

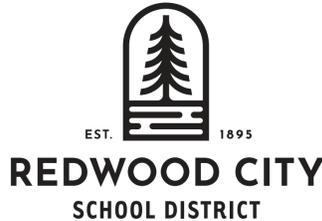
REDWOOD CITY SCHOOL DISTRICT

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Mission: RCSD creates a safe and supportive, inspirational and rigorous, joyful and inclusive environment for all learners

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January 14, 2026

Ms. Janine Ramirez, Senior Director of External Affairs

Rocketship Redwood City Prep Charter School
2001 Gateway Place, Ste 230E
San Jose, CA 95110

Subject: **First Interim Financial Report – Fiscal Year 2025-26**

Dear Ms. Ramirez:

The Redwood City School District (District) has examined the First Interim Financial Report for Rocketship Redwood City Charter School (Rocketship) for fiscal year 2025-26 in accordance with the District's duties as chartering authority per Education Code Section 47604.32 to determine, monitor, and assess the charter school's fiscal position.

Based on the review of the financial statements, the District Superintendent and staff have the following comments/concerns:

General Fund Financial Report Summary

We noted the General fund revenues increased by approximately \$113,000 at First Interim compared to the 2025-26 Adopted Budget. This is due to a \$100,000 decrease in LCFF funding from lower average daily attendance (ADA) than projected during budget adoption offset by a \$163,000 net increase in Federal, Other State and Local Revenues. \$201,000 of the increased Other State Revenues is from a larger amount than projected Expanded Learning Opportunities grant. The General Fund expenditures have increased by approximately \$239,000.

The 2025-26 First Interim Financial Report projects an operating surplus of \$207,408 as shown below:

	General Fund – Unrestricted/Restricted	2025-26 Adopted Budget	2025-26 First Interim
A.	Revenues	\$6,258,515	\$6,372,041
B.	Expenditures	5,925,975	6,164,633
C.	Excess (Deficiency) of Expenditures over Revenues	332,540	207,408
D.	Other Sources/Uses and Transfers	0	0
E.	Total Increase (Decrease) in Fund Balance	332,540	207,408
F.	Ending Balance – Unrestricted/Restricted	\$841,975	\$616,881
G.	Ending Balance – Unrestricted only	\$841,975	\$616,881

The 2025-26 expenditures reflect an increase of \$64,000 in certificated and classified salaries and benefits, \$39,000 increased spending for Books and Supplies and increased spending of \$16,000 in Services and Other Operating Expenses and decreased spending of \$24,000 in Capital Outlay.

The total Unrestricted ending balance for 2025-26 is \$616,881 or 10% of General Fund expenditures for 2025-26. Rocketship is commended for maintaining a reserve level that exceeds the 5% minimum reserve for economic uncertainties required per the Memorandum of Understanding (MOU) with the District.

Rocketship is reminded to review carefully the conditions for receipt of state and federal grants and resources to ensure that revenues are properly recorded and funds are expended in accordance with the grant requirements.

Cash Flow Projections

Rocketship submitted its cash flow projections for the 2025-26 and 2026-27 fiscal years. Both fiscal years show positive monthly cash balances each month. It was noted that Rocketship added information to their cash flows to show the affects of balance sheet items to their cash flow. The cash flow Receipt and Disbursement balances equal the Alternative Form Revenues and Expenditures.

The District Superintendent urges the charter school to continue to implement best practices and monitor its cash position regularly to ensure payroll and other monthly obligations are met on a timely basis.

Multi-Year Projections (MYP)

The multi-year projection is one of the most important tools in determining the financial position of the school. Rocketship’s MYP shows operating surpluses each year for 2025-26, 2026-27 and 2027-28.

Approximately 58%-63% of the total revenues for Rocketship are from Local Control Funding Formula (LCFF) sources. The LCFF-funded Average Daily Attendance (ADA) for the current and subsequent two fiscal years are, as follows:

	2024-25	2025-26	2026-27	2027-28
Enrollment	275	273	273	273
LCFF-funded ADA	252.25	256.47	256.47	256.47
Increase (decrease) from prior year	-	4.22	0.00	0.00

Rocketship forecasts enrollment of 273 each year. Rocketship’s attendance rate is projected at 94% in all three fiscal years. Rocketship serves students in grades TK-5.

The chart below summarizes the projected revenues, expenditures, and fund balances each year in the multi-year projections:

General Fund (Unrestricted/Restricted)	2025-26	2026-27	2027-28
Estimated Beginning Balance	\$409,473	\$616,881	\$747,071
Revenues & Other Financing Sources	6,372,041	6,236,237	6,208,295
Expenditures & Other Financing Uses	6,164,633	6,106,047	6,047,295
Net increase (Decrease)	207,408	130,190	161,000
Projected Total Ending Fund Balance	\$616,881	\$747,071	\$908,071
Projected Unrestricted Ending Fund Balance	\$616,881	\$747,071	\$908,071
<i>Fund Balance as a % to Total Expenditures</i>	<i>10%</i>	<i>12%</i>	<i>15%</i>

The Unrestricted General Fund ending balances are maintained at 10% -15% of the total General Fund expenditures.

CONCLUSION

Based on the District’s review of the financial documents submitted, Rocketship’s 2025-26 First Interim Financial Report and multi-year projections appear sufficient to meet the charter school’s financial obligations for the current and subsequent two fiscal years. The Superintendent encourages Rocketship to continue to closely monitor the budget and make changes in its budget assumptions as new information becomes available.

As public schools continue to experience the current situation resulting from the coronavirus pandemic, it is critical to stay vigilant of developments in the federal, state and local level that may impact the charter school budget. It is highly important to closely monitor the budget and prudently manage the charter school resources to maintain long-term fiscal solvency and stability.

The District appreciates the support and cooperation of Rocketship’s administration and staff during the process.

If you have any questions regarding the District's fiscal oversight or the contents of this letter, please do not hesitate to contact us.

Sincerely,

Rick Edson

Rick Edson
Chief Business Official
(650) 482-2232

John R. Baker

John R. Baker, Ed.D.
Superintendent
(650) 482-2230

Cc: Benjamin Carson, CFO, Rocketship Redwood City
Demnlus Johnson, Associate Director of External Affairs, Rocketship Public Schools
Lena Alshvang, Finance Manager, Rocketship Redwood City
Maricela Guerrero, California Executive Officer, Rocketship Public Schools
Justin White, Director, Governance and Compliance, Rocketship Education
Rocketship Compliance, Rocketship Education
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Rosalie Bowman, Manager, District Business Services, San Mateo COE
Dhanya Unni, Executive Director, District Business Services, San Mateo COE
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