	964,522
Metro Nashville Public Schools										
Special Education IDEA										
Special IDEA Education Cluster	84.027	N/A	-	-	-	-	-	-	219,974	219,974
Special IDEA Education Cluster			566,234	83,827	84,854	45,217	89,259	95,131	219,974	1,184,496
Pass Through Program From:										
California Department of Education										
ESSER II										
ESSER II	84.425D	15547	1,269,520	174,979	282,884	200,537	374,214	57,984	-	2,360,118
ESSER III	84.425U	15559	4,707,929	599,844	661,185	-	719,589	573,101	-	7,261,648
Expanded Learning Opportunities (ELO) Grant ESSER III										
State Reserve, Emergency Needs	84.425U	15620	43,604	-	-	-	-	-	-	43,604
Expanded Learning Opportunities (ELO) Grant ESSER III										
State Reserve, Learning Loss	84.425U	15621	136,733	-	35,873	-	-	-	-	172,606
Metro Nashville Public Schools										
ESSER II										
ESSER II	84.425D	N/A	-	-	-	-	-	-	1,822,969	1,822,969
ESSER Totals			6,157,786	774,823	979,942	200,537	1,093,803	631,085	1,822,969	11,660,945
Total U.S Department of Education			9,305,717	1,108,425	1,376,966	402,563	1,476,514	1,050,433	3,880,532	18,601,150

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, 2023**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	PTID	RSN	RMS	RSSP	RLS	ROMO	RDP	RBM	RDL	RSA	Total Page	
<b>U.S. Department of Agriculture:</b>													
Pass Through Program From:													
California Department of Education National School Lunch Program	10.555	N/A	-	165,769	148,247	172,533	225,927	177,647	213,098	165,652	211,914	1,480,787	
Metro Nashville Public Schools National School Lunch Program	10.555	N/A	-	-	-	-	-	-	-	-	-	-	
National School Lunch Program Totals			-	165,769	148,247	172,533	225,927	177,647	213,098	165,652	211,914	1,480,787	
Pass Through Program From:													
California Department of Education School Breakfast Program	10.553	N/A	-	99,380	80,165	49,875	144,306	94,256	163,195	83,367	137,554	852,098	
NSLP Commodities	10.553	N/A	-	3,855	3,447	4,012	5,254	4,131	4,955	3,852	4,928	34,434	
Metro Nashville Public Schools School Breakfast Program	10.553	N/A	-	-	-	-	-	-	-	-	-	-	
School Breakfast Program and Commodities Totals			-	103,235	83,612	53,887	149,560	98,387	168,150	87,219	142,482	886,532	
Child Nutrition Cluster			-	269,004	231,859	226,420	375,487	276,034	381,248	252,871	354,396	2,367,319	
Total U.S. Department of Agriculture			-	269,004	231,859	226,420	375,487	276,034	381,248	252,871	354,396	2,367,319	
Total Federal Expenditures			<u>\$</u>	<u>247,713</u>	<u>\$ 1,519,539</u>	<u>\$ 1,331,183</u>	<u>\$ 1,918,352</u>	<u>\$ 1,467,114</u>	<u>\$ 1,219,659</u>	<u>\$ 1,507,695</u>	<u>\$ 920,787</u>	<u>\$ 1,540,994</u>	<u>\$ 11,673,036</u>

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, 2023**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	PTID	Total Previous Page	RSK	RFZ	RRWC	RRS	RFA	Tennessee	Federal Expenditures
<b>U.S. Department of Agriculture:</b>										
Pass Through Program From										
California Department of Education National School Lunch Program	10.555	N/A	1,480,787	190,575	241,535	132,233	209,407	186,833	-	2,441,370
Metro Nashville Public Schools National School Lunch Program	10.555	N/A	-	-	-	-	-	-	745,915	745,915
National School Lunch Program Totals			1,480,787	190,575	241,535	132,233	209,407	186,833	745,915	3,187,285
Pass Through Program From:										
California Department of Education School Breakfast Program	10.553	N/A	852,098	132,411	96,906	52,155	96,751	109,716	-	1,340,037
NSLP Commodities	10.553	N/A	34,434	4,432	5,617	3,075	4,870	4,345	-	56,773
Metro Nashville Public Schools School Breakfast Program	10.553	N/A	-	-	-	-	-	-	477,716	477,716
School Breakfast Program and Commodities Totals			886,532	136,843	102,523	55,230	101,621	114,061	477,716	1,874,526
Child Nutrition Cluster			2,367,319	327,418	344,058	187,463	311,028	300,894	1,223,631	5,061,811
Total U.S. Department of Agriculture			2,367,319	327,418	344,058	187,463	311,028	300,894	1,223,631	5,061,811
Total Federal Expenditures			<u>\$ 11,673,036</u>	<u>\$ 1,435,843</u>	<u>\$ 1,721,024</u>	<u>\$ 590,026</u>	<u>\$ 1,787,542</u>	<u>\$ 1,351,327</u>	<u>\$ 5,104,163</u>	<u>\$ 23,662,961</u>

N/A – Not Available

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

**PURPOSE OF SCHEDULES**

**NOTE 1 CONSOLIDATING STATEMENTS**

These statements provide detailed financial information of each charter school.

**NOTE 2 SCHEDULE OF INSTRUCTIONAL TIME – 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 SCHEDULE OF AVERAGE DAILY ATTENDANCE – CALIFORNIA**

Average daily attendance is a measurement of the number of pupils attending classes of the California schools. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This schedule provides information regarding the attendance of students at various grade levels.

**NOTE 4 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 5 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, 2023. 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). Expenditures reported on the Schedule are reported on the accrual basis of accounting. 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.

**NOTE 6 INDIRECT COST RATE**

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

**INDEPENDENT AUDITORS' 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, 2023, 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.

**Report on 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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on 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

DRAFT

**INDEPENDENT AUDITORS' 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**

***Opinion on Each Major Federal Program***

We have audited Rocketship Education, Inc. and its Affiliates' (RSEA) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of RSEA's major federal programs for the year ended June 30, 2023. RSEA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, RSEA complied, in all material respects, with the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of RSEA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of RSEA's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to RSEA's federal programs.



### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on RSEA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about RSEA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding RSEA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of RSEA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 RSEA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER STATE COMPLIANCE – CALIFORNIA

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

### **Report on Compliance**

#### **Opinion on State Compliance**

We have audited Rocketship Education and its Affiliates' (RSEA) compliance with the types of compliance requirements applicable to RSEA described in the *2022-2023 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, 2023. The RSEA's applicable State compliance requirements are identified in the table below.

In our opinion, RSEA complied, in all material respects, with the compliance requirements referred to above that are applicable to RSEA for the year ended June 30, 2023.

#### **Basis for Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of RSEA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of RSEA's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to RSEA's state programs.

### **Auditors' Responsibility for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on RSEA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about RSEA's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to below and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**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	Not Applicable <sup>1</sup>
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable <sup>2</sup>
Immunizations	Not Applicable <sup>3</sup>
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant (CTEIG)	Not Applicable <sup>4</sup>
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable <sup>5</sup>
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Not Applicable<sup>1</sup>: RSEA did not have any expenditures for California Clean Energy Jobs Act in the year under audit or a completed project between 12 and 15 months prior to any month in the audit year.

Not Applicable<sup>2</sup>: RSEA did not report ADA pursuant to Education Code section 51749.5.

Not Applicable<sup>3</sup>: RSEA did not have any charter school subject to audit of immunizations as listed in the California Department of Public Health (CDPH) website as listed in the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Not Applicable<sup>4</sup>: RSEA did not receive a CTEIG allocation for the audit year.

Not Applicable<sup>5</sup>: RSEA did not report more than 20% of its ADA as generated through nonclassroom-based instruction (independent study).

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on RSEA's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. RSEA's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on 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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Board of Directors  
Rocketship Education, Inc. and its Affiliates

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 *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

Glendora, California  
REPORT DATE

DRAFT

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

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**Section I – Summary of Auditors’ Results**

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**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**

**Assistance Listing Number(s)**

84.425D  
84.425U  
84.010  
10.555, 10.553  
84.282M

**Name of Federal Program or Cluster**

Elementary and Secondary School Emergency Relief (ESSER) Fund (ESSER II, III)  
ESSER III  
Title I, Part A, Basic Grants Low-Income and Neglected  
Child Nutrition Cluster  
Charter School Program

Dollar threshold used to distinguish between Type A and Type B programs: \$       \$750,000      

Auditee qualified as low-risk auditee? \_\_\_\_\_       X       yes \_\_\_\_\_ no



**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

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***Section I – Summary of Auditors’ Results (Continued)***

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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

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***Section II – Financial Statement Findings***

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

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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

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***Section IV – Findings and Questioned Costs – State Compliance***

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<b>2023-001</b>	<b>Transitional Kindergarten</b>	<b>40000</b>
<b>Rocketship Delta Prep (RDL) #1965</b>		
<b>Rocketship Alma Academy (RSA) #1394</b>		
<b>Rocketship Mateo Sheedy Elementary (RMS) #0850</b>		
<b>Rocketship Spark Academy (RSK) #1526</b>		

**Criteria:** Per California Education Code section 48000(g)(1), charter schools must maintain average transitional kindergarten class enrollment of not more than 24 pupils for each schoolsite. Additionally, per Education Code section 48000(g)(2) schools must maintain an average of at least one adult for every 12 pupils.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

**Section IV – Findings and Questioned Costs – State Compliance (Continued)**

**2023-001 Transitional Kindergarten (Continued)**

**40000**

**Condition:** During transitional kindergarten testing we noted RDL, RSA, RMS and RSK did not meet the transitional kindergarten class enrollment of not more than 24 pupils for each schoolsite. In addition, RMS and RSK did not meet the adult to pupil ratio requirement of not more than one adult for every 12 pupils.

**Effect:** RDL, RSA, RMS, and RSK are not in compliance with California Education Code requirements which resulted in the following penalties:

Average Class Enrollment - Penalty Calculations				
	RDL	RSA	RMS	RSK
TK ADA per P2	21.39	23.79	23.79	27.24
Penalty Rate	\$ 953.00	\$ 953.00	\$ 953.00	\$ 953.00
Questioned Costs	\$ 20,384.67	\$ 22,671.87	\$ 22,671.87	\$ 25,959.72

Adult to Pupil Ratio - Penalty Calculations		
	RMS	RSK
Number of Additional Adults Needed to Meet the Requirement	0.1	0.1
Twenty-four, reduced by the statewide avg. rate of absence	21.9984	21.9984
TK Average Daily Attendance Add-On Rate	\$ 2,813.00	\$ 2,813.00
Questioned Costs	\$ 6,188.15	\$ 6,188.15

**Cause:** Staffing shortages resulting in limited resources to decrease class sizes.

**Questioned costs:** See penalty calculations in the “effect” section above.

**Repeat Finding:** This is not a repeat finding.

**Corrective Action Plan:** For the 2023-2024 school year, Rocketship Education has hired sufficient TK staff to ensure proper adult to pupil ratios and has managed enrollment to ensure that TK class size is under the maximum class size at all times.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2023**

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

**STATE COMPLIANCE**

**2022-001 Immunizations**

**40000**

**Rocketship Si Se Puede Academy (RSSP) #1061  
Rocketship Los Suenos Academy (RLS) #1127  
Rocketship Discovery Prep (RDP) #1193**

**Criteria:** Title 17, California Code of Regulations section 6025 requires that pupils enrolled in K, TK or 1st Grade for the year audited received two doses of a varicella vaccine and two doses of a measles vaccine prior to admission, or have a current medical exemption from varicella and measles immunization on file. For students with only one dose of either vaccine received prior to admission, the second dose is required within four calendar months otherwise, the pupil should be excluded from attendance.

**Condition:** During immunizations testing, one student at RSSP was found that did not receive the second dose of the varicella and measles vaccine within four calendar months and was included in attendance. For RLS and RDP, one student at each charter school did not have either vaccination or exemption on file and the pupils were included in attendance.

**Status:** Not applicable, RSEA did not have any charter school subject to audit of immunizations as listed in the California Department of Public Health (CDPH) website as listed in the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.