

Appendix 1: Budget Narrative & Cash Flow Statement

The Rocketship Mosaic (“ROMO”) Charter Renewal financial statements include a five-year pro-forma annual budget and a five-year monthly cash flow statement for the periods 2020-21 to 2024-25.

The budget is based on the 2020 Budget Bill, which maintained funding levels. However, it also capped ADA at FY20 levels and included Principal Apportionment deferrals. We applied for ADA growth funding under SB 820 and the additional state aide is included in our FY20-21 projections. We assume the recession will continue in FY21-22, resulting in funding reductions, and then show recovery in FY22-23.

Students: Enrollment, Demographics and Average Daily Attendance

Revenues for ROMO will depend on the number of students enrolled and their demographics. Based on historical data this budget assumes 58.0 percent English Learners (EL), 74.0 percent Free and Reduced Lunch (FRL), and an unduplicated population of 84.25 percent. The Average Daily Attendance (ADA) is the aggregate attendance of a school during a reporting period divided by the number of days school is in session during this period. ADA is used to calculate many of the revenue sources. We assume ADA percentage of 95 percent. The Budget Act froze FY20-21 ADA at 562. However, we applied for SB 820 ADA growth funding, which would be based on the FY21 Adopted Budget enrollment of 616, reduced by the average statewide attendance rate, or ADA of 588

The following table shows our projected enrollment and ADA.

Table A: Enrollment & ADA

	2020-21	2021-22	2022-23	2023-24	2024-25
Enrollment & ADA					
Projected Enrollment by Grade					
Transitional Kindergarten					
Kindergarten	108	117	117	117	117
1st Grade	111	116	115	115	115
2nd Grade	117	112	112	112	112
3rd Grade	117	112	112	112	112
4th Grade	113	104	104	104	104
5th Grade	51	34	34	34	34
Total	617	595	594	594	594
Average Daily Attendance					
ADA %	95%	95%	95%	95%	95%
Total	586	565	564	564	564

Enrollment patterns and attrition rates are monitored very closely when creating enrollment targets for Rocketship schools each year.

Revenues

Factoring in all revenues at the school, per-pupil funding is approximately \$16k per ADA at ROMO in FY21 including Federal CARES Act funds, returning to \$15K per ADA in FY23. State revenue streams provide the largest source of funding, constituting approximately 90 percent of the charter school funding. All revenues are monitored throughout the year as the funding estimates are refined and recalculated.

Table B: Summary of Projected Revenues

	2020-21	2021-22	2022-23	2023-24	2024-25
Summary of Revenue Programs (Thousands)					
State Revenue	\$7,633	\$6,813	\$7,404	\$7,404	\$7,404
Federal Revenue	\$1,498	\$752	\$752	\$752	\$752
Local Revenue	\$21	\$32	\$31	\$31	\$31
Philanthropy	\$45	\$38	\$38	\$38	\$38
Total Revenues	\$9,197	\$7,635	\$8,225	\$8,225	\$8,225
<i>State % of Revenues</i>	<i>83.0%</i>	<i>89.2%</i>	<i>90.0%</i>	<i>90.0%</i>	<i>90.0%</i>
<i>Revenues per ADA</i>	<i>\$15,691</i>	<i>\$13,507</i>	<i>\$14,576</i>	<i>\$14,576</i>	<i>\$14,576</i>

State Revenues

State Revenues are estimated based on specific programs as identified below, with the majority of this funding dependent upon the annual state budget and the school’s student population.

Table C: Projected State Revenues

	2020-21	2021-22	2022-23	2023-24	2024-25
State Revenues (Thousands)					
LCFF - State Aide	\$3,566	\$3,929	\$3,929	\$3,929	\$3,929
In Lieu of Property Tax	\$1,719	\$1,650	\$1,650	\$1,650	\$1,650
Prop 30 EPA	\$1,099	\$549	\$549	\$549	\$549
Mandate Block Grant	\$9	\$9	\$9	\$9	\$9
California Lottery	\$112	\$113	\$113	\$113	\$113

State Lunch Reimbursements	\$34	\$38	\$38	\$38	\$38
After School Education and Safety Program	\$122	\$122	\$122	\$122	\$122
SB117 COVID-19 Funds	\$10				
SB740 Facilities Subsidy	\$608	\$615	\$615	\$615	\$615
Revenue Conservatism	-	(\$592)	-	-	-
SPED State Revenue	\$354	\$381	\$379	\$379	\$379
Total State Revenue	\$7,633	\$6,814	\$7,404	\$7,404	\$7,404

Principal Apportionment

The LCFF FCMAT calculator is used to determine the LCFF projections for the pro forma. The supplemental and concentration grant components of LCFF are calculated based on the unduplicated population of the school and district the school is located. Rocketship Mosaic is located in the Franklin McKinley School District, which has an unduplicated percentage of 81 percent. Therefore, Rocketship Mosaic will qualify for concentration grant funding.

Based on historical disbursements, these projections assume 27 percent of the principal apportionment to be disbursed through property taxes, and 9 percent via the Education Protection Account.

Lottery & Mandate Block Grant

Lottery funding is based upon recent estimates provided by School Services of California. We project a total per student allocation of approximately \$199 per year. Funding is based on annual ADA. Lottery funds are mainly allocated for general purpose use with slightly over 20 percent of the funds restricted for instructional materials. Projections for the Mandate Block Grant are assumed at approximately \$17 per ADA.

Facilities Reimbursement (SB 740)

The California School Finance Authority administers a program to assist with facilities rent and lease expenditures for charter schools that meet certain eligibility criteria. In 2020-21, eligible charter schools may receive reimbursement for facilities rent and lease costs in an amount of up to \$1,211 per unit of classroom-based average daily attendance (ADA), not to exceed 75 percent of their total annual facilities rent and lease costs. If there are insufficient funds to reimburse all eligible charter schools at the maximum level, the funding provided to each school will be reduced on a pro-rata basis. Based on CSFA guidance, we assumed funding is pro-rated at 90%.

To be eligible for reimbursement, a charter school site must be geographically located within the attendance area of a public elementary school in which at least 55 percent of the pupil enrollment is eligible for free or reduced-price meals, or serving a student population that meets or exceeds 55 percent eligibility for free and reduced-price meals. ROMO has far exceeded this percentage each year and thus qualified and received this funding in the past.

ASES & One-Time Funding

ROMO has partnered with YMCA to run an after-school program. This program has been funded by the After School Education and Safety Program for the last several years, and is assumed to continue to fund this program in the future.

Special Education

Rocketship provides special education services for all schools in its network, and works with the El Dorado County Special Education Local Planning Area (SELPA) to ensure resources are allocated across all schools to ensure compliant, efficient and effective delivery of services. ROMO's state special education funding includes general state aid of \$625 per ADA. In addition to state special education funding, the revenue projection for ROMO also assumes approximately \$125 per ADA of federal special education funding. Federal funding is based off of previous year's ADA.

When we developed the FY20-21 budget, we assumed the 8 percent funding reductions in the May Budget Revision applied to all state revenue sources. As we received more information, we adjusted the individual programs, as described above, but chose to keep the additional revenue conservatism in our FY21-22 state revenue projection.

Federal Revenues

As a direct-funded charter school, ROMO will apply for federal funds directly through the Consolidated Application process. Federal revenues are estimated based on specific programs identified below.

Table D: Projected Federal Revenues

	2020-21	2021-22	2022-23	2023-24	2024-25
Federal Revenues (Thousands)					
Title I	\$198	\$200	\$200	\$200	\$200
Title II	\$22	\$22	\$22	\$22	\$22
Title III	\$40	\$37	\$37	\$37	\$37
IDEA	\$73	\$65	\$65	\$65	\$65
National School Lunch	\$364	\$410	\$410	\$410	\$410
Other Federal	\$802	\$18	\$18	\$18	\$18
Total Federal Revenue	\$1,499	\$752	\$752	\$752	\$752

Free and Reduced-Price Meal Eligibility

The federally funded National School Lunch Program provides free and reduced-price meals for lunch and breakfast to eligible students, based on parent per guardian income levels. ROMO provides

universal breakfast to all its students. For this budget, we assume that 70 percent of our students will be eligible to receive federal funding reimbursements per meal per day for lunch meals. For operational purposes, we project that 100 percent of all students receive lunch, based on historical percentages. Additional receipts from paid student meals are included in the budget as local revenue. Food expenses for this program are shown below; serving staff expenses are included in classified salaries and benefits.

Title I, II, & III

Title I funding is used to improve the academic achievement of economically disadvantaged students. The funding is calculated based on the number of students qualifying for free and/or reduced meals. We conservatively project \$425 per identified pupil. Title II funding is used to improve the quality of teaching and principal leadership. These projections assume \$22,000 per school each year. Finally, Title III funding is used for language instruction for limited English proficient and immigrant students. With a large portion of English Language Learner (ELL) students Title III funding is based off \$114 per ELL ADA.

CARES Act Funding

The Elementary and Secondary School Emergency Relief (ESSER) Fund created by the CARES Act provides emergency relief to address learning loss related to COVID-19 school closures. It is allocated based on the school’s share of Title I funds received in FY19-20. ROMO’s apportionment is \$166k in FY20-21. The Learning Loss Mitigation Funding (LLMF) is intended to support pupil academic achievement and to mitigate learning loss related to COVID-19 school closures. It includes three funding sources, each with different funding methodologies. GEER funds are allocated on special education count. Coronavirus Relief (CR) Funds are based on the proportion of statewide supplemental and concentration funding. The state General Funds are based on statewide LCFF entitlement. ROMO’s total allocation is \$617k.

Expenditures

The projected expenditures through 2024-2025 are shown below and are followed by a summary of assumptions for some of the larger expenses. FY20-21 includes higher than normal expenses related to COVID-19 safety and distance learning support.

Table E: Summary of Projected Expenses

	2020-21	2021-22	2022-23	2023-24	2024-25
Summary of Projected Expenses (Thousands)					
Certificated Salaries	\$2,126	\$2,013	\$2,080	\$2,105	\$2,137
Classified Salaries	\$1,182	\$1,207	\$1,280	\$1,301	\$1,320
Employee Benefits	\$881	\$863	\$935	\$942	\$951
Total Compensation	\$4,189	\$4,083	\$4,295	\$4,348	\$4,408
Books & Supplies	\$687	\$304	\$360	\$358	\$358
Food Service	\$349	\$401	\$401	\$401	\$401

Other Operating Expenses	\$2,511	\$2,243	\$2,308	\$2,308	\$2,308
Professional Services	\$872	\$613	\$788	\$748	\$688
Interest & Capital Outlay	\$29	\$29	\$23	\$23	\$23
Total Non-Comp	\$4,447	\$3,590	\$3,879	\$3,838	\$3,778
Total Expenses	\$8,636	\$7,673	\$8,174	\$8,186	\$8,186

Salaries and Employee Benefits

Total compensation costs (salary and benefits) remain relatively constant at approximately 50 percent of total expenditures over the four years. “Compensation” includes the salary costs of all staff, including those who work full-time and part-time. Compensation also incorporates all staff benefits including social security, state teachers’ retirement, Medicare, and workers’ compensation.

ROMO’s teacher staffing levels are based upon enrollment projections. In a traditional elementary school, if a teacher’s homeroom class is receiving services from another teacher, the homeroom teacher does not instruct another class of students. Because ROMO teachers engage in a teaming approach they are able to teach more than one class of students each day. In addition, our students spend a portion of their day in the learning lab in large groups. By using a teaming approach in conjunction with the learning lab, Rocketship is able to have an overall school-wide ratio of certificated teachers to students at approximately 36:1, while maintaining an actual classroom ratio of certificated teachers to students at approximately 28:1.

The Rocketship instructional model employs a mix of qualified instructional staff including teachers and tutors (Individualized Learning Specialists or “ILS”) in each school. All of these positions are engaged in full-time student instruction, some providing group instruction in the classroom, and others providing personalized instruction, with students rotating to different subject areas during the day. This unique structure means that while instruction is being delivered, there are never more than 30 students working with a certificated teacher. As students matriculate to older grades ROMO allows for some natural attrition to bring these class sizes down to around 28:1. In terms of ratios, as shown below in Table F, the ratio of instructional staff to students is approximately 23:1. Also shown is a table showing planned staffing level across the school, along with a table following that provides detailed staffing projections on a grade-by-grade level.

Table F: Teacher - Instructional Staff Ratio

	2020-21	2021-22	2022-23	2023-24	2024-25
Instructional Staff Ratio					
Total Enrollment	617	595	594	594	594
Teachers	18	18	18	18	18
Tutors	4	4	4	4	4
Special Education Teachers	4	3	3	3	3

Para-Professionals	8	8	8	8	8
Total Instructional Staff	34	33	33	33	33
<i>Student : Instructional Staff Ratio</i>	<i>18</i>	<i>18</i>	<i>18</i>	<i>18</i>	<i>18</i>

Teachers at ROMO will be supported by a Principal and two Assistant Principal. Additionally, ROMO will have support staff to assist with operations and personalized learning within the Learning Lab. Special Education staffing is staffed based on the school's special education population. In FY2019-20 approximately 9.1 percent of the ROMO student body qualified for special education.

The staffing tables associated with our financial projections are shown below:

Table G: Staffing Model

	2020-21	2021-22	2022-23	2023-24	2024-25
Staffing Model					
Instructional Staff					
Teachers					
Transitional Kindergarten					
Kindergarten	4.0	4.0	4.0	4.0	4.0
1st Grade	3.0	3.0	3.0	3.0	3.0
2nd Grade	3.0	3.0	3.0	3.0	3.0
3rd Grade	3.0	3.0	3.0	3.0	3.0
4th Grade	3.0	3.0	3.0	3.0	3.0
5th Grade	2.0	2.0	2.0	2.0	2.0
Special Education Specialists	4.0	3.0	3.0	3.0	3.0
Total Teachers	22.0	21.0	21.0	21.0	21.0
Tutors/Para-Professionals					
Transitional Kindergarten					
Kindergarten	1.0	1.0	1.0	1.0	1.0
1st Grade	1.0	1.0	1.0	1.0	1.0
2nd Grade	1.0	1.0	1.0	1.0	1.0
3rd Grade	1.0	1.0	1.0	1.0	1.0
4th Grade	-	-	-	-	-
5th Grade					
Para-Professional	8.0	8.0	8.0	8.0	8.0
Total Tutors/Para-Professionals	12.0	12.0	12.0	12.0	12.0
Total Instructional Staff	34.0	33.0	33.0	33.0	33.0
Non-Instructional Staff					

School Leaders					
Principal	1.0	1.0	1.0	1.0	1.0
Assistant Principal	3.0	2.0	2.0	2.0	2.0
Total School Leaders	4.0	3.0	3.0	3.0	3.0
Other Non-Instructional Staff					
Office Manager	1.0	1.0	1.0	1.0	1.0
Business Operations Manager	1.0	1.0	1.0	1.0	1.0
Enrichment Coordinators	4.0	5.0	5.0	5.0	5.0
Part-time Support Staff (Est. as FTE)	8.3	8.3	8.3	8.3	8.3
Total Other Non-Instructional Staff	14.3	15.3	15.3	15.3	15.3
Total Non-Instructional Staff	18.3	18.3	18.3	18.3	18.3
Total Staffing	52.3	51.3	51.3	51.3	51.3

The average salary and wage structure for key staff positions are listed in Table H.

Table H: Average Budgeted Salary by Position

	2020-21	2021-22	2022-23	2023-24	2024-25
Average Budgeted Salary by Position					
Instructional Positions					
Teachers (incl. Special Ed Teachers)	\$66,300	\$66,300	\$67,295	\$68,289	\$69,284
Tutors/Para-Professionals	\$38,600	\$38,600	\$39,179	\$39,758	\$40,337
Non-Instructional Positions					
Principal	\$127,000	\$127,000	\$128,905	\$130,810	\$132,715
Assistant Principal	\$98,980	\$98,980	\$100,465	\$101,949	\$103,434
Office Manager	\$67,500	\$67,500	\$68,513	\$69,525	\$70,538
Business Operations Manager	\$83,325	\$83,325	\$84,575	\$85,825	\$87,075

Table I: Employee Benefits

	2020-21	2021-22	2022-23	2023-24	2024-25
Employee Benefits (Thousands)					

Medical / Dental / Vision	\$360	\$353	\$361	\$361	\$361
Workers Compensation	\$49	\$56	\$58	\$60	\$60
Social Security / FICS / Medicare	\$115	\$120	\$127	\$128	\$130
STRS Retirement	\$337	\$316	\$369	\$374	\$379
403(b) Match	\$20	\$19	\$20	\$21	\$21
Total Benefits	\$881	\$864	\$935	\$944	\$951

The above table lists the total projected annual employer costs for all employee benefits, on a year-by-year basis. ROMO's employees participate in some combination of State Teachers' Retirement, Social Security, Medicare, and workers' compensation depending on position. For full-time certificated employees who participate in the State Teachers' Retirement System (and not in the Federal Social Security system), the employer contribution is expected to decrease to 16.15 percent in FY20-21 and increase to 18.1 percent by 2022-23. Other employee benefits include health care insurance to employees who are scheduled to work at least 30 hours per week.

Table J: Books, Supplies, and Food

	2020-21	2021-22	2022-23	2023-24	2024-25
<i>Books & Supplies (Thousands)</i>					
Curriculum	\$49	\$73	\$101	\$100	\$100
Instructional Supplies	\$10	\$15	\$15	\$15	\$15
Non-Instructional Supplies	\$319	\$107	\$135	\$135	\$135
Software Programs (Admin & Assessments)	\$45	\$54	\$54	\$54	\$54
Student Computer Equipment	\$233	\$30	\$29	\$29	\$29
Other Non-Cap. Equipment & Furniture	\$31	\$26	\$26	\$26	\$26
Total Books & Supplies	\$687	\$304	\$360	\$359	\$359
<i>Food Service (Thousands)</i>					
Student Food Services	\$349	\$401	\$401	\$401	\$401
Total Food Service	\$349	\$401	\$401	\$401	\$401

Many of the core programming cost projections are based upon a per pupil allotment, such as food, instructional supplies, textbooks, and some assessments. With technology an innovative component of our school model, schools spend approximately \$40K on online-learning curricula each year for use in the learning labs. Chromebooks are projected based on new student enrollment and pre-determined life-cycle for existing equipment. The budget assumes a 1:1 student to Chromebook ratio, with a 3 year-life.

Table K: Other Expenses

	2020-21	2021-22	2022-23	2023-24	2024-25
Other Operating Expenses (Thousands)					
Travel & Conferences	\$3	\$3	\$3	\$3	\$3
Dues & Memberships	\$11	\$5	\$5	\$5	\$5
Communications	\$20	\$28	\$29	\$29	\$29
Insurance	\$16	\$15	\$15	\$15	\$15
Utilities	\$74	\$79	\$79	\$79	\$79
Copier Leases	\$55	\$49	\$49	\$49	\$49
Facility Maintenance & Repairs	\$87	\$65	\$40	\$40	\$40
Facility Lease Expense	\$946	\$946	\$946	\$946	\$946
Central Office Allocation Fee	\$1,299	\$1,053	\$1,142	\$1,142	\$1,142
Total Other Operating Expenses	\$2,511	\$2,243	\$2,308	\$2,308	\$2,308

Many of the operating cost projections are based upon historical averages experienced at ROMO, such as communication costs, utility and copier lease costs. Communications costs include student mailings and telecommunication costs. These costs have been projected based on historical experience at ROMO. Costs for insurance are an enrollment-based allocation of Rocketship’s overall school’s commercial insurance package.

Central Office Expense Allocation Fee

Rocketship’s model is highly centralized. Many services that benefit the school, and that are typically provided directly at the school in a traditional public school environment, are provided by Rocketship’s central office. This structure allows school leaders to focus their time and energy on instruction, student achievement and student/parent engagement. By centralizing certain services, we are able to provide more efficient and effective delivery of various support services. These centralized services include, but are not limited to:

Programmatic Services:

- Curriculum & Assessment
- Instructional Leadership
- Recruitment

- Lottery Management
- Student Data Analysis
- Parent & Community Engagement

Operational Services:

- Payroll
- Accounting & Financial Reporting
- Procurement
- Human Resources
- Legal Support
- IT Support
- Operational Policy Support
- Authorizer Relations

To cover the cost of these services listed above, schools are charged 15 percent of revenue which is transferred to the central office (Note some reimbursed revenues are not included, i.e. lunch revenues)

Facility Lease Expense

In 2011, ROMO entered into a lease for its location at 950 Owsley Avenue. ROMO has a current long-term facility lease with average lease payment of \$946K per year and expiration in 2026, with extension options thereafter.

Traditional public schools have a significant cost advantage for facilities costs when compared to charter schools for several reasons: (a) much of the facility costs in existing traditional public schools are based on schools that were built many years ago when costs for land and buildings were significantly less than the cost of land acquisition and construction that Rocketship schools are forced to pay; (b) Rocketship is obligated to finance its own buildings and land and is not permitted to access low-cost state financing like traditional public schools nor to access additional sources like parcel taxes to offset costs; and (c) most of Rocketship's schools are built in high-density areas rather than on land that was previously used for other, less congested (e.g. agricultural) purposes.

Rocketship's lease expense line item is determined based on a number of facility-related components including:

- Debt service, covering land acquisition and construction
- Ground leases, when required
- Taxes & insurance
- Maintenance and cap-ex reserves
- Property management fees

The financial projections for ROMO include a lease cost of approximately \$946K per year. SB740 is a restricted revenue source and only used to cover ROMO's lease expense. As shown in Table L this revenue stream relieves approximately 65 percent of this cost for the school.

Table L: SB740 Impact

	2020-21	2021-22	2022-23	2023-24	2024-25
SB740 Impact (Thousands)					
SB740 Revenue	\$608	\$615	\$615	\$615	\$615
Lease Expense	\$946	\$946	\$946	\$946	\$946
<i>SB740 Relief</i>	64%	65%	65%	65%	65%
<i>Net Lease Burden to School</i>	\$338	\$331	\$331	\$331	\$331

Expenses in this next section are primarily based on preliminary negotiations with prospective service providers or based on historical amounts at ROMO. We make note of items below as needed to explain our budgeting assumptions.

Table M: Professional Services

	2020-21	2021-22	2022-23	2023-24	2024-25
Professional Services (Thousands)					
Professional Development	\$32	\$19	\$85	\$72	\$52
SPED Consultants	\$96	\$98	\$98	\$98	\$98
Other Consultants	\$203	\$80	\$80	\$80	\$80
IT Support	\$38	\$25	\$25	\$25	\$25
Custodial Services	\$81	\$62	\$62	\$62	\$62
Health & Testing	\$2	\$3	\$3	\$3	\$3
After School Program	\$71	\$122	\$122	\$122	\$122
Substitutes	\$60	\$38	\$108	\$95	\$75
Field Trips	\$9	\$33	\$33	\$33	\$33
Other Services	\$228	\$62	\$100	\$87	\$67
Authorizer Oversight	\$39	\$61	\$61	\$61	\$61
SPED Admin Fee	\$13	\$10	\$11	\$11	\$11
Total Professional Services	\$872	\$613	\$788	\$748	\$688

Professional Development

Professional development includes both certification costs and costs for other professional development of administrators, teachers, and staff.

SPED Consultants

Special Education Consultant costs include outsourced service provider costs. Rocketship also employs multiple psychologists, speech language pathologists and occupational therapists at the regional level to serve their Bay Area schools.

After School Program

The After School Program and Safety Grant covers the majority of ROMO’s After School Program. YMCA covers the remaining cost of the program.

Substitute Teacher Costs

Teacher substitute provisions are included for both projected sick and personal leave as well as for professional staff development leave. Ten days per year per teacher FTE are projected for all forms of leave. For each day of leave per teacher FTE, \$250 has been assumed for teacher substitute provisions. Estimates are based on historical experience of Rocketship’s existing schools. Included in this line-item are proctoring costs for CELDT testing, based on historical data at ROMO.

Field Trips

Schools generally are budgeted \$5,500 per grade for field trips; these costs have been projected based on historical experience at ROMO. We have included limited expenses in FY20-21 due to uncertainty around COVID-19 related restrictions.

Other Services

The budget line item for “Other Services” includes the following external expenses: audit fees, and security services.

Authorizer Oversight & SELPA Admin Fee

Authorizer oversight is the fee charged by each charter authorizer. We assume 1 percent of principal apportionment revenue is budgeted for all our Rocketship schools in the Bay Area. As a member of the El Dorado County SELPA, ROMO is charged a fee of 3 percent of special education revenue.

Ending Cash Balance

ROMO will maintain a healthy cash reserve over the next five years. The projected reserves will be monitored and adjusted and refined as decisions and updates are provided relative to state funding amounts as well as when refinements or updates are made to the projected spending plan for the school.

Table N: Statement of Activities & Cash Reserve Balance

	2020-21	2021-22	2022-23	2023-24	2024-25
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Statement of Activities (Thousands)					
Revenues					
State Revenue	\$7,633	\$6,813	\$7,404	\$7,404	\$7,404
Federal Revenue	\$1,498	\$752	\$752	\$752	\$752
Local Revenue	\$21	\$32	\$31	\$31	\$31
Grants & Fundraising	\$45	\$38	\$38	\$38	\$38
Total Revenues	\$9,197	\$7,635	\$8,225	\$8,225	\$8,225
Expenses					
Certificated Salaries	\$2,126	\$2,013	\$2,080	\$2,105	\$2,137
Classified Salaries	\$1,182	\$1,207	\$1,280	\$1,301	\$1,320
Employee Benefits	\$881	\$863	\$935	\$942	\$951
Books & Supplies	\$687	\$304	\$360	\$358	\$358
Food Service	\$349	\$401	\$401	\$401	\$401
Other Operating Expenses	\$2,511	\$2,243	\$2,308	\$2,308	\$2,308
Professional Services	\$872	\$613	\$788	\$748	\$688
Interest & Capital Outlay	\$29	\$29	\$23	\$23	\$23
Total Expenses	\$8,637	\$7,673	\$8,175	\$8,186	\$8,186
Increase/Decrease of Net Assets	\$560	(\$38)	\$50	\$39	\$39
Ending Cash Balance	\$2,257	\$3,785	\$3,807	\$3,792	\$3,776
Reserve Balance (% of Expenditures)	26.1%	49.3%	46.6%	46.3%	46.1%

Cash Flow

Revenues

Since revenues are disbursed from multiple sources at different times, projecting cash flow is a top priority for all Rocketship schools. The greatest cash flow challenge is predicting the flow of federal and state revenue sources. California law identifies the percentage of a school's general purpose funds to be paid at specified dates. The California Department of Education (CDE) disburses state aid on a 5-9-9 schedule. The state has implemented apportionment payment deferrals on state aid, beginning February 2021, which will defer approximately 35 percent of current year payments to the next fiscal year. We expect deferrals to continue in FY21-22.

Principal Apportionment

The principal apportionment comes from a combination of three sources: In Lieu Property Taxes, State Aid, and Education Protection Account. The district where the school is located pays the Charter School an In Lieu Property Tax amount per (ADA). State Aid is due from the state on or before the end of the month and is paid monthly from July to June on a 5-5-9 schedule. The Economic Protection Account

flows quarterly in September, December, March and June. In Lieu Property Tax is disbursed monthly starting in August.

California Lottery

State Lottery payments, paid according to the prior year's ADA, are projected to be disbursed in January (25 percent), March (25 percent) and October (50 percent).

Title Funding

Title payments are projected to be paid in January (25 percent) and April (75 percent).

Free and Reduced Meals Program

Payments are made after ROMO files a reimbursement claim. Claims are generally filed monthly and the payment schedule is generally within 45 to 60 days after the claim is filed. This means that revenue for Free and Reduced Meals generally lag expenses by a month.

Expenditure

The most significant areas of ROMO's cost structure are primarily staff compensation and facilities related expenses, which are generally paid evenly throughout the year. The vast majority of the curriculum and supply costs are front-loaded to the beginning of the school year.

Rocketship anticipates that over the five years, post-recession, that additional capital investments in the school can be made, including building and/or programmatic investments. Such investments would lower the cash balance at the end of year 5, yet retain a strong reserve for the school.

Cash Flow Summary

<i>(\$000)</i>													
FY2020-21													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE
Beginning Cash Balance	3,221	3,597	3,250	4,163	3,473	3,149	3,081	3,275	3,126	2,850	2,575	2,528	3,221
Revenue	395	390	716	1,326	817	810	794	793	793	793	794	775	9,197
Expense	497	555	775	861	828	822	721	722	715	717	715	709	8,635
Net Income	(102)	(165)	(59)	465	(10)	(12)	74	72	78	76	78	66	562
Net Operating + Financing Adjustment	478	(183)	973	(1,156)	(313)	(57)	120	(220)	(354)	(351)	(125)	(337)	(1,526)
Ending Cash Balance	3,597	3,250	4,163	3,473	3,149	3,081	3,275	3,126	2,850	2,575	2,528	2,257	2,257
FY2021-22													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE
Beginning Cash Balance	2,257	2,634	2,856	3,142	3,318	3,444	3,483	3,308	3,354	3,622	3,668	3,714	2,257
Revenue	367	389	688	687	688	688	688	687	684	684	684	701	7,635
Expense	582	646	695	654	642	636	636	636	636	636	636	636	7,671
Net Income	(215)	(257)	(8)	34	46	51	51	50	49	49	49	65	(36)
Net Operating + Financing Adjustment	591	479	294	142	80	(12)	(227)	(4)	219	(3)	(3)	7	1,564
Ending Cash Balance	2,634	2,856	3,142	3,318	3,444	3,483	3,308	3,354	3,622	3,668	3,714	3,785	3,785
FY2022-23													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE
Beginning Cash Balance	3,785	3,692	3,622	3,615	3,458	3,378	3,428	3,486	3,545	3,604	3,663	3,722	3,785
Revenue	396	419	739	739	739	739	739	739	739	739	739	755	8,225
Expense	623	691	745	697	683	676	676	676	676	676	676	676	8,174
Net Income	(227)	(273)	(6)	42	57	63	63	63	63	63	63	78	50
Net Operating + Financing Adjustment	134	203	(2)	(199)	(137)	(13)	(4)	(4)	(4)	(4)	(4)	7	(28)
Ending Cash Balance	3,692	3,622	3,615	3,458	3,378	3,428	3,486	3,545	3,604	3,663	3,722	3,807	3,807
FY2023-24													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE
Beginning Cash Balance	3,807	3,685	3,617	3,609	3,452	3,370	3,419	3,477	3,534	3,592	3,650	3,708	3,807
Revenue	396	418	740	740	740	740	740	740	740	740	740	755	8,225
Expense	622	692	746	698	684	678	678	678	678	678	678	677	8,186
Net Income	(226)	(274)	(6)	41	56	62	62	62	62	62	62	77	39
Net Operating + Financing Adjustment	104	206	(2)	(199)	(137)	(13)	(4)	(4)	(4)	(4)	(4)	7	(54)
Ending Cash Balance	3,685	3,617	3,609	3,452	3,370	3,419	3,477	3,534	3,592	3,650	3,708	3,792	3,792
FY2024-25													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE
Beginning Cash Balance	3,792	3,666	3,599	3,593	3,440	3,360	3,408	3,465	3,522	3,579	3,636	3,693	3,792
Revenue	396	418	740	740	740	740	740	740	740	740	740	755	8,225
Expense	621	690	743	698	684	678	678	678	678	678	678	678	8,185
Net Income	(226)	(272)	(3)	42	55	61	61	61	61	61	61	77	40
Net Operating + Financing Adjustment	100	204	(2)	(195)	(136)	(13)	(4)	(4)	(4)	(4)	(4)	7	(55)
Ending Cash Balance	3,666	3,599	3,593	3,440	3,360	3,408	3,465	3,522	3,579	3,636	3,693	3,776	3,776