

ROCKETSHIP EDUCATION AND ITS AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	Rocketship Education	Rocketship Education Wisconsin Inc.	Rocketship Education DC Public Charter School, Inc.	Launchpad Development Company	Eliminations	2018 Total	2017 Total
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 20,844,116	\$ 883,567	\$ 2,453,937	\$ 14,612,692	\$ -	\$ 38,794,312	\$ 43,265,177
Restricted Cash	-	29,664	-	11,333,336	-	11,363,000	10,634,074
Accounts Receivable	9,235,556	3,667	-	294,198	-	9,533,421	8,203,486
Grants Receivable	-	533,532	870,751	-	-	1,404,283	476,241
Note Receivable	-	-	-	-	-	-	560,000
Prepaid Expenses and Deposits	2,349,122	48,343	46,422	903,568	-	3,347,455	1,368,099
Total Current Assets	32,428,794	1,498,773	3,371,110	27,143,794	-	64,442,471	64,507,077
LONG-TERM ASSETS							
Grants Receivable	-	75,000	-	-	-	75,000	96,325
Intracompany Receivable	4,949,638	334	643,470	-	(5,593,442)	-	-
Security Deposits	429,295	5,000	1,500	-	(400,000)	35,795	-
Deferred Rent Asset	-	-	-	6,403,433	(6,403,433)	-	-
Property, Plant, and Equipment, Net	5,150,515	20,219	-	98,422,757	-	103,593,491	99,989,879
Total Long-Term Assets	10,529,448	100,553	644,970	104,826,190	(12,396,875)	103,704,286	100,086,204
Total Assets	\$ 42,958,242	\$ 1,599,326	\$ 4,016,080	\$ 131,969,984	\$ (12,396,875)	\$ 168,146,757	\$ 164,593,281
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ 6,294,351	\$ 335,276	\$ 728,268	\$ 2,370,467	\$ -	\$ 9,728,362	\$ 6,783,072
Accrued Interest	85,119	-	-	507,338	-	592,457	761,817
Deferred Rent Liability	-	36,283	-	-	(36,283)	-	-
Deferred Revenues	1,324,670	-	-	9,456	(9,456)	1,324,670	823,348
Current Portion of Loans Payable	491,668	-	-	2,225,000	-	2,716,668	9,722,526
Total Current Liabilities	8,195,808	371,559	728,268	5,112,261	(45,739)	14,362,157	18,090,763
LONG-TERM LIABILITIES							
Security Deposits	-	-	-	400,000	(400,000)	-	-
Accrued Interest	148,825	-	-	-	-	148,825	113,478
Deferred Rent Liability	3,834,350	21,092	2,302,877	6,276,315	(6,357,694)	6,076,940	1,922,841
Intracompany Payable	-	2,643,691	2,949,751	-	(5,593,442)	-	-
Loans Payable	1,762,512	-	-	124,912,717	-	126,675,229	126,930,036
Total Long-Term Liabilities	5,745,687	2,664,783	5,252,628	131,589,032	(12,351,136)	132,900,994	128,966,355
NET ASSETS							
Unrestricted	28,924,363	(2,066,762)	(2,229,816)	(4,731,309)	-	19,896,476	16,490,691
Temporarily Restricted	92,384	629,746	265,000	-	-	987,130	1,045,472
Total Net Assets	29,016,747	(1,437,016)	(1,964,816)	(4,731,309)	-	20,883,606	17,536,163
Total Liabilities And Net Assets	\$ 42,958,242	\$ 1,599,326	\$ 4,016,080	\$ 131,969,984	\$ (12,396,875)	\$ 168,146,757	\$ 164,593,281

See accompanying Notes to Consolidated Financial Statements.

ROCKETSHIP EDUCATION AND ITS AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	Rocketship Education	Rocketship Education Wisconsin Inc.	Rocketship Education DC Public Charter School, Inc.	Launchpad Development Company	Eliminations	2018 Total	2017 Total
UNRESTRICTED NET ASSETS							
REVENUES							
LCFF State Aid	\$ 39,238,901	\$ -	\$ -	\$ -	\$ -	\$ 39,238,901	\$ 38,756,121
Apportionment Revenue	9,928,496	4,138,735	10,138,348	-	-	24,205,579	20,628,908
Property Taxes	15,266,385	-	-	-	-	15,266,385	13,886,120
Other State Revenue	12,233,383	73,416	2,210,386	-	-	14,517,185	12,324,370
Federal Revenue	10,070,208	1,065,681	1,815,858	-	-	12,951,747	11,057,467
Other Local Revenue	5,015,447	26,830	8,118	18,619,442	(16,229,778)	7,440,059	2,766,145
Contributions	6,904,759	131,854	970,245	-	-	8,006,858	8,197,231
Amounts Released from Restriction	41,763	32,550	596,325	-	-	670,638	264,170
Total Unrestricted Revenues	98,699,342	5,469,066	15,739,280	18,619,442	(16,229,778)	122,297,352	107,880,532
EXPENSES							
Program Expenses:							
Educational programs	74,905,227	4,878,229	13,854,536	-	(16,229,778)	77,408,214	70,573,394
Supporting Services:							
Site Supports and Program Development	12,441,682	-	-	15,388,516	(145,000)	27,685,198	27,977,604
Administration and General	7,023,529	782,730	2,083,443	3,763,453	145,000	13,798,155	9,280,970
Total Supporting Services	19,465,211	782,730	2,083,443	19,151,969	-	41,483,353	37,258,574
Total Expenses	94,370,438	5,660,959	15,937,979	19,151,969	(16,229,778)	118,891,567	107,831,968
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	4,328,904	(191,893)	(198,699)	(532,527)	-	3,405,785	48,564
TEMPORARILY RESTRICTED NET ASSETS							
Amounts Released from Restriction	(41,763)	(32,550)	(596,325)	-	-	(670,638)	(264,170)
Contributions	100,000	347,296	165,000	-	-	612,296	820,305
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	58,237	314,746	(431,325)	-	-	(58,342)	556,135
INCREASE (DECREASE) IN NET ASSETS	4,387,141	122,853	(630,024)	(532,527)	-	3,347,443	604,699
Net Assets - Beginning of Year	24,629,606	(1,559,869)	(1,334,792)	(4,198,782)	-	17,536,163	16,931,464
NET ASSETS - END OF YEAR	<u>\$ 29,016,747</u>	<u>\$ (1,437,016)</u>	<u>\$ (1,964,816)</u>	<u>\$ (4,731,309)</u>	<u>\$ -</u>	<u>\$ 20,883,606</u>	<u>\$ 17,536,163</u>

See accompanying Notes to Consolidated Financial Statements.

ROCKETSHIP EDUCATION AND ITS AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	Rocketship Education	Rocketship Education Wisconsin Inc.	Rocketship Education DC Public Charter School, Inc.	Launchpad Development Company	Eliminations	2018 Total	2017 Total
CASH FLOWS FROM OPERATING							
ACTIVITIES							
Change in Net Assets	\$ 4,387,141	\$ 122,853	\$ (630,024)	\$ (532,527)	\$ -	\$ 3,347,443	\$ 604,699
Adjustments to Reconcile Change in Net Assets							
to Net Cash Flows from Operating Activities:							
Depreciation and Amortization	338,971	36	-	2,964,498	-	3,303,505	2,957,153
Allowance for Nonrecoverable Project Costs	-	-	-	-	-	-	1,721,312
(Increase) Decrease in Operating Assets:							
Accounts Receivable	(1,440,173)	355,823	31,411	(276,996)	-	(1,329,935)	(276,902)
Grants Receivable	52,944	(608,532)	(351,129)	-	-	(906,717)	166,068
Prepaid Expenses and Other Current							
Assets	(683,311)	(22,771)	33,950	(564,060)	-	(1,236,192)	677,420
Deferred Rent Asset	-	-	-	(2,424,669)	2,424,669	-	-
Increase (Decrease) in Operating Liabilities:							
Accounts Payable and Accrued Liabilities	659,588	139,645	1,212,642	1,534,157	-	3,546,032	1,183,357
Deferred Revenues	531,264	-	(29,942)	(769,503)	-	(268,181)	(66,629)
Deferred Rent Liability	488,961	32,861	1,665,012	4,382,478	(2,424,669)	4,144,643	608,637
Net Cash Flows from Operating							
Activities	4,335,385	19,915	1,931,920	4,313,378	-	10,600,598	7,575,115
CASH FLOWS FROM INVESTING							
ACTIVITIES							
Proceeds from Note Receivable	-	-	-	560,000	-	560,000	-
Purchases of Property, Plant, and Equipment	(202,698)	(20,255)	-	(6,668,919)	-	(6,891,872)	(18,766,316)
Net Cash Flows from Investing							
Activities	(202,698)	(20,255)	-	(6,108,919)	-	(6,331,872)	(18,766,316)
CASH FLOWS FROM FINANCING							
ACTIVITIES							
Change in Restricted Cash	-	-	-	(699,262)	-	(699,262)	(3,009,144)
Intracompany Loans	382,460	365,846	(1,498,306)	-	-	(750,000)	(2,244,791)
Proceeds from Debt	200,000	-	-	16,860,412	-	17,060,412	44,837,264
Repayment of Debt	(1,633,348)	-	-	(22,687,729)	-	(24,321,077)	(9,700,583)
Net Cash Flows from by Financing							
Activities	(1,050,888)	365,846	(1,498,306)	(6,526,579)	-	(8,709,927)	29,882,746
NET INCREASE (DECREASE) IN							
CASH AND CASH EQUIVALENTS	3,081,799	365,506	433,614	(8,322,120)	-	(4,441,201)	18,691,545
Cash and Cash Equivalents - Beginning of Year	17,762,317	547,725	2,020,323	22,934,812	-	43,265,177	24,573,632
CASH AND CASH EQUIVALENTS -							
END OF YEAR	<u>\$ 20,844,116</u>	<u>\$ 913,231</u>	<u>\$ 2,453,937</u>	<u>\$ 14,612,692</u>	<u>\$ -</u>	<u>\$ 38,823,976</u>	<u>\$ 43,265,177</u>
SUPPLEMENTAL DISCLOSURES OF							
CASH FLOW INFORMATION							
Cash Paid for Interest, Net	<u>\$ 14,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,747,174</u>	<u>\$ -</u>	<u>\$ 7,761,957</u>	<u>\$ 6,734,613</u>
Capitalized Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,050</u>	<u>\$ -</u>	<u>\$ 28,050</u>	<u>\$ 111,379</u>

See accompanying Notes to Consolidated Financial Statements.