ROCKETSHIP EDUCATION AND ITS AFFILIATES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION June 30, 2015

with comparative totals for June 30, 2014

Rocketship Education D.C

	Rocketship	Rocketship Education	Public Charter	Launchpad Development			
	Education	Wisconsin Inc.	School, Inc.	Company	Eliminations	2015 Total	2014 Total
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents (notes 1,2)	\$ 10,402,100	\$ 669,192	\$ -	\$ 5,001,339	\$ -	\$ 16,072,631	\$ 33,058,905
Restricted cash (note 1)	-		_	5,136,357	_	5,136,357	5,149,879
Investments	249,350	-	-	-	-	249,350	-
Accounts receivable (note 3)	6,858,242	80,121	-	23,164	(1,122,646)	5,838,881	9,513,318
Deferred rent asset	-	-	-	70,814	(70,814)	-	-
Grants receivable (note 4)	338,050	-	250,000	-	-	588,050	873,694
Prepaid expenses and deposits	784,821	17,518		463,346		1,265,685	1,736,015
Total current assets	18,632,563	766,831	250,000	10,695,020	(1,193,460)	29,150,954	50,331,811
LONG-TERM ASSETS:							
Grants receivable (note 4)	163,714	-	-	-	-	163,714	420,022
Intracompany receivable	1,500,000	-	-	-	(1,500,000)	-	-
Security deposits	400,000	-	-	-	(400,000)	-	-
Note receivable	-	-	-	560,000	-	560,000	560,000
Deferred rent asset	-	-	-	2,843,921	(2,843,921)	-	-
Property, plant and equipment, net (note 5)	3,590,083			60,054,568		63,644,651	58,986,771
Total long-term assets	5,653,797			63,458,489	(4,743,921)	64,368,365	59,966,793
Total assets	\$ 24,286,360	\$ 766,831	\$ 250,000	\$ 74,153,509	\$ (5,937,381)	\$ 93,519,319	\$ 110,298,604
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES:							
Accounts payable and accrued liabilities	\$ 4,117,047	\$ 582,417	\$ 750,000	\$ 644,809	\$ (1,122,646)	\$ 4,971,627	\$ 6,778,855
Accrued interest	-	-	-	417,127	-	417,127	448,391
Deferrred rent liability	70,814	-	-	-	(70,814)	-	-
Deferred revenues	370,372	-	-	-	-	370,372	622,884
Current portion of loans payable (note 6)	402,795			6,439,457		6,842,252	17,996,666
Total current liabilities	4,961,028	582,417	750,000	7,501,393	(1,193,460)	12,601,378	25,846,796
LONG-TERM LIABILITIES:							
Security deposits	-	-	-	400,000	(400,000)	-	-
Accrued interest	108,256	-	-	-	-	108,256	77,459
Deferrred rent liability	3,298,182	78,486	-	652,345	(2,843,921)	1,185,092	631,405
Intracompany payable	-	1,500,000	-		(1,500,000)	-	-
Convertible loans (note 6)	-	-	-	-	-	-	550,000
Loans payable (note 6)	1,950,012			67,111,834		69,061,846	69,836,416
Total long-term liabilities	5,356,450	1,578,486		68,164,179	(4,743,921)	70,355,194	71,095,280
NET ASSETS:							
Unrestricted	13,480,415	(1,394,072)	(500,000)	(1,512,063)	-	10,074,280	12,089,432
Temporarily restricted (note 7)	488,467					488,467	1,267,096
Total net assets	13,968,882	(1,394,072)	(500,000)	(1,512,063)		10,562,747	13,356,528
Total liabilities and net assets	\$ 24,286,360	\$ 766,831	\$ 250,000	\$ 74,153,509	\$ (5,937,381)	\$ 93,519,319	\$ 110,298,604

ROCKETSHIP EDUCATION AND ITS AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015 with comparative totals for the Year Ended June 30, 2014

Rocketship

			Rocketship		Education D.C	Launchpad			
	Rocketship Education		Education Wisconsin Inc.		Public Charter	Development Company	Eliminations		2014 Total
					School, Inc.			2015 Total	
UNRESTRICTED NET ASSETS:									
Revenues									
LCFF State Aid	\$	29,395,472	\$	_	s -	\$ -	\$ -	\$ 29,395,472	\$ 23,505,887
Apportionment revenue		4,035,160	*	3,003,900	-	-	-	7,039,060	. , ,
Property taxes		7,536,074		-	_	_	_	7,536,074	, ,
Other State revenue		9,102,843		97,373	_	_	_	9,200,216	
Federal revenue		7,490,904		645,999	_	_	_	8,136,903	, ,
Other local revenue		1,605,142		7,399	_	8,921,054	(10,035,542)	498,053	
Contributions		4,995,435		6,227	250,000	25,000	(25,000)	5,251,662	,
Amounts released from restriction	_	851,995		<u> </u>				851,995	
Total unrestricted revenues		65,013,025		3,760,898	250,000	8,946,054	(10,060,542)	67,909,435	56,454,130
Program Expenses									
Educational programs		51,103,643		3,916,780	-	-	(8,800,861)	46,219,562	36,985,459
Supporting Services									
Site supports and program development		8,483,838		-	750,000	8,471,595	(750,000)	16,955,433	16,905,996
Administration and general		4,824,593		509,925	-	109,037	(509,681)	4,933,874	3,959,732
Total supporting services		13,308,431		509,925	750,000	8,580,632	(1,259,681)	21,889,307	20,865,728
Total expenses		64,412,074	_	4,426,705	750,000	8,580,632	(10,060,542)	68,108,869	57,851,187
Increase (decrease) in unrestricted net assets	_	600,951		(665,807)	(500,000)	365,422		(199,434	(1,397,057)
TEMPORARILY RESTRICTED NET ASS	ETS:								
Amounts released from restriction		(851,995)		_	-	_	-	(851,995	(2,780,203)
Contributions		73,366		-	-	-	-	73,366	1,652,578
Decrease in temporarily								-	·
restricted net assets		(778,629)						(778,629	(1,127,625)
Beginning net assets		14,146,560		(728,265)	_	(61,767)	_	13,356,528	15,881,210
Adjustment for restatement (note 11)		-		-	-	(1,815,718)	-	(1,815,718	
Beginning net assets, restated		14,146,560		(728,265)		(1,877,485)		11,540,810	. ———
Ending net assets	\$	13,968,882	\$	(1,394,072)	\$ (500,000)	\$ (1,512,063)	\$ -	\$ 10,562,747	\$ 13,356,528

ROCKETSHIP EDUCATION AND ITS AFFILIATES

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended June 30, 2015 with comparative totals for the Year Ended June 30, 2014

Rocketship Rocketship **Education D.C** Launchpad **Public Charter** Rocketship Education Development Education Wisconsin Inc. School, Inc. Company Eliminations 2015 Total 2014 Total CASH FLOWS from OPERATING ACTIVITIES: Change in Net Assets \$ (177,678) \$ (665,807) \$ (500,000) \$ 365,422 \$ (978,063) \$ (2,524,682) Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: 2,080,534 1,453,818 Depreciation and amortization 211,566 1,868,968 Allowance for non-recoverable project costs 6,365 6,365 670,656 (550,000) Debt forgiven through grant agreement (550,000)(566,782)Donated investments (249,350)(249,350)(Increase) or decrease in operating assets: Accounts receivable 5,886,187 162,065 307,754 721,420 7,077,426 1,467,891 (250,000)Grants receivable 791,952 541,952 2,735 Prepaid expenses and other current assets 1,019,650 46,671 (145,988)(450,000)470,333 (88,087)Deferred rent asset (1,143,447) 1,143,447 Increase or (decrease) in operating liabilities: Accounts payable and accrued liabilities 460,301 270,192 750,000 (61,200)697,873 (384,880)(721,420)Deferred revenues (252,513)(252,513)(1,012,883) 6,071 Deferred rent liability 1,508,200 145,015 (1,143,447)515,839 492,459 Net cash provided (used) by operating activities (180,808)(489,755)8,648,315 1,342,889 (450,000)9,360,396 CASH FLOWS from INVESTING ACTIVITIES: Proceeds from sale of property, plant and equipment 770,000 (9,521,320) (11,025,976) Purchases of property, plant and equipment (1,504,656)(13.206.306)Net cash used by investing activities (1,504,656) (9,521,320) (11,025,976)(12,436,306)CASH FLOWS from FINANCING ACTIVITIES: Change in restricted cash 13,522 13,522 (135, 150)(850,000) 850,000 Intracompany loans Receipt (return) of long-term security deposits (450,000)450,000 Change in lines of credit Proceeds from debt 400,000 400,000 47,916,624 Repayment of debt (11,957,488) (3,776,728)(15,734,216)(16,114,463)Net cash provided (used) by financing activities (12,407,488) 850,000 (4,213,206) 450,000 (15,320,694)31,667,011 Net increase (decrease) in cash and cash equivalents 18,740,950 (5,263,829)669,192 (12,391,637)(16,986,274)Cash and cash equivalents at the beginning of the year 15,665,929 17,392,976 33,058,905 14,317,955 Cash and cash equivalents at the end of the year 10,402,100 669,192 5,001,339 16,072,631 33,058,905 CASH PAID FOR INTEREST (Net) 19,793 4,903,254 4,975,669 3,715,640

130,319

130,319

162,839

CAPITALIZED INTEREST