

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2025
(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024)**

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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**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF ACTIVITIES	6
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES	7
CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SCHOOLS	28
CONSOLIDATING STATEMENT OF ACTIVITIES – SCHOOLS	31
CONSOLIDATING STATEMENT OF CASH FLOWS – SCHOOLS	34
SCHEDULE OF INSTRUCTIONAL TIME – CALIFORNIA	37
SCHEDULE OF AVERAGE DAILY ATTENDANCE – CALIFORNIA	39
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS	40
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	41
NOTES TO SUPPLEMENTARY INFORMATION	45

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025**

OTHER INFORMATION

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE	46
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 <i>GOVERNMENT AUDITING STANDARDS</i>	48
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	50
INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE – CALIFORNIA	53
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	57
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	59



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated 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, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated 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, 2025, 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 Consolidated 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.

Responsibilities of Management for the Consolidated 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 consolidated 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 consolidated financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 2024 consolidated financial statements, and we expressed an unmodified opinion on those statements in our report dated December 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited consolidated 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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel (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 consolidated 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 consolidated financial statements. Such information 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Board of Directors
Rocketship Education, Inc. and its Affiliates

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 4, 2025 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Ontario, California
December 4, 2025

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Rocketship Education	Rocketship Education Wisconsin Inc.	Rocketship Education DC Public Charter School, Inc.	Launchpad Development Company	Eliminations	2025 Total	2024 Total
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 70,838,264	\$ 697,944	\$ 7,709,391	\$ 6,451,818	\$ -	\$ 85,697,417	\$ 99,712,302
Restricted Cash	-	-	-	13,854,691	-	13,854,691	9,894,465
Accounts Receivable	22,748,162	423,157	1,605,365	39,205	-	24,815,889	23,116,623
Grants Receivable	-	-	-	-	-	-	909,333
Prepaid Expenses and Other Assets	4,089,509	130,766	156,257	268,661	(62,144)	4,583,049	4,329,117
Total Current Assets	<u>97,675,935</u>	<u>1,251,867</u>	<u>9,471,013</u>	<u>20,614,375</u>	<u>(62,144)</u>	<u>128,951,046</u>	<u>137,961,840</u>
LONG-TERM ASSETS							
Intracompany Receivable	5,860,768	-	-	-	(5,860,768)	-	-
Security Deposits	453,991	-	-	-	(400,000)	53,991	59,297
Deferred Rent Asset	-	-	-	16,280,938	(16,280,938)	-	-
Operating Right-of-Use (ROU) Lease Asset	144,494,777	6,438,353	116,152,573	58,245,897	(263,384,501)	61,947,099	63,865,535
Financing Right-of-Use (ROU) Lease Asset	-	-	60,867	-	-	60,867	-
Property, Plant, and Equipment, Net	6,768,484	234,616	81,911	163,492,638	-	170,577,649	174,523,159
Total Long-Term Assets	<u>157,578,020</u>	<u>6,672,969</u>	<u>116,295,351</u>	<u>238,019,473</u>	<u>(285,926,207)</u>	<u>232,639,606</u>	<u>238,447,991</u>
Total Assets	<u>\$ 255,253,955</u>	<u>\$ 7,924,836</u>	<u>\$ 125,766,364</u>	<u>\$ 258,633,848</u>	<u>\$ (285,988,351)</u>	<u>\$ 361,590,652</u>	<u>\$ 376,409,831</u>
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ 11,215,657	\$ 218,055	\$ 699,823	\$ 2,126,546	\$ -	\$ 14,260,081	\$ 11,391,392
Accrued Interest	-	-	-	840,463	-	840,463	907,845
Intracompany Payable	-	1,500,000	267,816	-	(1,767,816)	-	-
Deferred Revenues	11,364,603	-	-	62,144	(62,144)	11,364,603	20,534,784
Current Portion of Lease Liabilities - Operating	7,709,765	472,075	1,844,918	617,298	(8,584,688)	2,059,368	1,758,008
Current Portion of Lease Liabilities - Financing	-	-	21,296	-	-	21,296	-
Current Portion of Loans Payable	-	-	-	5,357,128	-	5,357,128	4,880,593
Total Current Liabilities	<u>30,290,025</u>	<u>2,190,130</u>	<u>2,833,853</u>	<u>9,003,579</u>	<u>(10,414,648)</u>	<u>33,902,939</u>	<u>39,472,622</u>
LONG-TERM LIABILITIES							
Security Deposits	-	-	-	400,000	(400,000)	-	-
Accrued Interest	219,823	-	-	-	-	219,823	177,872
Deferred Rent Liability	-	-	-	3,321,849	(3,321,849)	-	-
Intracompany Payable	-	4,092,952	-	-	(4,092,952)	-	-
Lease Liabilities - Operating	139,017,628	6,301,836	123,868,728	60,836,058	(266,908,663)	63,115,587	64,356,125
Lease Liabilities - Financing	-	-	39,206	-	-	39,206	-
Loans Payable	250,000	-	-	196,946,270	-	197,196,270	206,758,433
Total Long-Term Liabilities	<u>139,487,451</u>	<u>10,394,788</u>	<u>123,907,934</u>	<u>261,504,177</u>	<u>(274,723,464)</u>	<u>260,570,886</u>	<u>271,292,430</u>
Total Liabilities	169,777,476	12,584,918	126,741,787	270,507,756	(285,138,112)	294,473,825	310,765,052
NET ASSETS (DEFICIT)							
Without Donor Restriction	85,013,825	(4,660,082)	(975,423)	(11,873,908)	(850,239)	66,654,173	64,685,446
With Donor Restriction	462,654	-	-	-	-	462,654	959,333
Total Net Assets (Deficit)	<u>85,476,479</u>	<u>(4,660,082)</u>	<u>(975,423)</u>	<u>(11,873,908)</u>	<u>(850,239)</u>	<u>67,116,827</u>	<u>65,644,779</u>
Total Liabilities And Net Assets	<u>\$ 255,253,955</u>	<u>\$ 7,924,836</u>	<u>\$ 125,766,364</u>	<u>\$ 258,633,848</u>	<u>\$ (285,988,351)</u>	<u>\$ 361,590,652</u>	<u>\$ 376,409,831</u>

See accompanying Notes to Consolidated Financial Statements.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Rocketship Education	Rocketship Education Wisconsin Inc.	Rocketship Education DC Public Charter School, Inc.	Launchpad Development Company	Eliminations	2025 Total	2024 Total
NET ASSETS WITHOUT DONOR RESTRICTIONS							
REVENUES							
LCFF State Aid & Property Tax Revenue	\$ 79,996,427	\$ -	\$ -	\$ -	\$ -	\$ 79,996,427	\$ 81,736,366
Apportionment Revenue	22,419,704	8,081,281	23,820,382	-	-	54,321,367	54,361,557
Other State Revenue	45,243,871	602,364	11,165,983	-	-	57,012,218	54,009,330
Federal Revenue	14,241,278	1,998,195	3,010,644	-	-	19,250,117	29,939,312
Other Local Revenue	8,516,410	87,916	911,630	20,841,881	(26,121,281)	4,236,556	6,909,074
Contributions	7,224,692	8,124	2,447,420	-	(2,375,991)	7,304,245	3,787,464
Contributions of Nonfinancial Assets	238,760	-	-	-	-	238,760	3,279,504
Amounts Released from Restriction	909,333	-	50,000	-	-	959,333	38,454
Total Without Donor Restriction Revenues	<u>178,790,475</u>	<u>10,777,880</u>	<u>41,406,059</u>	<u>20,841,881</u>	<u>(28,497,272)</u>	<u>223,319,023</u>	<u>234,061,061</u>
EXPENSES							
Program Expenses:							
Educational Programs	133,612,171	9,392,396	35,024,945	-	(19,898,211)	158,131,301	158,928,288
Program Supports	15,444,119	-	-	19,910,538	(2,375,991)	32,978,666	32,693,416
Supporting Services:							
Administration and General	26,729,152	1,638,901	5,029,364	2,326,275	(5,997,246)	29,726,446	28,313,141
Fundraising	513,883	-	-	-	-	513,883	564,060
Total Supporting Services	<u>27,243,035</u>	<u>1,638,901</u>	<u>5,029,364</u>	<u>2,326,275</u>	<u>(5,997,246)</u>	<u>30,240,329</u>	<u>28,877,201</u>
Total Expenses	<u>176,299,325</u>	<u>11,031,297</u>	<u>40,054,309</u>	<u>22,236,813</u>	<u>(28,271,448)</u>	<u>221,350,296</u>	<u>220,498,905</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2,491,150</u>	<u>(253,417)</u>	<u>1,351,750</u>	<u>(1,394,932)</u>	<u>(225,824)</u>	<u>1,968,727</u>	<u>13,562,156</u>
NET ASSETS WITH DONOR RESTRICTION							
Amounts Released from Restriction	(909,333)	-	(50,000)	-	-	(959,333)	(38,454)
Contributions	462,654	-	-	-	-	462,654	909,333
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTION	<u>(446,679)</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(496,679)</u>	<u>870,879</u>
INCREASE (DECREASE) IN NET ASSETS	<u>2,044,471</u>	<u>(253,417)</u>	<u>1,301,750</u>	<u>(1,394,932)</u>	<u>(225,824)</u>	<u>1,472,048</u>	<u>14,433,035</u>
Net Assets (Deficit) - Beginning of Year	<u>83,432,008</u>	<u>(4,406,665)</u>	<u>(2,277,173)</u>	<u>(10,478,976)</u>	<u>(624,415)</u>	<u>65,644,779</u>	<u>51,211,744</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 85,476,479</u>	<u>\$ (4,660,082)</u>	<u>\$ (975,423)</u>	<u>\$ (11,873,908)</u>	<u>\$ (850,239)</u>	<u>\$ 67,116,827</u>	<u>\$ 65,644,779</u>

See accompanying Notes to Consolidated Financial Statements.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Programs			Management and General	Fundraising	Eliminations	Total 2025 Expenses	Total 2024 Expenses
	Educational Programs	Program Supports	Total					
Salaries	\$ 75,721,615	\$ 10,042,247	\$ 85,763,862	\$ 10,326,777	\$ 401,299	\$ -	\$ 96,491,938	\$ 94,239,405
Employee Benefits	9,722,349	613,566	10,335,915	618,618	38,797	-	10,993,330	11,423,074
Pension	6,809,270	450,860	7,260,130	430,638	5,282	-	7,696,050	7,686,204
Payroll Taxes	3,806,360	834,914	4,641,274	861,849	30,800	-	5,533,923	5,306,614
Management Fees	-	-	-	5,772,246	-	(5,772,246)	-	-
District Fee	92,274	-	92,274	1,712,342	-	-	1,804,616	1,308,735
Accounting Expenses	32,961	-	32,961	329,879	-	-	362,840	809,090
Legal Expenses	14,987	-	14,987	517,034	-	-	532,021	573,707
Instructional Materials	3,807,976	176,835	3,984,811	-	104	-	3,984,915	4,490,542
Other Fees For Services	32,202,314	590,980	32,793,294	4,100,138	-	(225,000)	36,668,432	36,779,941
Advertising	9	-	9	236,351	-	-	236,360	268,968
Office Expenses	3,568,250	21,892	3,590,142	911,306	4,971	-	4,506,419	4,530,742
Information Technology	2,031,036	18,188	2,049,224	905,800	-	-	2,955,024	3,839,564
Printing and Postage	142,093	-	142,093	111,214	2,084	-	255,391	369,890
Occupancy	25,686,765	3,548,517	29,235,282	916,183	-	(19,898,211)	10,253,254	10,962,823
Travel	2,016,413	7,553	2,023,966	1,743,118	10,397	-	3,777,481	4,258,199
Conferences and Meetings	-	-	-	5,258	-	-	5,258	973
Insurance	796,842	-	796,842	499,112	-	-	1,295,954	1,211,356
Bad Debt	-	-	-	1,900,000	-	-	1,900,000	64,264
Depreciation and Amortization	330,604	5,901,348	6,231,952	508,467	-	-	6,740,419	6,814,412
Interest Expense	-	10,003,450	10,003,450	87,949	-	-	10,091,399	9,277,916
Capital Expenses	294	4,841	5,135	-	-	-	5,135	58,161
Grants to School	-	2,375,991	2,375,991	-	-	(2,375,991)	-	-
Student Food Services	6,985,399	21	6,985,420	-	-	-	6,985,420	8,068,535
Other Expenses	4,261,701	763,454	5,025,155	3,229,413	20,149	-	8,274,717	8,155,790
Subtotal	178,029,512	35,354,657	213,384,169	35,723,692	513,883	(28,271,448)	221,350,296	
Eliminations	(19,898,211)	(2,375,991)	(22,274,202)	(5,997,246)	-	28,271,448	-	
Total 2025	\$ 158,131,301	\$ 32,978,666	\$ 191,109,967	\$ 29,726,446	\$ 513,883	\$ -	\$ 221,350,296	
Total 2024	\$ 158,928,288	\$ 32,693,416	\$ 191,621,704	\$ 28,313,141	\$ 564,060			\$ 220,498,905

See accompanying Notes to Consolidated Financial Statements.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	Rocketship Education	Rocketship Education Wisconsin Inc.	Rocketship Education DC Public Charter School, Inc.	Launchpad Development Company	Eliminations	2025 Total	2024 Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Change in Net Assets	\$ 2,044,471	\$ (253,417)	\$ 1,301,750	\$ (1,394,932)	\$ (225,824)	\$ 1,472,048	\$ 14,433,035
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:							
Depreciation Expense	765,127	60,935	13,009	5,373,382	-	6,212,453	6,355,684
Amortization	-	-	29,755	94,966	-	124,721	(31,255)
Loss/(Gain) on Disposal of Assets	-	-	-	68,366	-	68,366	-
(Increase) Decrease in Operating Assets:							
Accounts Receivable	(2,253,384)	275,091	306,245	(27,218)	-	(1,699,266)	12,414,637
Grants Receivable	909,333	-	-	-	-	909,333	330,782
Prepaid Expenses and Other Assets	(536,126)	126,848	1,890,929	(126,172)	(1,604,107)	(248,628)	1,577,842
Operating Right-of-Use (ROU) Lease Asset	6,381,763	424,086	2,019,318	1,359,369	(8,266,100)	1,918,436	25,876,600
Deferred Rent Asset	-	-	-	(936,915)	936,915	-	-
Increase (Decrease) in Operating Liabilities:							
Accounts Payable and Accrued Liabilities	1,588,378	18,829	(207,384)	1,276,765	-	2,676,588	(4,354,004)
Deferred Revenues	(9,170,181)	-	-	(1,639,374)	1,639,374	(9,170,181)	857,156
Deferred Rent Liability	-	-	-	406,686	(406,686)	-	-
Lease Liabilities - Operating	(6,284,261)	(443,802)	(1,739,540)	(398,003)	7,926,428	(939,178)	(28,837,438)
Net Cash Provided (Used) by Operating Activities	(6,554,880)	208,570	3,614,082	4,056,920	-	1,324,692	28,623,039
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchases of Property, Plant, and Equipment	(2,036,176)	(20,875)	-	(111,586)	-	(2,168,637)	(26,411,991)
Net Cash Used by Investing Activities	(2,036,176)	(20,875)	-	(111,586)	-	(2,168,637)	(26,411,991)
CASH FLOWS FROM FINANCING ACTIVITIES							
Intracompany Loans	4,134,474	(371,236)	(3,548,543)	(214,695)	-	-	-
Repayment of Finance Leases	-	-	(30,120)	-	-	(30,120)	-
Payments for Cost of Issuance	-	-	-	-	-	-	(1,724,233)
Proceeds from Debt	-	-	-	-	-	-	38,188,161
Repayment of Debt	(4,300,000)	-	-	(4,880,594)	-	(9,180,594)	(7,671,581)
Net Cash Provided (Used) by Financing Activities	(165,526)	(371,236)	(3,578,663)	(5,095,289)	-	(9,210,714)	28,792,347
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(8,756,582)	(183,541)	35,419	(1,149,955)	-	(10,054,659)	31,003,395
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	79,594,846	881,485	7,673,972	21,456,464	-	109,606,767	78,603,372
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 70,838,264</u>	<u>\$ 697,944</u>	<u>\$ 7,709,391</u>	<u>\$ 20,306,509</u>	<u>\$ -</u>	<u>\$ 99,552,108</u>	<u>\$ 109,606,767</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH							
Cash and Cash Equivalents	\$ 70,838,264	\$ 697,944	\$ 7,709,391	\$ 6,451,818	\$ -	\$ 85,697,417	\$ 99,712,302
Restricted Cash	-	-	-	13,854,691	-	13,854,691	9,894,465
Total	<u>\$ 70,838,264</u>	<u>\$ 697,944</u>	<u>\$ 7,709,391</u>	<u>\$ 20,306,509</u>	<u>\$ -</u>	<u>\$ 99,552,108</u>	<u>\$ 109,606,767</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION							
Cash Paid for Interest, Net	\$ 61,812	\$ 60,000	\$ 1,793	\$ 9,993,226	\$ -	\$ 10,116,831	\$ 8,998,315
Capitalized Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,050

See accompanying Notes to Consolidated Financial Statements.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

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 consolidated 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 consolidated financial statements. Additionally, the accompanying consolidated 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 consolidated 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 (RDCP)*** – Tennessee charter school

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

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 Milwaukee Three LLC (MLLC3)*** – Facilities development
- ***Launchpad Development One Nashville LLC (NLLC1)*** – RNNE facilities
- ***Launchpad Development Two Nashville LLC (NLLC2)*** – RUA facilities

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation (Continued)

Launchpad Development Company (Continued)

- ***Launchpad Development Three Nashville LLC (NLLC3)*** – Facilities development
- ***Launchpad Development One DC LLC (DLLC1)*** – RISE facilities
- ***Launchpad Development Two DC LLC (DLLC2)*** – RLP facilities
- ***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, 2025

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, 2025.

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, 2025, RSEA has conditional grants of \$14,664,255 of which \$11,254,603 is recognized as deferred revenue in the statement of financial position.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

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 consolidated 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 consolidated financial statements for the year ended June 30, 2024, from which the summarized information was derived.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

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.

Common Controlled Leasehold Improvements

For common control leasing arrangements, the School amortizes leasehold improvements over the useful life of the improvements (regardless of the lease term) while the School continues to use the underlying assets. Upon the termination of the lease, the School will transfer the residual value to the common control lessor. For all other leases, leasehold improvements are amortized over the shorter of the useful life of the asset or the lease term including renewal periods that are reasonably assured.

The unamortized cost of the leasehold improvements under the common control arrangement amounted to \$5,124,110 as of June 30, 2025. The expiration of the lease agreements range between 2031 and 2058 and the remaining estimated economic life of the improvements ranges from 2 months to 36 years.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Evaluation of Subsequent Events

RSEA has evaluated subsequent events through December 4, 2025, the date these consolidated 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, 2025:

Cash and Cash Equivalents	\$ 85,697,417
Accounts Receivable	24,815,889
Less: Net Assets With Donor Restrictions	<u>(462,654)</u>
Financial Assets Available for General Expenditure	<u><u>\$ 110,050,652</u></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.

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 CURRENT EXPECTED CREDIT LOSSES

RSEA can use various methods to measure expected credit losses, such as pooling receivables based on the levels of delinquency using an aging method (e.g., current, 1–30 days past due, 31–60 days past due, 61–90 days past due, more than 90 days past due) and applying historical loss rates, adjusted for current conditions and reasonable and supportable forecasts. Based on historical loss experience and current conditions, management determined expected credit losses were immaterial; therefore, no allowance was recorded as of June 30, 2025.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 ACCOUNTS RECEIVABLE

Due from federal and state governments consists of funds due as of June 30, 2025. Management believes that these receivables are fully collectible, therefore no provision was recorded as of June 30, 2025.

NOTE 6 PROPERTY, PLANT, AND EQUIPMENT

Property and equipment consisted of the following:

	RSED	LDC	RSEA Total
Land	\$ -	\$ 24,299,630	\$ 24,299,630
Furniture and Equipment	3,169,811	457,532	3,627,343
Buildings	7,863,726	182,598,380	190,462,106
Software	891,364	-	891,364
Other	515,432	166,671	682,103
Less: Accumulated Depreciation	(5,355,322)	(44,029,575)	(49,384,897)
Total	<u>\$ 7,085,011</u>	<u>\$ 163,492,638</u>	<u>\$ 170,577,649</u>

Depreciation and amortization expense was \$6,212,453 for the year ended June 30, 2025.

NOTE 7 DEBT

Convertible Debt

RSN – Charter School Growth Fund

RSN has a Loan Agreement with Charter School Growth Fund (CSGF) at an effective interest rate of 1.0%. The original loan included amounts to be repaid and amounts to be forgiven and converted into a grant provided that RSN meet specified educational, financial and growth outcomes. These outcomes were met and the grant revenue was recognized in a previous year. As of June 30, 2025, balance on this loan is \$250,000 and will be fully repaid in July 2025.

Loans Payable

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.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 DEBT (CONTINUED)

Loans Payable (Continued)

LDC – Obligated Group Bonds (Series 2015A and 2015B) (Continued)

Series 2015A Bonds are subject to mandatory redemptions prior to their stated maturity by a Sinking Accounts Payment Fund established in June 2016. During the year ended June 2025, Series 2015A Bond experienced a principal maturity of \$570,000.

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). During the year ended June 2025, Series 2016A Bond experienced a principal maturity of \$635,000.

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.

During the year ended June 2025, Series 2017 Bonds experienced a principal maturity of \$335,000.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 DEBT (CONTINUED)

Loans Payable (Continued)

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). During the year ended June 2025, Series 2017G and 2017H Bonds experienced a principal maturity of \$250,000.

MKE2 LLC – IIF Acquisition Loan

In March 2023, Launchpad executed a loan agreement for up to \$5.2mm from IFF, a Community Development Financial Institution based in Chicago. The purpose of the loan was to refinance existing debt and to fund the construction of a gymnasium addition to the Rocketship Transformation Prep campus in Milwaukee. Ultimately, Launchpad originated approximately \$3.8 million of the IFF loan between March and December, along with a \$1 million subordinate loan from the Charter School Growth Fund. The IFF loan has a maturity date of July 2039 and the CSGF loan has a maturity date of June 30, 2027.

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). During the year ended June 2025, Series 2019A and 2019B Bonds experienced a principal maturity of \$355,000.

LDC – Obligated Group Bonds (Series 2021A and 2021B)

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%.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 DEBT (CONTINUED)

Loans Payable (Continued)

LDC – Obligated Group Bonds (Series 2021A and 2021B) (Continued)

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). During the year ended June 2025, Series 2021A and 2021B Bonds experienced a principal maturity of \$275,000.

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%. During the year ended June 2025, Series OG2021 Bonds experienced a principal maturity of \$1,030,000.

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%. During the year ended June 2025, Series 2022A and OG2022B Bonds experienced a principal maturity of \$1,055,000.

LDC – Obligated Group Bonds (Series 2024A and 2024B)

In February 2024, LDC completed bond financing in the amount of \$29.78 million (the Series 2024A and 2024B Bonds), proceeds from which were used to fund project expenses and building financing for LDC Three DC, LLC. Interest is paid semi-annually at coupon rates between 5.0% and 7.25%.

The Series 2024 Bonds are divided into \$28.88 million Series 2024A Bonds and \$1.03 million Series 2024B Bonds (taxable). The Series 2024 Bonds mature between June 2034 and 2058 (Series 2024A) and on June 1, 2028 (Series 2024B). During the year ended June 30, 2024, the Series 2024 Bonds experienced a principal maturity of \$130,000

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 DEBT (CONTINUED)

Loans Payable (Continued)

Cost of Issuance and Discounts/Premiums

Amortization expense for cost of issuance and discounts/premiums for all bond series was \$80,596 for the year ended June 30, 2025.

Future maturities of debt in summary:

<u>Year Ended June 30,</u>	<u>RSED</u>	<u>LDC</u>	<u>Total</u>
2026	\$ 250,000	\$ 5,357,128	\$ 5,607,128
2027	-	6,611,131	6,611,131
2028	-	5,805,900	5,805,900
2029	-	5,571,478	5,571,478
2030	-	9,104,951	9,104,951
Thereafter	-	170,928,817	170,928,817
Subtotal	250,000	203,379,405	203,629,405
Cost of Issuance and Discounts/Premiums	-	(1,076,007)	(1,076,007)
Total	<u>\$ 250,000</u>	<u>\$ 202,303,398</u>	<u>\$ 202,553,398</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 \$238,760 during the year ended June 30, 2025.

NOTE 9 LEASES – ASC 842

RSEA leases school and administrative facilities as well as equipment 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.

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, 2025, RSEA believes it was in compliance with all ratios and covenants.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 LEASES – ASC 842 (CONTINUED)

The following table provides quantitative information concerning RSEA's leases for the year ended June 30, 2025:

Lease Costs	
Finance Lease Costs:	
Amortization of Right-Of-Use Assets	\$ 28,578
Interest on Lease Liabilities	914
Operating Lease Costs	<u>8,349,623</u>
Total Lease Costs	<u><u>\$ 8,379,115</u></u>
Other Information:	
Operating Cash Flows from Financing Leases	\$ 914
Operating Cash Flows from Operating Leases	\$ 6,932,966
Right-Of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$ 44,956
Right-Of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 1,177,969
Weighted-Average Remaining Lease Term - Financing Leases	3.7 Years
Weighted-Average Remaining Lease Term - Operating Leases	30.91 Years
Weighted-Average Discount Rate - Financing	3.10%
Weighted-Average Discount Rate - Operating	3.40%

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, 2025, is as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>	<u>Financing Leases</u>
2026	\$ 4,145,199	\$ 22,802
2027	3,531,937	15,327
2028	3,236,674	9,688
2029	3,116,934	9,688
2030	2,886,577	6,484
Thereafter	<u>88,837,398</u>	<u>-</u>
Total Lease Payments	105,754,719	63,989
Less: Present Value Discount	<u>(40,579,764)</u>	<u>(3,487)</u>
Present Value of Lease Liabilities	<u><u>\$ 65,174,955</u></u>	<u><u>\$ 60,502</u></u>

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

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).

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, 2024 total STRS plan net assets are \$341 billion, the total actuarial present value of accumulated plan benefits is \$482 billion, contributions from all employers totaled \$8.577 billion, and the plan is 76.7% 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.

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 10.205% 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, 2025 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
2023	\$ 5,488,268	100 %
2024	\$ 5,693,464	100 %
2025	\$ 5,901,162	100 %

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

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, 2025 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.

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, 2025 to the Teacher Retirement Plan were 2.98% 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.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025 RSEA contributed \$1,339,021 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 liabilities related to this line of credit was \$1,500,000 as of June 30, 2025. Management intends to review or amend the agreement during the year ending June 30, 2026.

Management Services

RMS, RSSP, RLS, ROMO, RDP, RBM, RSA, RSK, RFZ, RRWC, RFA, RDL, RNNE, RUA, RDCP, 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, 2025, management fees were as follows:

Mateo Sheedy	\$ 1,360,523
Si Se Puede	957,089
Los Suenos	1,096,316
Mosaic	1,726,569
Discovery	1,227,293
Brilliant Minds	1,643,094
Alma	1,567,438
Spark	1,628,357
Rising Stars	1,954,301
Fuerza Community	1,691,606
Delta Legacy	1,653,452
Futuro	1,756,052
Redwood City	824,314
Nashville NE	1,169,379
United	1,282,980
Dream	1,101,487
Wisconsin Schools	1,492,772
D.C. Schools	4,279,474
Total	<u>\$ 28,412,496</u>

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 FUNCTIONALIZED EXPENSES

The consolidated 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:

Bounceback Grant	\$ 462,654
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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

Recruitment and Retention	\$ 50,000
Time Restrictions	<u>909,333</u>
Total Release of Restrictions	<u><u>\$ 959,333</u></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. RSEA works with legal counsel to defend itself against all claims. The outcome of these claims cannot be predicted and therefore no estimate of loss has been made in these consolidated financial statements.

NOTE 15 SUBSEQUENT EVENTS

Subsequent to year-end, Rocketship Education Wisconsin, Inc. acquired the charter of Stellar Elementary and all of its assets, and assumed related debt, from an unrelated organization, for the purpose of operating a school at a third location beginning with the 2025-26 school year. The value of the assets acquired and debt assumed was \$1,162,322. In addition, REW incurred closing costs of \$22,568.

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 SUBSEQUENT EVENTS (CONTINUED)

On November 25, 2025, Launchpad Development Company, through Launchpad Development Nashville Three LLC, issued tax-exempt bonds to finance the acquisition of the facility currently subleased to Rocketship Dream from its original developer. The bonds were issued through the Wisconsin Public Finance Authority in the amount of \$16,340,000, bear interest rates between 5%-7.25% and mature between June 1, 2031 and June 1, 2060.

As part of that acquisition and financing, Rocketship Education Tennessee and Launchpad Development Nashville Three LLC amended their existing lease to be coterminous with the bond series.

As of July 1, 2025, a new Tennessee nonprofit corporation, Rocketship Education Tennessee, holds the charters for and operates the three Tennessee Rocketship campuses. In October 2025, Rocketship Education Tennessee was awarded a fourth charter to open a new campus in Rutherford County.

SUPPLEMENTARY INFORMATION

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SCHOOLS
JUNE 30, 2025

	California							Total Page 1
	RSN	Mateo Sheedy	Si Se Puede	Los Suenos	Mosaic	Discovery	Brilliant Minds	
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents	\$ 6,908,436	\$ 516,480	\$ 3,024,529	\$ 3,506,172	\$ 7,764,658	\$ 4,812	\$ 7,173,661	\$ 28,898,748
Accounts Receivable	60,268	1,657,740	832,537	1,289,335	1,603,458	2,094,278	1,717,504	9,255,120
Prepaid Expenses and Other Assets	2,684,317	66,995	61,745	43,660	86,840	54,333	104,478	3,102,368
Total Current Assets	<u>9,653,021</u>	<u>2,241,215</u>	<u>3,918,811</u>	<u>4,839,167</u>	<u>9,454,956</u>	<u>2,153,423</u>	<u>8,995,643</u>	<u>41,256,236</u>
LONG-TERM ASSETS								
Intracompany Receivable	6,165,768	-	-	-	-	-	-	6,165,768
Security Deposits	28,991	-	-	100,000	100,000	100,000	-	328,991
Operating Right-of-Use (ROU) Lease Asset	1,192,291	9,699,422	7,443,182	11,809,434	4,632,648	10,086,647	10,083,381	54,947,005
Financing Right-of-Use (ROU) Lease Asset	-	-	-	-	-	-	-	-
Property, Plant, and Equipment, Net	743,648	1,244,391	700,116	745,514	1,176,633	472,510	147,429	5,230,241
Total Long-Term Assets	<u>8,130,698</u>	<u>10,943,813</u>	<u>8,143,298</u>	<u>12,654,948</u>	<u>5,909,281</u>	<u>10,659,157</u>	<u>10,230,810</u>	<u>66,672,005</u>
Total Assets	<u>\$ 17,783,719</u>	<u>\$ 13,185,028</u>	<u>\$ 12,062,109</u>	<u>\$ 17,494,115</u>	<u>\$ 15,364,237</u>	<u>\$ 12,812,580</u>	<u>\$ 19,226,453</u>	<u>\$ 107,928,241</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts Payable and Accrued Liabilities	\$ 5,220,585	\$ 394,477	\$ 191,218	\$ 258,747	\$ 779,576	\$ 344,966	\$ 414,162	\$ 7,603,731
Accrued Interest	-	-	-	-	-	-	-	-
Deferred Revenue	110,000	427,405	327,320	399,731	1,428,868	452,376	390,889	3,536,589
Intracompany Payable	-	-	-	-	-	-	-	-
Current Portion of Lease Liabilities - Operating	366,351	646,749	388,985	399,568	775,482	340,743	512,299	3,430,177
Current Portion of Lease Liabilities - Financing	-	-	-	-	-	-	-	-
Total Current Liabilities	<u>5,696,936</u>	<u>1,468,631</u>	<u>907,523</u>	<u>1,058,046</u>	<u>2,983,926</u>	<u>1,138,085</u>	<u>1,317,350</u>	<u>14,570,497</u>
LONG-TERM LIABILITIES								
Accrued Interest	219,823	-	-	-	-	-	-	219,823
Deferred Rent Liability	-	-	-	-	-	-	-	-
Intracompany Payable	-	-	-	-	-	305,000	-	305,000
Lease Liabilities - Operating	847,572	8,021,014	7,251,012	11,600,361	4,154,145	9,946,821	10,230,011	52,050,936
Lease Liabilities - Financing	-	-	-	-	-	-	-	-
Loans Payable	250,000	-	-	-	-	-	-	250,000
Total Long-Term Liabilities	<u>1,317,395</u>	<u>8,021,014</u>	<u>7,251,012</u>	<u>11,600,361</u>	<u>4,154,145</u>	<u>10,251,821</u>	<u>10,230,011</u>	<u>52,825,759</u>
Total Liabilities	<u>7,014,331</u>	<u>9,489,645</u>	<u>8,158,535</u>	<u>12,658,407</u>	<u>7,138,071</u>	<u>11,389,906</u>	<u>11,547,361</u>	<u>67,396,256</u>
NET ASSETS (DEFICIT)								
Without Donor Restrictions	10,306,734	3,695,383	3,903,574	4,835,708	8,226,166	1,422,674	7,679,092	40,069,331
With Donor Restrictions	462,654	-	-	-	-	-	-	462,654
Total Net Assets (Deficit)	<u>10,769,388</u>	<u>3,695,383</u>	<u>3,903,574</u>	<u>4,835,708</u>	<u>8,226,166</u>	<u>1,422,674</u>	<u>7,679,092</u>	<u>40,531,985</u>
Total Liabilities and Net Assets	<u>\$ 17,783,719</u>	<u>\$ 13,185,028</u>	<u>\$ 12,062,109</u>	<u>\$ 17,494,115</u>	<u>\$ 15,364,237</u>	<u>\$ 12,812,580</u>	<u>\$ 19,226,453</u>	<u>\$ 107,928,241</u>

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SCHOOLS (CONTINUED)
JUNE 30, 2025

	From Page 1	California						Total Page 2	
		Alma	Spark	Fuerza	Redwood City	Rising Stars	Delta		Futuro
ASSETS									
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 28,898,748	\$ 1,765,136	\$ 6,039,294	\$ 9,509,959	\$ 528,352	\$ 10,913,821	\$ 1,189,816	\$ 4,372,660	\$ 63,217,786
Accounts Receivable	9,255,120	2,416,068	1,691,278	1,602,797	995,558	2,380,930	2,408,866	1,244,192	21,994,809
Prepaid Expenses and Deposits	3,102,368	85,229	66,512	91,801	66,148	136,772	68,555	119,481	3,736,866
Total Current Assets	41,256,236	4,266,433	7,797,084	11,204,557	1,590,058	13,431,523	3,667,237	5,736,333	88,949,461
LONG-TERM ASSETS									
Intracompany Receivable	6,165,768	-	-	-	-	-	-	-	6,165,768
Security Deposits	328,991	100,000	-	-	-	-	-	25,000	453,991
Operating Right-of-Use (ROU) Lease Asset	54,947,005	4,295,918	9,799,475	13,855,013	100,757	9,715,034	15,204,167	540,293	108,457,662
Financing Right-of-Use (ROU) Lease Asset	-	-	-	-	-	-	-	-	-
Property, Plant, and Equipment, Net	5,230,241	407,433	223,195	142,551	27,625	84,628	64,042	79,518	6,259,233
Total Long-Term Assets	66,672,005	4,803,351	10,022,670	13,997,564	128,382	9,799,662	15,268,209	644,811	121,336,654
Total Assets	\$ 107,928,241	\$ 9,069,784	\$ 17,819,754	\$ 25,202,121	\$ 1,718,440	\$ 23,231,185	\$ 18,935,446	\$ 6,381,144	\$ 210,286,115
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Accounts Payable and Accrued Liabilities	\$ 7,603,731	\$ 264,315	\$ 391,802	\$ 309,152	\$ 242,751	\$ 379,076	\$ 384,987	\$ 392,373	\$ 9,968,187
Accrued Interest	-	-	-	-	-	-	-	-	-
Deferred Revenue	3,536,589	666,808	325,104	1,075,064	937,833	1,539,428	751,496	2,532,281	11,364,603
Intracompany Payable	-	-	-	-	-	-	-	-	-
Current Portion of Lease Liabilities - Operating	3,430,177	550,770	621,396	687,325	35,820	626,941	514,993	472,718	6,940,140
Current Portion of Lease Liabilities - Financing	-	-	-	-	-	-	-	-	-
Total Current Liabilities	14,570,497	1,481,893	1,338,302	2,071,541	1,216,404	2,545,445	1,651,476	3,397,372	28,272,930
LONG-TERM LIABILITIES									
Accrued Interest	219,823	-	-	-	-	-	-	-	219,823
Deferred Rent Liability	-	-	-	-	-	-	-	-	-
Intracompany Payable	305,000	-	-	-	-	-	-	-	305,000
Lease Liabilities - Operating	52,050,936	3,740,110	8,002,591	14,709,606	63,182	8,016,235	15,637,331	83,414	102,303,405
Lease Liabilities - Financing	-	-	-	-	-	-	-	-	-
Loans Payable	250,000	-	-	-	-	-	-	-	250,000
Total Long-Term Liabilities	52,825,759	3,740,110	8,002,591	14,709,606	63,182	8,016,235	15,637,331	83,414	103,078,228
Total Liabilities	67,396,256	5,222,003	9,340,893	16,781,147	1,279,586	10,561,680	17,288,807	3,480,786	131,351,158
NET ASSETS (DEFICIT)									
Without Donor Restrictions	40,069,331	3,847,781	8,478,861	8,420,974	438,854	12,669,505	1,646,639	2,900,358	78,472,303
With Donor Restrictions	462,654	-	-	-	-	-	-	-	462,654
Total Net Assets (Deficit)	40,531,985	3,847,781	8,478,861	8,420,974	438,854	12,669,505	1,646,639	2,900,358	78,934,957
Total Liabilities and Net Assets	\$ 107,928,241	\$ 9,069,784	\$ 17,819,754	\$ 25,202,121	\$ 1,718,440	\$ 23,231,185	\$ 18,935,446	\$ 6,381,144	\$ 210,286,115

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – SCHOOLS (CONTINUED)
JUNE 30, 2025

	Tennessee								Eliminations	Total
	From Page 2	Nashville NE	United	Dream Community	RSED Total	Wisconsin	DC	Eliminations		
ASSETS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 63,217,786	\$ 2,489,573	\$ 6,417,739	\$ (1,286,834)	\$ -	\$ 70,838,264	\$ 697,944	\$ 7,709,391	\$ -	\$ 79,245,599
Accounts Receivable	21,994,809	316,030	133,983	303,340	-	22,748,162	423,157	1,605,365	-	24,776,684
Prepaid Expenses and Deposits	3,736,866	102,719	131,628	118,296	-	4,089,509	130,766	156,257	-	4,376,532
Total Current Assets	<u>88,949,461</u>	<u>2,908,322</u>	<u>6,683,350</u>	<u>(865,198)</u>	<u>-</u>	<u>97,675,935</u>	<u>1,251,867</u>	<u>9,471,013</u>	<u>-</u>	<u>108,398,815</u>
LONG-TERM ASSETS										
Intracompany Receivable	6,165,768	-	-	-	(305,000)	5,860,768	-	-	(5,860,768)	-
Security Deposits	453,991	-	-	-	-	453,991	-	-	-	453,991
Operating Right-of-Use (ROU) Lease Asset	108,457,662	6,939,859	7,046,870	22,050,386	-	144,494,777	6,438,353	116,152,573	-	267,085,703
Financing Right-of-Use (ROU) Lease Asset	-	-	-	-	-	-	-	60,867	-	60,867
Property, Plant, and Equipment, Net	6,259,233	251,765	251,525	5,961	-	6,768,484	234,616	81,911	-	7,085,011
Total Long-Term Assets	<u>121,336,654</u>	<u>7,191,624</u>	<u>7,298,395</u>	<u>22,056,347</u>	<u>(305,000)</u>	<u>157,578,020</u>	<u>6,672,969</u>	<u>116,295,351</u>	<u>(5,860,768)</u>	<u>274,685,572</u>
Total Assets	<u>\$ 210,286,115</u>	<u>\$ 10,099,946</u>	<u>\$ 13,981,745</u>	<u>\$ 21,191,149</u>	<u>\$ (305,000)</u>	<u>\$ 255,253,955</u>	<u>\$ 7,924,836</u>	<u>\$ 125,766,364</u>	<u>\$ (5,860,768)</u>	<u>\$ 383,084,387</u>
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES										
Accounts Payable and Accrued Liabilities	\$ 9,968,187	\$ 456,464	\$ 453,329	\$ 337,677	\$ -	\$ 11,215,657	\$ 218,055	\$ 699,823	\$ -	\$ 12,133,535
Accrued Interest	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	11,364,603	-	-	-	-	11,364,603	-	-	-	11,364,603
Intracompany Payable	-	-	-	-	-	-	1,500,000	267,816	(1,767,816)	-
Current Portion of Lease Liabilities - Operating	6,940,140	231,273	246,595	291,757	-	7,709,765	472,075	1,844,918	-	10,026,758
Current Portion of Lease Liabilities - Financing	-	-	-	-	-	-	-	21,296	-	21,296
Total Current Liabilities	<u>28,272,930</u>	<u>687,737</u>	<u>699,924</u>	<u>629,434</u>	<u>-</u>	<u>30,290,025</u>	<u>2,190,130</u>	<u>2,833,853</u>	<u>(1,767,816)</u>	<u>33,546,192</u>
LONG-TERM LIABILITIES										
Accrued Interest	219,823	-	-	-	-	219,823	-	-	-	219,823
Deferred Rent Liability	-	-	-	-	-	-	-	-	-	-
Intracompany Payable	305,000	-	-	-	(305,000)	-	4,092,952	-	(4,092,952)	-
Lease Liabilities - Operating	102,303,405	6,729,331	6,803,300	23,181,592	-	139,017,628	6,301,836	123,868,728	-	269,188,192
Lease Liabilities - Financing	-	-	-	-	-	-	-	39,206	-	39,206
Loans Payable	250,000	-	-	-	-	250,000	-	-	-	250,000
Total Long-Term Liabilities	<u>103,078,228</u>	<u>6,729,331</u>	<u>6,803,300</u>	<u>23,181,592</u>	<u>(305,000)</u>	<u>139,487,451</u>	<u>10,394,788</u>	<u>123,907,934</u>	<u>(4,092,952)</u>	<u>269,697,221</u>
Total Liabilities	131,351,158	7,417,068	7,503,224	23,811,026	(305,000)	169,777,476	12,584,918	126,741,787	(5,860,768)	303,243,413
NET ASSETS (DEFICIT)										
Without Donor Restrictions	78,472,303	2,682,878	6,478,521	(2,619,877)	-	85,013,825	(4,660,082)	(975,423)	-	79,378,320
With Donor Restrictions	462,654	-	-	-	-	462,654	-	-	-	462,654
Total Net Assets (Deficit)	<u>78,934,957</u>	<u>2,682,878</u>	<u>6,478,521</u>	<u>(2,619,877)</u>	<u>-</u>	<u>85,476,479</u>	<u>(4,660,082)</u>	<u>(975,423)</u>	<u>-</u>	<u>79,840,974</u>
Total Liabilities and Net Assets	<u>\$ 210,286,115</u>	<u>\$ 10,099,946</u>	<u>\$ 13,981,745</u>	<u>\$ 21,191,149</u>	<u>\$ (305,000)</u>	<u>\$ 255,253,955</u>	<u>\$ 7,924,836</u>	<u>\$ 125,766,364</u>	<u>\$ (5,860,768)</u>	<u>\$ 383,084,387</u>

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

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES – SCHOOLS
YEAR ENDED JUNE 30, 2025**

	California							Total Page 1
	National	Mateo Sheedy	Si Se Puede	Los Suenos	Mosaic	Discovery	Brilliant Minds	
WITHOUT DONOR RESTRICTION								
REVENUES								
LCFF State Aid & Property Tax Revenue	\$ -	\$ 5,381,790	\$ 3,766,989	\$ 4,275,497	\$ 7,564,806	\$ 4,767,281	\$ 6,939,195	\$ 32,695,558
Apportionment Revenue	-	-	-	-	-	-	-	-
Other State Revenue	595,227	3,473,415	2,397,685	3,241,769	3,922,793	3,384,036	3,938,841	20,953,766
Federal Revenue	-	857,292	779,228	820,108	1,004,265	892,902	1,018,968	5,372,763
Other Local Revenue	30,890,493	34,916	9,329	3,658	1,299	3	14,674	30,954,372
Contributions	6,882,268	169	19,081	4,912	22,498	-	22,920	6,951,848
Contributions of Nonfinancial Assets	238,760	-	-	-	-	-	-	238,760
Amounts Released from Restriction	592,000	-	-	-	-	-	-	592,000
Total Without Donor Restriction Revenues	39,198,748	9,747,582	6,972,312	8,345,944	12,515,661	9,044,222	11,934,598	97,759,067
EXPENSES								
Program Expenses:								
Educational Programs	-	8,901,297	5,920,545	6,471,890	9,750,112	7,727,450	9,379,555	48,150,849
Program Supports	15,444,119	-	-	-	-	-	-	15,444,119
Supporting Services:								
Administration and General	25,245,208	1,425,649	1,004,997	1,150,363	1,821,691	1,286,271	1,732,133	33,666,312
Fundraising	513,883	-	-	-	-	-	-	513,883
Total Supporting Services	25,759,091	1,425,649	1,004,997	1,150,363	1,821,691	1,286,271	1,732,133	34,180,195
Total Expenses	41,203,210	10,326,946	6,925,542	7,622,253	11,571,803	9,013,721	11,111,688	97,775,163
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTION	(2,004,462)	(579,364)	46,770	723,691	943,858	30,501	822,910	(16,096)
NET ASSETS								
WITH DONOR RESTRICTION								
Amounts Released from Restriction	(592,000)	-	-	-	-	-	-	(592,000)
Contributions	462,654	-	-	-	-	-	-	462,654
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTION	(129,346)	-	-	-	-	-	-	(129,346)
INCREASE (DECREASE) IN NET ASSETS	(2,133,808)	(579,364)	46,770	723,691	943,858	30,501	822,910	(145,442)
Net Assets (Deficit) - Beginning of Year	12,903,196	4,274,747	3,856,804	4,112,017	7,282,308	1,392,173	6,856,182	40,677,427
NET ASSETS (DEFICIT) - END OF YEAR	\$ 10,769,388	\$ 3,695,383	\$ 3,903,574	\$ 4,835,708	\$ 8,226,166	\$ 1,422,674	\$ 7,679,092	\$ 40,531,985

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES – SCHOOLS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	California								Total Page 2
	From Page 1	Alma	Spark	Fuerza	Redwood City	Rising Stars	Delta	Futuro	
WITHOUT DONOR RESTRICTION									
REVENUES									
LCFF State Aid & Property Tax Revenue	\$ 32,695,558	\$ 6,202,182	\$ 7,242,393	\$ 7,030,730	\$ 3,380,183	\$ 8,600,349	\$ 6,898,682	\$ 7,946,350	\$ 79,996,427
Apportionment Revenue	-	-	-	-	-	-	-	-	-
Other State Revenue	20,953,766	3,739,879	3,745,510	3,770,951	1,769,244	3,968,202	3,637,438	3,330,875	44,915,865
Federal Revenue	5,372,763	1,050,761	537,624	1,060,617	745,636	1,006,018	976,427	1,105,554	11,855,400
Other Local Revenue	30,954,372	14	7,639	160	99,400	8,645	12,616	983	31,083,829
Contributions	6,951,848	43,754	17,898	9,723	5,571	1,576	21,477	-	7,051,847
Contributions of Nonfinancial Assets	238,760	-	-	-	-	-	-	-	238,760
Amounts Released from Restriction	592,000	-	-	-	-	-	-	-	592,000
Total Without Donor Restriction Revenues	97,759,067	11,036,590	11,551,064	11,872,181	6,000,034	13,584,790	11,546,640	12,383,762	175,734,128
EXPENSES									
Program Expenses:									
Educational Programs	48,150,849	8,963,211	9,249,080	9,091,535	5,234,076	9,733,594	9,606,329	10,171,216	110,199,890
Program Supports	15,444,119	-	-	-	-	-	-	-	15,444,119
Supporting Services:									
Administration and General	33,666,312	1,633,391	1,711,690	1,773,223	873,148	2,050,566	1,743,533	1,846,562	45,298,425
Fundraising	513,883	-	-	-	-	-	-	-	513,883
Total Supporting Services	34,180,195	1,633,391	1,711,690	1,773,223	873,148	2,050,566	1,743,533	1,846,562	45,812,308
Total Expenses	97,775,163	10,596,602	10,960,770	10,864,758	6,107,224	11,784,160	11,349,862	12,017,778	171,456,317
INCREASE (DECREASE) IN NET ASSETS									
WITHOUT DONOR RESTRICTION	(16,096)	439,988	590,294	1,007,423	(107,190)	1,800,630	196,778	365,984	4,277,811
NET ASSETS									
WITH DONOR RESTRICTION									
Amounts Released from Restriction	(592,000)	-	-	-	-	-	-	-	(592,000)
Contributions	462,654	-	-	-	-	-	-	-	462,654
INCREASE (DECREASE) IN NET ASSETS									
WITH DONOR RESTRICTION	(129,346)	-	-	-	-	-	-	-	(129,346)
INCREASE (DECREASE) IN NET ASSETS	(145,442)	439,988	590,294	1,007,423	(107,190)	1,800,630	196,778	365,984	4,148,465
Net Assets (Deficit) - Beginning of Year	40,677,427	3,407,793	7,888,567	7,413,551	546,044	10,868,875	1,449,861	2,534,374	74,786,492
NET ASSETS (DEFICIT) - END OF YEAR	\$ 40,531,985	\$ 3,847,781	\$ 8,478,861	\$ 8,420,974	\$ 438,854	\$ 12,669,505	\$ 1,646,639	\$ 2,900,358	\$ 78,934,957

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES – SCHOOLS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	From Page 2	Tennessee			Eliminations	RSED Total	Wisconsin	DC	Eliminations	Total
		Nashville NE	United	Dream Community						
WITHOUT DONOR RESTRICTION										
REVENUES										
LCFF State Aid & Property Tax Revenue	\$ 79,996,427	\$ -	\$ -	\$ -	\$ -	\$ 79,996,427	\$ -	\$ -	\$ -	\$ 79,996,427
Apportionment Revenue	-	7,262,105	8,119,701	7,037,898	-	22,419,704	8,081,281	23,820,382	-	54,321,367
Other State Revenue	44,915,865	100,474	140,309	87,223	-	45,243,871	602,364	11,165,983	-	57,012,218
Federal Revenue	11,855,400	1,005,683	731,357	648,838	-	14,241,278	1,998,195	3,010,644	-	19,250,117
Other Local Revenue	31,083,829	20,515	35,907	16,409	(22,640,250)	8,516,410	87,916	911,630	(5,772,246)	3,743,710
Contributions	7,051,847	59,698	64,006	49,141	-	7,224,692	8,124	2,447,420	(2,375,991)	7,304,245
Contributions of Nonfinancial Assets	238,760	-	-	-	-	238,760	-	-	-	238,760
Amounts Released from Restriction	592,000	118,272	116,368	82,693	-	909,333	-	50,000	-	959,333
Total Without Donor Restriction Revenues	175,734,128	8,566,747	9,207,648	7,922,202	(22,640,250)	178,790,475	10,777,880	41,406,059	(8,148,237)	222,826,177
EXPENSES										
Program Expenses:										
Educational Programs	110,199,890	7,775,933	7,836,782	7,799,566	-	133,612,171	9,392,396	35,024,945	-	178,029,512
Program Supports	15,444,119	-	-	-	-	15,444,119	-	-	(2,375,991)	13,068,128
Supporting Services:										
Administration and General	45,298,425	1,411,772	1,328,099	1,331,106	(22,640,250)	26,729,152	1,638,901	5,029,364	(5,772,246)	27,625,171
Fundraising	513,883	-	-	-	-	513,883	-	-	-	513,883
Total Supporting Services	45,812,308	1,411,772	1,328,099	1,331,106	(22,640,250)	27,243,035	1,638,901	5,029,364	(5,772,246)	28,139,054
Total Expenses	171,456,317	9,187,705	9,164,881	9,130,672	(22,640,250)	176,299,325	11,031,297	40,054,309	(8,148,237)	219,236,694
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTION	4,277,811	(620,958)	42,767	(1,208,470)	-	2,491,150	(253,417)	1,351,750	-	3,589,483
NET ASSETS										
WITH DONOR RESTRICTION										
Amounts Released from Restriction	(592,000)	(118,272)	(116,368)	(82,693)	-	(909,333)	-	(50,000)	-	(959,333)
Contributions	462,654	-	-	-	-	462,654	-	-	-	462,654
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTION	(129,346)	(118,272)	(116,368)	(82,693)	-	(446,679)	-	(50,000)	-	(496,679)
INCREASE (DECREASE) IN NET ASSETS	4,148,465	(739,230)	(73,601)	(1,291,163)	-	2,044,471	(253,417)	1,301,750	-	3,092,804
Net Assets (Deficit) - Beginning of Year	74,786,492	3,422,108	6,552,122	(1,328,714)	-	83,432,008	(4,406,665)	(2,277,173)	-	76,748,170
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 78,934,957</u>	<u>\$ 2,682,878</u>	<u>\$ 6,478,521</u>	<u>\$ (2,619,877)</u>	<u>\$ -</u>	<u>\$ 85,476,479</u>	<u>\$ (4,660,082)</u>	<u>\$ (975,423)</u>	<u>\$ -</u>	<u>\$ 79,840,974</u>

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS – SCHOOLS
YEAR ENDED JUNE 30, 2025

	California							Total Page 1
	National	Mateo Sheedy	Si Se Puede	Los Suenos	Mosaic	Discovery	Brilliant Minds	
CASH FLOWS FROM OPERATING ACTIVITIES								
Change in Net Assets	\$ (2,133,808)	\$ (579,364)	\$ 46,770	\$ 723,691	\$ 943,858	\$ 30,501	\$ 822,910	\$ (145,442)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:								
Depreciation	434,523	59,639	33,450	33,968	32,550	23,783	12,200	630,113
Amortization	-	-	-	-	-	-	-	-
(Increase) Decrease in Operating Assets:								
Accounts Receivable	714,478	(131,724)	(32,139)	65,227	(119,657)	(736,223)	(472,516)	(712,554)
Grants Receivable	592,000	-	-	-	-	-	-	592,000
Prepaid Expenses and Deposits	(407,580)	(3,574)	(8,523)	12,218	15,023	4,722	(5,149)	(392,863)
Operating Right-of-Use (ROU) Lease Asset	356,863	512,375	242,699	374,163	529,178	200,193	488,820	2,704,291
Increase (Decrease) in Operating Liabilities:								
Accounts Payable and Accrued Liabilities	1,024,314	(102,650)	(6,401)	5,356	371,971	6,541	5,171	1,304,302
Deferred Revenue	110,000	(952,684)	(562,187)	(665,523)	(469,099)	(566,647)	(450,875)	(3,557,015)
Lease Liabilities - Operating	(344,171)	(626,555)	(268,830)	(302,949)	(587,513)	(143,276)	(532,295)	(2,805,589)
Net Cash Provided (Used) by Operating Activities	<u>346,619</u>	<u>(1,824,537)</u>	<u>(555,161)</u>	<u>246,151</u>	<u>716,311</u>	<u>(1,180,406)</u>	<u>(131,734)</u>	<u>(2,382,757)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of Property, Plant, and Equipment	(72,552)	(228,694)	(34,469)	(74,213)	(703,989)	(93,348)	(49,704)	(1,256,969)
Net Cash Used by Investing Activities	<u>(72,552)</u>	<u>(228,694)</u>	<u>(34,469)</u>	<u>(74,213)</u>	<u>(703,989)</u>	<u>(93,348)</u>	<u>(49,704)</u>	<u>(1,256,969)</u>
CASH FLOWS FROM FINANCING ACTIVITIES								
Intracompany Loans	4,393,557	29,131	(15,516)	44,975	(13,306)	361,617	(13,949)	4,786,509
Repayment of Finance Leases	-	-	-	-	-	-	-	-
Repayment of Debt	(4,300,000)	-	-	-	-	-	-	(4,300,000)
Net Cash Provided (Used) by Financing Activities	<u>93,557</u>	<u>29,131</u>	<u>(15,516)</u>	<u>44,975</u>	<u>(13,306)</u>	<u>361,617</u>	<u>(13,949)</u>	<u>486,509</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	367,624	(2,024,100)	(605,146)	216,913	(984)	(912,137)	(195,387)	(3,153,217)
Cash and Cash Equivalents - Beginning of Year	<u>6,540,812</u>	<u>2,540,580</u>	<u>3,629,675</u>	<u>3,289,259</u>	<u>7,765,642</u>	<u>916,949</u>	<u>7,369,048</u>	<u>32,051,965</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,908,436</u>	<u>\$ 516,480</u>	<u>\$ 3,024,529</u>	<u>\$ 3,506,172</u>	<u>\$ 7,764,658</u>	<u>\$ 4,812</u>	<u>\$ 7,173,661</u>	<u>\$ 28,898,748</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION								
Cash Paid for Interest	<u>\$ 61,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,812</u>

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS – SCHOOLS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	California							Total Page 2	
	From Page 1	Alma	Spark	Fuerza	Redwood City	Rising Stars	Delta		Futuro
CASH FLOWS FROM OPERATING ACTIVITIES									
Change in Net Assets	\$ (145,442)	\$ 439,988	\$ 590,294	\$ 1,007,423	\$ (107,190)	\$ 1,800,630	\$ 196,778	\$ 365,984	\$ 4,148,465
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:									
Depreciation	630,113	19,567	13,527	9,616	2,811	9,163	7,201	27,284	719,282
Amortization	-	-	-	-	-	-	-	-	-
(Increase) Decrease in Operating Assets:									
Accounts Receivable	(712,554)	(822,020)	(649,822)	(504,219)	273,156	(822,646)	55,335	(124,293)	(3,307,063)
Grants Receivable	592,000	-	-	-	-	-	-	-	592,000
Prepaid Expenses and Deposits	(392,863)	(13,889)	19,597	14,638	(9,750)	(85,654)	5,216	30,214	(432,491)
Operating Right-of-Use (ROU) Lease Asset	2,704,291	556,193	521,434	483,087	(76,938)	490,860	335,089	305,970	5,319,986
Increase (Decrease) in Operating Liabilities:									
Accounts Payable and Accrued Liabilities	1,304,302	(75,551)	47,393	(172,533)	(80,527)	88,443	(21,503)	26,907	1,116,931
Deferred Revenue	(3,557,015)	(969,924)	(882,359)	(976,894)	(486,544)	(750,455)	(922,463)	(618,329)	(9,163,983)
Lease Liabilities - Operating	(2,805,589)	(561,646)	(625,905)	(525,804)	76,513	(602,350)	(379,713)	(312,693)	(5,737,187)
Net Cash Provided (Used) by Operating Activities	(2,382,757)	(1,427,282)	(965,841)	(664,686)	(408,469)	127,991	(724,060)	(298,956)	(6,744,060)
CASH FLOWS FROM INVESTING ACTIVITIES									
Purchase of Property, Plant, and Equipment	(1,256,969)	(79,557)	(73,193)	(84,716)	(24,596)	(54,949)	(47,440)	(43,279)	(1,664,699)
Net Cash Used by Investing Activities	(1,256,969)	(79,557)	(73,193)	(84,716)	(24,596)	(54,949)	(47,440)	(43,279)	(1,664,699)
CASH FLOWS FROM FINANCING ACTIVITIES									
Intracompany Loans	4,786,509	(20,407)	49,479	(17,379)	-	33,170	21,102	-	4,852,474
Repayment of Finance Leases	-	-	-	-	-	-	-	-	-
Repayment of Debt	(4,300,000)	-	-	-	-	-	-	-	(4,300,000)
Net Cash Provided (Used) by Financing Activities	486,509	(20,407)	49,479	(17,379)	-	33,170	21,102	-	552,474
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,153,217)	(1,527,246)	(989,555)	(766,781)	(433,065)	106,212	(750,398)	(342,235)	(7,856,285)
Cash and Cash Equivalents - Beginning of Year	32,051,965	3,292,382	7,028,849	10,276,740	961,417	10,807,609	1,940,214	4,714,895	71,074,071
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 28,898,748</u>	<u>\$ 1,765,136</u>	<u>\$ 6,039,294</u>	<u>\$ 9,509,959</u>	<u>\$ 528,352</u>	<u>\$ 10,913,821</u>	<u>\$ 1,189,816</u>	<u>\$ 4,372,660</u>	<u>\$ 63,217,786</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION									
Cash Paid for Interest	\$ 61,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,812

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS – SCHOOLS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	From Page 2	Tennessee			RSED Total	Wisconsin	DC	Total
		Nashville NE	United	Dream Community				
CASH FLOWS FROM OPERATING ACTIVITIES								
Change in Net Assets	\$ 4,148,465	\$ (739,230)	\$ (73,601)	\$ (1,291,163)	\$ 2,044,471	\$ (253,417)	\$ 1,301,750	\$ 3,092,804
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:								
Depreciation	719,282	22,190	21,442	2,213	765,127	60,935	13,009	839,071
Amortization	-	-	-	-	-	-	29,755	29,755
(Increase) Decrease in Operating Assets:								
Accounts Receivable	(3,307,063)	173,894	346,477	533,308	(2,253,384)	275,091	306,245	(1,672,048)
Grants Receivable	592,000	118,272	116,368	82,693	909,333	-	-	909,333
Prepaid Expenses and Deposits	(432,491)	(26,072)	(39,628)	(37,935)	(536,126)	126,848	1,890,929	1,481,651
Operating Right-of-Use (ROU) Lease Asset	5,319,986	243,200	230,085	588,492	6,381,763	424,086	2,019,318	8,825,167
Increase (Decrease) in Operating Liabilities:								
Accounts Payable and Accrued Liabilities	1,116,931	193,952	170,846	106,649	1,588,378	18,829	(207,384)	1,399,823
Deferred Revenue	(9,163,983)	(2,805)	(3,393)	-	(9,170,181)	-	-	(9,170,181)
Lease Liabilities - Operating	(5,737,187)	(215,438)	(230,499)	(101,137)	(6,284,261)	(443,802)	(1,739,540)	(8,467,603)
Net Cash Provided (Used) by Operating Activities	(6,744,060)	(232,037)	538,097	(116,880)	(6,554,880)	208,570	3,614,082	(2,732,228)
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of Property, Plant, and Equipment	(1,664,699)	(157,874)	(213,603)	-	(2,036,176)	(20,875)	-	(2,057,051)
Net Cash Used by Investing Activities	(1,664,699)	(157,874)	(213,603)	-	(2,036,176)	(20,875)	-	(2,057,051)
CASH FLOWS FROM FINANCING ACTIVITIES								
Intracompany Loans	4,852,474	(174,428)	(464,001)	(79,571)	4,134,474	(371,236)	(3,548,543)	214,695
Repayment of Finance Leases	-	-	-	-	-	-	(30,120)	(30,120)
Repayment of Debt	(4,300,000)	-	-	-	(4,300,000)	-	-	(4,300,000)
Net Cash Provided (Used) by Financing Activities	552,474	(174,428)	(464,001)	(79,571)	(165,526)	(371,236)	(3,578,663)	(4,115,425)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,856,285)	(564,339)	(139,507)	(196,451)	(8,756,582)	(183,541)	35,419	(8,904,704)
Cash and Cash Equivalents - Beginning of Year	71,074,071	3,053,912	6,557,246	(1,090,383)	79,594,846	881,485	7,673,972	88,150,303
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 63,217,786	\$ 2,489,573	\$ 6,417,739	\$ (1,286,834)	\$ 70,838,264	\$ 697,944	\$ 7,709,391	\$ 79,245,599
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION								
Cash Paid for Interest	\$ 61,812	\$ -	\$ -	\$ -	\$ 61,812	\$ 60,000	\$ 1,793	\$ 123,605

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

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF INSTRUCTIONAL TIME – CALIFORNIA
YEAR ENDED JUNE 30, 2025**

	Instructional Minutes		Traditional Calendar	Status
	Requirement	Actual	Days	
K/TK:				
RMS	36,000	54,335	180	In Compliance
RSSP	36,000	53,220	180	In Compliance
RLS	36,000	58,620	180	In Compliance
ROMO	36,000	58,485	180	In Compliance
RDP	36,000	54,335	180	In Compliance
RBM	36,000	54,805	180	In Compliance
RSA	36,000	54,335	180	In Compliance
RSK	36,000	54,335	180	In Compliance
RFZ	36,000	53,395	180	In Compliance
RRWC	36,000	53,650	180	In Compliance
RFA	36,000	56,150	180	In Compliance
RRS	36,000	54,925	180	In Compliance
RDL	36,000	53,425	180	In Compliance
Grade 1:				
RMS	50,400	63,495	180	In Compliance
RSSP	50,400	59,640	180	In Compliance
RLS	50,400	62,770	180	In Compliance
ROMO	50,400	60,070	180	In Compliance
RDP	50,400	62,810	180	In Compliance
RBM	50,400	63,495	180	In Compliance
RSA	50,400	63,710	180	In Compliance
RSK	50,400	63,710	180	In Compliance
RFZ	50,400	63,025	180	In Compliance
RRWC	50,400	63,025	180	In Compliance
RFA	50,400	65,020	180	In Compliance
RRS	50,400	60,540	180	In Compliance
RDL	50,400	60,695	180	In Compliance
Grade 2:				
RMS	50,400	63,495	180	In Compliance
RSSP	50,400	62,810	180	In Compliance
RLS	50,400	63,710	180	In Compliance
ROMO	50,400	61,440	180	In Compliance
RDP	50,400	63,710	180	In Compliance
RBM	50,400	63,495	180	In Compliance
RSA	50,400	63,710	180	In Compliance
RSK	50,400	63,710	180	In Compliance
RFZ	50,400	63,025	180	In Compliance
RRWC	50,400	63,025	180	In Compliance
RFA	50,400	65,450	180	In Compliance
RRS	50,400	61,440	180	In Compliance
RDL	50,400	64,750	180	In Compliance

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF INSTRUCTIONAL TIME – CALIFORNIA (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Instructional Minutes		Traditional Calendar	Status
	Requirement	Actual	Days	
Grade 3:				
RMS	50,400	63,495	180	In Compliance
RSSP	50,400	62,810	180	In Compliance
RLS	50,400	65,040	180	In Compliance
ROMO	50,400	63,240	180	In Compliance
RDP	50,400	63,025	180	In Compliance
RBM	50,400	65,295	180	In Compliance
RSA	50,400	63,710	180	In Compliance
RSK	50,400	63,710	180	In Compliance
RFZ	50,400	63,925	180	In Compliance
RRWC	50,400	63,025	180	In Compliance
RFA	50,400	65,450	180	In Compliance
RRS	50,400	64,140	180	In Compliance
RDL	50,400	64,750	180	In Compliance
Grade 4:				
RMS	54,000	63,495	180	In Compliance
RSSP	54,000	62,810	180	In Compliance
RLS	54,000	65,040	180	In Compliance
ROMO	54,000	63,240	180	In Compliance
RDP	54,000	63,025	180	In Compliance
RBM	54,000	65,295	180	In Compliance
RSA	54,000	63,710	180	In Compliance
RSK	54,000	63,710	180	In Compliance
RFZ	54,000	63,925	180	In Compliance
RRWC	54,000	63,025	180	In Compliance
RFA	54,000	65,450	180	In Compliance
RRS	54,000	64,140	180	In Compliance
RDL	54,000	64,750	180	In Compliance
Grade 5:				
RMS	54,000	63,495	180	In Compliance
RSSP	54,000	62,810	180	In Compliance
RLS	54,000	65,040	180	In Compliance
ROMO	54,000	63,240	180	In Compliance
RDP	54,000	63,025	180	In Compliance
RBM	54,000	65,295	180	In Compliance
RSA	54,000	63,710	180	In Compliance
RSK	54,000	63,710	180	In Compliance
RFZ	54,000	63,925	180	In Compliance
RRWC	54,000	62,595	180	In Compliance
RFA	54,000	64,080	180	In Compliance
RDL	54,000	64,750	180	In Compliance

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA) - CALIFORNIA
YEAR ENDED JUNE 30, 2025

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Grades TK/K-3:				
RMS	288.41	288.41	287.46	287.46
RSSP	189.94	189.94	189.42	189.42
RLS	204.36	204.78	204.22	204.91
ROMO	376.85	377.97	376.01	377.00
RDP	244.03	244.03	246.94	246.94
RBM	344.18	345.76	343.08	344.40
RDL	330.88	330.88	325.82	325.82
RSA	345.36	345.36	346.65	346.65
RSK	408.47	408.47	408.44	408.44
RFZ	339.19	339.19	342.60	342.60
RRWC	169.09	169.09	168.76	168.76
RRS	471.54	471.54	470.33	470.36
RFA	438.36	438.36	435.95	435.95
Subtotal	4,150.66	4,153.78	4,145.68	4,148.71
Grades 4-6:				
RMS	127.39	127.39	126.82	126.82
RSSP	53.34	53.34	53.97	53.97
RLS	81.12	81.38	80.41	80.52
ROMO	133.77	134.36	133.82	134.30
RDP	127.43	127.43	126.85	126.85
RBM	120.20	120.59	118.77	119.17
RDL	145.19	145.19	144.69	144.69
RSA	141.48	141.48	142.61	142.61
RSK	105.67	105.67	105.49	105.49
RFZ	133.75	133.75	135.04	135.04
RRWC	83.16	83.16	82.62	82.62
RRS	103.98	103.98	103.33	103.33
RFA	182.05	182.05	181.52	181.52
Subtotal	1,538.53	1,539.77	1,535.94	1,536.93
Grand Total	5,689.19	5,693.55	5,681.62	5,685.64

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

	<u>Mateo Sheedy</u>	<u>Si Se Puede</u>	<u>Los Suenos</u>	<u>Mosaic</u>	<u>Discovery</u>	<u>Brilliant Minds</u>	
June 30, 2025 Annual Financial Report Fund Balances (Net Assets)	\$ 3,695,383	\$ 3,903,574	\$ 4,835,708	\$ 8,226,166	\$ 1,422,674	\$ 7,679,092	
Increase (Decrease) of Fund Balance (Net Assets):							
Cash and cash equivalents	-	-	-	-	305,000	-	
Accounts receivable	(278)	-	-	-	-	-	
Prepaid expenses and deposits	278	-	-	-	-	-	
Intracompany payable	-	-	-	-	(305,000)	-	
Net Adjustments and Reclassifications	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
June 30, 2025 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 3,695,383</u>	<u>\$ 3,903,574</u>	<u>\$ 4,835,708</u>	<u>\$ 8,226,166</u>	<u>\$ 1,422,674</u>	<u>\$ 7,679,092</u>	
	<u>Alma</u>	<u>Spark</u>	<u>Fuerza</u>	<u>Redwood City</u>	<u>Rising Stars</u>	<u>Delta</u>	<u>Futuro</u>
June 30, 2025 Annual Financial Report Fund Balances (Net Assets)	\$ 3,847,781	\$ 8,478,861	\$ 8,420,974	\$ 409,473	\$ 12,669,505	\$ 1,646,639	\$ 2,836,679
Increase (Decrease) of Fund Balance (Net Assets):							
Operating Right-of-Use (ROU) Lease Asset	-	-	-	100,757	-	-	540,293
Property, plant & equipment, net	-	-	-	27,625	-	-	79,518
Accounts payable	-	-	-	1	-	-	(472,718)
Lease Liabilities - Operating	-	-	-	(99,002)	-	-	(83,414)
Net Adjustments and Reclassifications	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,381</u>	<u>-</u>	<u>-</u>	<u>63,679</u>
June 30, 2025 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 3,847,781</u>	<u>\$ 8,478,861</u>	<u>\$ 8,420,974</u>	<u>\$ 438,854</u>	<u>\$ 12,669,505</u>	<u>\$ 1,646,639</u>	<u>\$ 2,900,358</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.

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

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	PTID	RSN	RMS	RSSP	RLS	ROMO	RDP	RBM	RDL	Total Page
U.S. Department of Education											
Title I, Part A, Basic Grants Low-Income and Neglected	84.010										
Pass Through Program From:											
California Department of Education		14329	\$ -	\$ 149,859	\$ 124,428	\$ 143,563	\$ 158,906	\$ 145,938	\$ 175,960	\$ 154,967	\$ 1,053,621
Wisconsin Department of Public Instruction		2025-408002-DPI-TI-A-141	-	-	-	-	-	-	-	-	-
Metro Nashville Public Schools		N/A	-	-	-	-	-	-	-	-	-
Title I Totals			-	149,859	124,428	143,563	158,906	145,938	175,960	154,967	1,053,621
Title II	84.367										
Pass Through Program From:											
California Department of Education		14341	-	17,212	10,938	13,765	18,738	12,742	16,417	20,720	110,532
Wisconsin Department of Public Instruction		2025-408002-DPI-TIIA-365	-	-	-	-	-	-	-	-	-
Title II Totals			-	17,212	10,938	13,765	18,738	12,742	16,417	20,720	110,532
Title III - Limited English Proficiency	84.365										
Pass Through Program From:											
California Department of Education		14356	-	53,303	42,662	52,012	49,098	58,529	60,445	55,926	371,975
Wisconsin Department of Public Instruction		2025-408002-DPI-TIIIA-391	-	-	-	-	-	-	-	-	-
Title III Totals			-	53,303	42,662	52,012	49,098	58,529	60,445	55,926	371,975
Title IV, Part A	84.424										
Pass Through Program From:											
California Department of Education		N/A	-	296,358	297,677	285,869	371,786	294,296	316,185	373,064	2,235,235
Title IV Totals			-	296,358	297,677	285,869	371,786	294,296	316,185	373,064	2,235,235
ESSER III	84.425U										
Pass Through Program From:											
California Department of Education		N/A	-	6,084	3,773	5,022	7,048	4,437	5,776	6,741	38,881
ESSER III Totals			-	6,084	3,773	5,022	7,048	4,437	5,776	6,741	38,881
Full Service Community Grant	84.215J										
Special Education Cluster	84.027										
Special Education IDEA											
Pass Through Program From:											
California Department of Education		13379	-	84,659	52,676	61,985	98,054	69,888	84,796	104,977	557,035
Wisconsin Department of Public Instruction		2025-408002-DPI-FLOW-341	-	-	-	-	-	-	-	-	-
Metro Nashville Public Schools		N/A	-	-	-	-	-	-	-	-	-
Special Education IDEA Totals			-	84,659	52,676	61,985	98,054	69,888	84,796	104,977	557,035
IDEA Preschool	84.173										
Pass Through Program From:											
Wisconsin Department of Public Instruction		2025-408002-DPI-PRESCH-347	-	-	-	-	-	-	-	-	-
Special Education Cluster Totals			-	84,659	52,676	61,985	98,054	69,888	84,796	104,977	557,035
Total U.S. Department of Education			-	607,475	532,154	562,216	703,630	585,830	659,579	716,395	4,367,279

N/A – Not Available

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	PTID	Total Previous Page	RSA	RSK	RFZ	RRWC	RRS	RFA	Wisconsin		Tennessee	Federal Expenditures
										RSCP	TRP		
U.S. Department of Education													
Title I, Part A, Basic Grants Low-Income and Neglected	84.010												
Pass Through Program From:													
California Department of Education		14329	\$ 1,053,621	\$ 151,925	\$ 113,629	\$ 165,440	\$ 104,986	\$ 162,096	\$ 180,201	\$ -	\$ -	\$ -	\$ 1,931,898
Wisconsin Department of Public Instruction		2025-408002-DPI-TI-A-141	-	-	-	-	-	-	-	459,072	129,424	-	588,496
Metro Nashville Public Schools		N/A	-	-	-	-	-	-	-	-	-	708,529	708,529
Low-Income and Neglected Totals			1,053,621	151,925	113,629	165,440	104,986	162,096	180,201	459,072	129,424	708,529	3,228,923
Title II	84.367												
Pass Through Program From:													
California Department of Education		14341	110,532	18,340	14,111	18,525	12,356	20,974	19,701	-	-	-	214,539
Wisconsin Department of Public Instruction		2025-408002-DPI-TIIA-365	-	-	-	-	-	-	-	53,303	30,798	-	84,101
Title II Totals			110,532	18,340	14,111	18,525	12,356	20,974	19,701	53,303	30,798	-	298,640
Title III - Limited English Proficiency	84.365												
Pass Through Program From:													
California Department of Education		14356	371,975	69,516	51,822	71,487	48,127	68,069	46,080	-	-	-	727,076
Wisconsin Department of Public Instruction		2025-408002-DPI-TIIIA-391	-	-	-	-	-	-	-	11,539	11,039	-	22,578
Title III Totals			371,975	69,516	51,822	71,487	48,127	68,069	46,080	11,539	11,039	-	749,654
Title IV, Part A	84.424												
Pass Through Program From:													
California Department of Education		N/A	2,235,235	371,324	10,667	367,156	296,472	363,654	374,452	-	-	-	4,018,960
Title IV Totals			2,235,235	371,324	10,667	367,156	296,472	363,654	374,452	-	-	-	4,018,960
ESSER III	84.425U												
Pass Through Program From:													
California Department of Education		N/A	38,881	3,205	3,968	3,832	-	4,369	-	-	-	-	54,255
ESSER III Totals			38,881	3,205	3,968	3,832	-	4,369	-	-	-	-	54,255
Full Service Community Grant	84.215J												
		N/A	-	-	-	-	-	-	-	292,043	121,027	-	413,070
Special Education Cluster													
Special Education IDEA	84.027												
Pass Through Program From:													
California Department of Education		13379	557,035	91,824	94,971	94,074	54,462	106,319	113,897	-	-	-	1,112,582
Wisconsin Department of Public Instruction		2025-408002-DPI-FLOW-341	-	-	-	-	-	-	-	93,452	54,005	-	147,457
Metro Nashville Public Schools		N/A	-	-	-	-	-	-	-	-	-	238,615	238,615
Special Education IDEA Totals			557,035	91,824	94,971	94,074	54,462	106,319	113,897	93,452	54,005	238,615	1,498,654
IDEA Preschool	84.173												
Pass Through Program From:													
Wisconsin Department of Public Instruction		2025-408002-DPI-PRESCH-347	-	-	-	-	-	-	-	7,899	4,564	-	12,463
Special Education Cluster Totals			557,035	91,824	94,971	94,074	54,462	106,319	113,897	101,351	58,569	238,615	1,511,117
Total U.S. Department of Education			4,367,279	706,134	289,168	720,514	516,403	725,481	734,331	917,308	350,857	947,144	10,274,619

N/A – Not Available

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	PTID	RSN	RMS	RSSP	RLS	ROMO	RDP	RBM	RDL	Total Page
U.S. Department of Agriculture:											
Child Nutrition Cluster											
National School Lunch Program	10.555										
Pass Through Program From:											
California Department of Education		N/A	-	180,327	172,223	195,163	208,500	211,023	235,348	181,285	1,383,869
Wisconsin Department of Public Instruction		2025-408002-DPI-NSL-547	-	-	-	-	-	-	-	-	-
Metro Nashville Public Schools		N/A	-	-	-	-	-	-	-	-	-
National School Lunch Program Totals			-	180,327	172,223	195,163	208,500	211,023	235,348	181,285	1,383,869
School Breakfast Program	10.553										
Pass Through Program From:											
California Department of Education		N/A	-	69,490	74,851	62,729	92,135	96,049	124,041	78,747	598,042
Wisconsin Department of Public Instruction		2025-408002-DPI-SB-Severe-546	-	-	-	-	-	-	-	-	-
Metro Nashville Public Schools		N/A	-	-	-	-	-	-	-	-	-
School Breakfast Program Totals			-	69,490	74,851	62,729	92,135	96,049	124,041	78,747	598,042
Child Nutrition Cluster Totals			-	249,817	247,074	257,892	300,635	307,072	359,389	260,032	1,981,911
P-EBT Local Administrative Cost Grant	10.649										
Pass Through Program From:											
Metro Nashville Public Schools		N/A	-	-	-	-	-	-	-	-	-
Total U.S Department of Agriculture			-	249,817	247,074	257,892	300,635	307,072	359,389	260,032	1,981,911
U.S Department of Health and Human Services:											
Medicaid Cluster											
Medical Assistance Program	93.778										
Pass Through Program From:											
Wisconsin Department of Public Instruction		100036582	-	-	-	-	-	-	-	-	-
Medicaid Cluster Totals			-	-	-	-	-	-	-	-	-
Total U.S. Department of Health and Human Services			-	-	-	-	-	-	-	-	-
Total Federal Expenditures			\$ -	\$ 857,292	\$ 779,228	\$ 820,108	\$ 1,004,265	\$ 892,902	\$ 1,018,968	\$ 976,427	\$ 6,349,190

N/A – Not Available

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	PTID	Total Previous Page	RSA	RSK	RFZ	RRWC	RRS	RFA	Wisconsin		Tennessee	Federal Expenditures
										RSCP	TRP		
U.S. Department of Agriculture:													
Child Nutrition Cluster													
National School Lunch Program	10.555												
Pass Through Program From:													
California Department of Education		N/A	1,383,869	228,389	167,767	237,803	160,044	206,212	263,073	-	-	-	2,647,157
Wisconsin Department of Public Instruction		2025-408002-DPI-NSL-547	-	-	-	-	-	-	-	190,669	242,529	-	433,198
Metro Nashville Public Schools		N/A	-	-	-	-	-	-	-	-	-	891,005	891,005
National School Lunch Program Totals			1,383,869	228,389	167,767	237,803	160,044	206,212	263,073	190,669	242,529	891,005	3,971,360
School Breakfast Program	10.553												
Pass Through Program From:													
California Department of Education		N/A	598,042	116,238	80,689	102,300	69,189	74,325	108,150	-	-	-	1,148,933
Wisconsin Department of Public Instruction		2025-408002-DPI-SB-Severe-546	-	-	-	-	-	-	-	109,667	142,656	-	252,323
Metro Nashville Public Schools		N/A	-	-	-	-	-	-	-	-	-	541,531	541,531
School Breakfast Program Totals			598,042	116,238	80,689	102,300	69,189	74,325	108,150	109,667	142,656	541,531	1,942,787
Child Nutrition Cluster Totals			1,981,911	344,627	248,456	340,103	229,233	280,537	371,223	300,336	385,185	1,432,536	5,914,147
P-EBT Local Administrative Cost Grant	10.649												
Pass Through Program From:													
Metro Nashville Public Schools		N/A	-	-	-	-	-	-	-	-	-	6,198	6,198
Total U.S. Department of Agriculture			1,981,911	344,627	248,456	340,103	229,233	280,537	371,223	300,336	385,185	1,438,734	5,920,345
U.S. Department of Health and Human Services:													
Medicaid Cluster													
Medical Assistance Program	93.778												
Pass Through Program From:													
Wisconsin Department of Public Instruction		100036582	-	-	-	-	-	-	-	33,198	11,311	-	44,509
Medicaid Cluster Totals			-	-	-	-	-	-	-	33,198	11,311	-	44,509
Total U.S. Department of Health and Human Services			-	-	-	-	-	-	-	33,198	11,311	-	44,509
Total Federal Expenditures			<u>\$ 6,349,190</u>	<u>\$ 1,050,761</u>	<u>\$ 537,624</u>	<u>\$ 1,060,617</u>	<u>\$ 745,636</u>	<u>\$ 1,006,018</u>	<u>\$ 1,105,554</u>	<u>\$ 1,250,842</u>	<u>\$ 747,353</u>	<u>\$ 2,385,878</u>	<u>\$ 16,239,473</u>

N/A – Not Available

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

ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025

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, 2025. 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.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
YEAR ENDED JUNE 30, 2025**

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 2030

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 2030

Rocketship Alma Academy (RSA), chartered by the Santa Clara County Office of Education, Charter Number: 1394 – Established 2012, Expires 2030

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 (CONTINUED)
YEAR ENDED JUNE 30, 2025**

BOARD OF DIRECTORS

<u>Name</u>	<u>Office</u>	<u>Term Expires (2-Year Term)</u>
Louis Jordan	Board Chair	12/31/2026
Alex Terman	Treasurer	12/31/2025
Greg Stanger	Secretary	12/31/2025
Deborah McGriff	Member	12/31/2026
Raymond Raven	Member	6/30/2027
April Taylor	Member	8/31/2025
Jolene Sloter	Member	6/30/2027
Michael Fox	Member	6/30/2027
June Nwabara	Member	8/29/2024
Charmaine Detweiler	Member	12/31/2026
Daniel Velasco	Member	12/31/2025
Yolanda Bernal Samano	Member	12/31/2025
Malka Borrego	Member	8/31/2025
Julie Miller	Member	8/31/2025
Hugo Castaneda	Member	5/31/2026
Michelle Mercado	Member	12/31/2026
Daniel Sanchez	Member	12/31/2026
Deja Gipson	Member	12/31/2024
Brian Kilb	Member	3/31/2027
Rajen Sheth	Member	5/31/2026
Tamara Peterson	Member	3/31/2027
Derwin Sisnett	Member	6/30/2026

ADMINISTRATION

Preston Smith	Co-Founder, CEO and President
Ben Carson	Chief Financial Officer
Maria Heridia	Chief Legal Officer
Christopher Murphy	Chief Communications Officer
Lamar Wade	Chief People Officer



**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, Inc. and its Affiliates (RSEA), which comprise the consolidated statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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

Ontario, California
December 4, 2025



**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, 2025. 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, 2025.

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.

Board of Directors
Rocketship Education, Inc. and its Affiliates

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

Ontario, California
December 4, 2025



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 *2024-2025 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, 2025. 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, 2025.

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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and *2024-2025 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 *2024-2025 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 *2024-2025 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 above 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 *2024-2025 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:	
Proposition 28 Arts and Music in Schools	Yes
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 ¹
Immunizations	Not Applicable ²
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Not Applicable ¹
Career Technical Education Incentive Grant (CTEIG)	Not Applicable ¹
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools:	
Attendance	Yes
Mode of Instruction	Yes
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable ³
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

Not Applicable¹: RSEA did not receive program funding or did not otherwise operate the program during the fiscal year.

Not Applicable²: 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 *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Not Applicable³: RSEA did not report more than 20% of its ADA as generated through nonclassroom-based instruction (independent study).

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.

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 *2024-2025 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

Ontario, California
December 4, 2025

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors’ Results

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)	Name of Federal Program or Cluster
10.555, 10.553	Child Nutrition Cluster

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, 2025**

Section I – Summary of Auditors’ Results (Continued)

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

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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

Section IV – Findings and Questioned Costs – State Compliance

There were no findings or questioned costs related to state awards for June 30, 2025.

**ROCKETSHIP EDUCATION, INC. AND ITS AFFILIATES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

STATE COMPLIANCE (Continued)

2024-003 Attendance

10000

Rocketship Alma Academy (RSA) #1061

Criteria: Per the 2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, published by the Education Audit Appeals Panel, the number of school days reported on the annual attendance report, which should not include any emergency closure days, must correspond to the number of school days on the school calendar.

Condition: The number of school days reported on the annual attendance report for RSA was 180, however, there were only 179 days of instruction. The number of days used to calculate the corresponding ADA was properly calculated using the actual instructional days of 179.

Recommendation: We recommend the school incorporates an additional layer of review over the actual days reported on the annual attendance report before it is submitted.

Status: Implemented.



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