

**ROCKETSHIP EDUCATION
BUSINESS COMMITTEE MEETING
2:00pm January 25, 2010**

Rocketship Sí Se Puede Academy / 2249 Dobern Ave / San Jose, CA 95116
Dial-in Conference Number: (866) 704-7500
Participant Number: 713596

Link to Bus Com Materials: <https://rsed.box.net/shared/0tp9nc26re>

1. Call to Order

2. Public Comment

3. Discussion Items

- a. Operations Update
- b. Real Estate / Construction Update
- c. Financial Update

4. Action Items

- a. Approve Con App, part II for RMS and RSSP

5. Adjourn

Operations Update

RMS & RSSP

Monthly Operations Dashboard Overview

This is the same December data as reported in 1/13 meeting as we update this data the 1st week of every month.

<https://rсед.box.net/shared/static/lsi2bdj0b2.pdf>

RSED “Big Projects”:

New City Expansion Strategic Planning: As discussed in the last meeting, we are working through the details in our Strategic Plan to go to a 2nd City 2 years sooner than planned.

- Alex has provided feedback & input offline, please feel free to do the same or we can make time after the financial presentation in this meeting to discuss your feedback on the documents.
 - Executive Summary: <https://rсед.box.net/shared/static/nhhs4j2ep0.pdf>
 - Presentation: <https://rсед.box.net/shared/static/dbl0izvt8x.pdf>
 - Operations Detail: <https://rсед.box.net/shared/static/0m3rhd633l.pdf>
- The reviewed this material in the 1/12 board meeting. We are now updating the drafts & revising the financial based on feedback & plan to get Executive Committee go aheadto submit a Race to the Top/I3 Grant in March.

RSED Tech Planning: We have started the very detailed strategic planning associated with the RSED Tech initiatives (Rocketship Online Learning (ROL), Rocketship Achievement Database (RAD), Rocketship Operations Toolkit (ROT), Rocketship Performance Management (RPM)).

- ROT is included in the 2nd City Strategic planning, whereas the development of ROL and the Learning Management System will be included in a separate fundraising initiative.

RSED
National

Real Estate Update

RS2/LLC2

- 95% of add backs are complete
- Re-naming ceremony projected to happen in the spring (when add backs are complete)
- Design complete & being reviewed by DSA. Budgets complete, schedule & contracts in final negotiation to be ready for execution when deal closes.
- CEQA (environmental impact) hearing was successfully held on 1/12/10
- NCB informed us on 1/14/10 that the terms they had offered us were no longer possible based on the fact that they have decided to use Chase bank as the NMTC & Leveraged Lender (vs US Bank). As a result, I have contacted Self Help & LIIF to see if they have a NMTC deal to offer us. They both have until 1/28 to get me a commitment letter. If not, we plan to initiate the RBC Bond Deal by 1/29/10.

RS3/LLC3

- Financially: We have run the numbers and although the NPV of a bond deal is not as favorable as a NMTC deal, we can afford it and the upside is that it is a 30 year term (vs. the 7 year NMTC deal)
- Timeframe: Having to go through the bond process (60 days at best) will compromise our construction schedule, as it will put deal closing 2 months after ideal. We are working with the title company & our vendors to determine actual impact
- Construction Loan: Based on schedule implications, we will run scenarios of funding portions of construction prior to loan closing and work with the Executive Committee to determine risk vs. reward.

Launchpad & Planning

- RSED Board green lighted RS4, we have signed the Purchase Sale Agreement and have started the Entitlement phase on the property (1200 Lucretia, San Jose)
- RSED Board appointed Launchpad board members. Launchpad has been incorporated in CA. Bylaws will be signed by end of Jan., 1023 application for Federal nonprofit status will be submitted in Feb.
- We have our 1st meeting to review potential launchpad CEO candidates on 1/26

Finance Summary and Key Takeaways

Financial Performance and Health

- Budget has been revised to reflect the budget approved in January Board meeting
- Fiscal management and governor's budget proposal do not merit altering reserve balances at this time
- YTD ADA revenues are approx. \$11K below budget at RSSP, and \$7K above budget at RMS
- Rocketship's cash on hand (12/31/09) is \$2.6MM and liquidity position appears strong over the remainder of FY10
- Cash flow has been hindered by state payment deferrals and delays in closing LLC3 financing deal, resulting in intercompany working capital and bridge loans from RSED

Process

- Recommending that BusComm approve ConApp Part II for RMS and RSSP, located at <https://rsed.box.net/shared/0tp9nc26re>
- Rocketship financials shown in accrual basis

Financial Performance: Rocketship YTD Income Statement



Through December, both schools had completed approximately 40% of its school days; YTD net loss primarily due to startup expenses, delay in the approval of RS3's PCSGP application and CSGF grant (\$400K) recognized at year end

Rocketship FY10 Income Statement

	Rocketship				Rocketship
	RMS	RSSP	RS3	RSED	Total
Revenues					
Public Sources	\$1,351,639	\$1,317,823	\$0	\$183,900	\$2,853,362
Fundraising/Other	\$14,893	\$288,849	\$0	\$154,112	\$457,854
Facilities/Mgmt Fees	\$0	\$0	\$0	\$518,348	\$518,348
Total Revenues	\$1,366,533	\$1,606,672	\$0	\$856,360	\$3,829,564
Expenses					
Salaries and Benefits	\$617,472	\$515,997	\$51,154	\$444,787	\$1,629,410
Books and Supplies	\$129,742	\$175,137	\$499	\$22,118	\$327,496
Services / Operating Expenses	\$146,133	\$139,840	\$1,760	\$318,107	\$605,840
Depreciation	\$4,015	\$6,144	\$0	\$0	\$10,158
Financing Charges	\$4,500	\$2,594	\$4,945	\$59,523	\$71,562
Facilities/Management Fees	\$498,152	\$632,595	\$150,000	\$52,383	\$1,333,130
Total Expenses	\$1,400,013	\$1,472,307	\$208,358	\$896,919	\$3,977,597
Net Income	(\$33,481)	\$134,364	(\$208,358)	(\$40,559)	(\$148,033)
Beginning Reserves	\$150,163	(\$114,417)	\$79,352	\$366,669	\$481,766
Net Income	(\$33,481)	\$134,364	(\$208,358)	(\$40,559)	(\$148,033)
Ending Reserves	\$116,682	\$19,947	(\$129,006)	\$326,110	\$333,733
Reserve Balance (%)	4%	1%	-34%	15%	4%

Financial Performance: Rocketship YTD Balance Sheet



Rocketship has earned over \$820K in receivables (primarily from the state); Combined with \$280K in prepaid expenses, these state delays resulted in each school requiring a working capital loan from RSED; Additionally, RS3 LLC has \$250K loan from RS3 that is part of current financing deal

Rocketship Balance Sheet as of December 31, 2009

	Rocketship				Rocketship Total
	RMS	RSSP	RS3	RSED	
ASSETS					
Cash	\$23,459	\$93,906	\$127,776	\$2,385,638	\$2,630,778
Receivables	\$541,296	\$95,015	\$0	\$186,435	\$822,747
Prepaid Expenses	\$121,331	\$149,361	\$0	\$11,093	\$281,785
Deposits and Other Assets	\$6,211	\$500	\$0	\$15,000	\$21,711
Intercompany Loans	\$0	\$0	\$250,000	\$720,000	\$970,000
Total Current Assets	\$692,298	\$338,782	\$377,776	\$3,318,166	\$4,727,021
Property and Equipment, net	\$27,108	\$62,549	\$0	\$0	\$89,657
TOTAL ASSETS	\$719,406	\$401,331	\$377,776	\$3,318,166	\$4,816,678
LIABILITIES AND NET ASSETS					
LIABILITIES					
Accounts Payable	\$86,910	\$56,383	\$1,837	\$9,212	\$154,343
Intercompany Loans	\$325,000	\$125,000	\$250,000	\$0	\$700,000
Current Portion of Other Loans	\$40,814	\$50,000	\$0	\$0	\$90,814
Total Current Liabilities	\$452,724	\$231,383	\$251,837	\$9,212	\$945,157
Loans Payable (incl accrued interest)	\$150,000	\$150,000	\$254,945	\$2,982,844	\$3,537,789
Total Long-Term Liabilites	\$150,000	\$150,000	\$254,945	\$2,982,844	\$3,537,789
TOTAL LIABILITIES	\$602,724	\$381,383	\$506,782	\$2,992,056	\$4,482,946
NET ASSETS					
Retained Earnings	\$150,163	(\$114,417)	\$79,352	\$366,669	\$481,766
Net Income	(\$33,481)	\$134,364	(\$208,358)	(\$40,559)	(\$148,033)
ENDING NET ASSETS	\$116,682	\$19,947	(\$129,006)	\$326,110	\$333,733
TOTAL LIABILITIES AND NET ASSETS	\$719,406	\$401,331	\$377,776	\$3,318,166	\$4,816,678

Financial Performance: Rocketship YTD Cash Flow Statement



Rocketship's Operating Cash flow was hindered by negative net income and state deferrals; \$1.5MM convertible loan from Walton Foundation instrumental in keeping Rocketship cash flow positive

Rocketship FY10 Cash Flow Statement

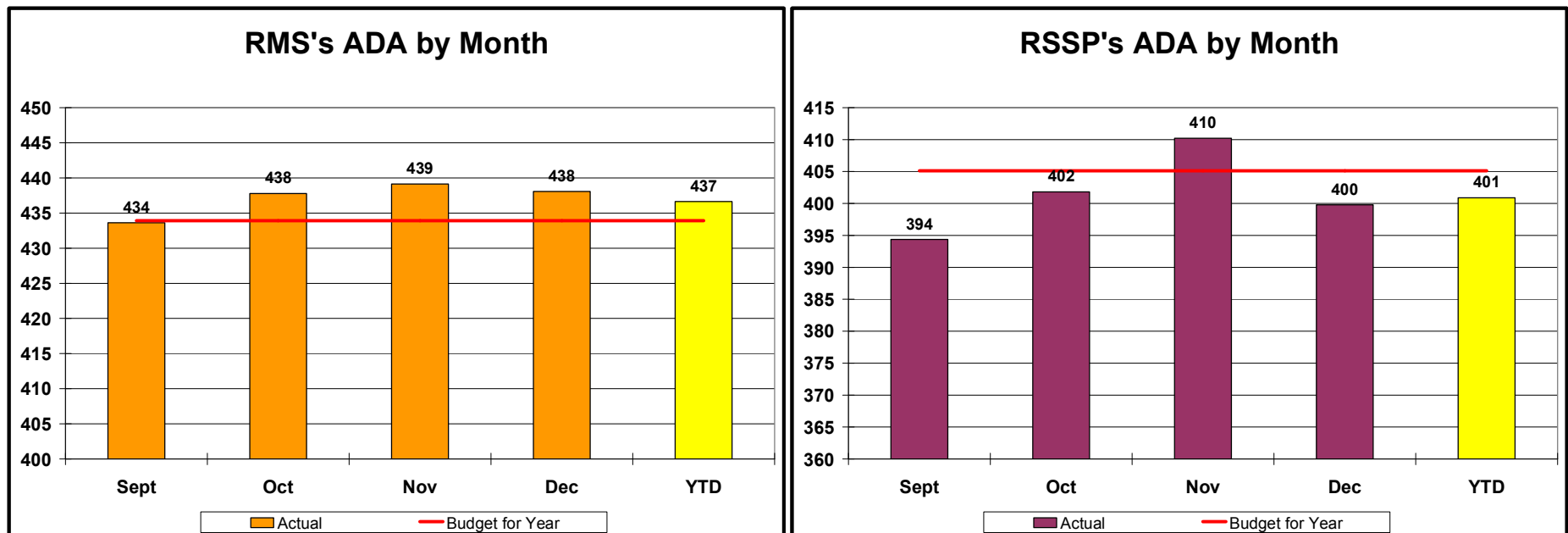
	Rocketship				
	RMS	RSSP	RS3	RSED	Rocketship Total
CASH FLOW FROM OPERATIONS					
Net Income	(\$33,481)	\$134,364	(\$208,358)	(\$40,559)	(\$148,033)
Plus Depreciation	\$4,015	\$6,144	\$0	\$0	\$10,158
Change in Assets	\$71,942	(\$194,961)	\$0	(\$206,658)	(\$329,678)
Change in Liabilities	(\$89,987)	\$40,013	\$1,837	(\$49,382)	(\$97,519)
Accrued Interest	\$0	\$0	\$4,945	\$59,523	\$64,469
Net Cash Flow From Operations	(\$47,512)	(\$14,440)	(\$201,576)	(\$237,076)	(\$500,604)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Land and Buildings	\$0	\$0	\$0	\$0	\$0
Purchase of Furniture and Equipment	(\$31,123)	(\$68,693)	\$0	\$0	(\$99,815)
Net Cash Flows From Investing Activi	(\$31,123)	(\$68,693)	\$0	\$0	(\$99,815)
CASH FLOWS FROM FINANCING ACTIVITIES					
Intercompany Loans	\$325,000	\$125,000	\$0	(\$670,000)	(\$220,000)
Loan Proceeds	\$0	\$0	\$250,000	\$1,000,000	\$1,250,000
Loan Repayments	(\$334,186)	\$0	\$0	\$0	(\$334,186)
Net Cash Flows From Financing Activ	(\$9,186)	\$125,000	\$250,000	\$330,000	\$695,814
Net Increase/(Decrease) in Cash	(\$87,820)	\$41,867	\$48,424	\$92,924	\$95,395
Beginning Cash	\$111,279	\$52,038	\$79,352	\$2,292,714	\$2,535,383
Change in Cash	(\$87,820)	\$41,867	\$48,424	\$92,924	\$95,395
Ending Cash	\$23,459	\$93,906	\$127,776	\$2,385,638	\$2,630,778

Financial Performance: ADA by Month



Through December 18, RSSP was 4 students under budget, representing \$11K in lost revenue. \$11K has been withheld from RSSP's discretionary budget until the revenue is regained; RMS is currently 3 students and \$7K above budget

Rocketship FY10 Monthly ADA by School

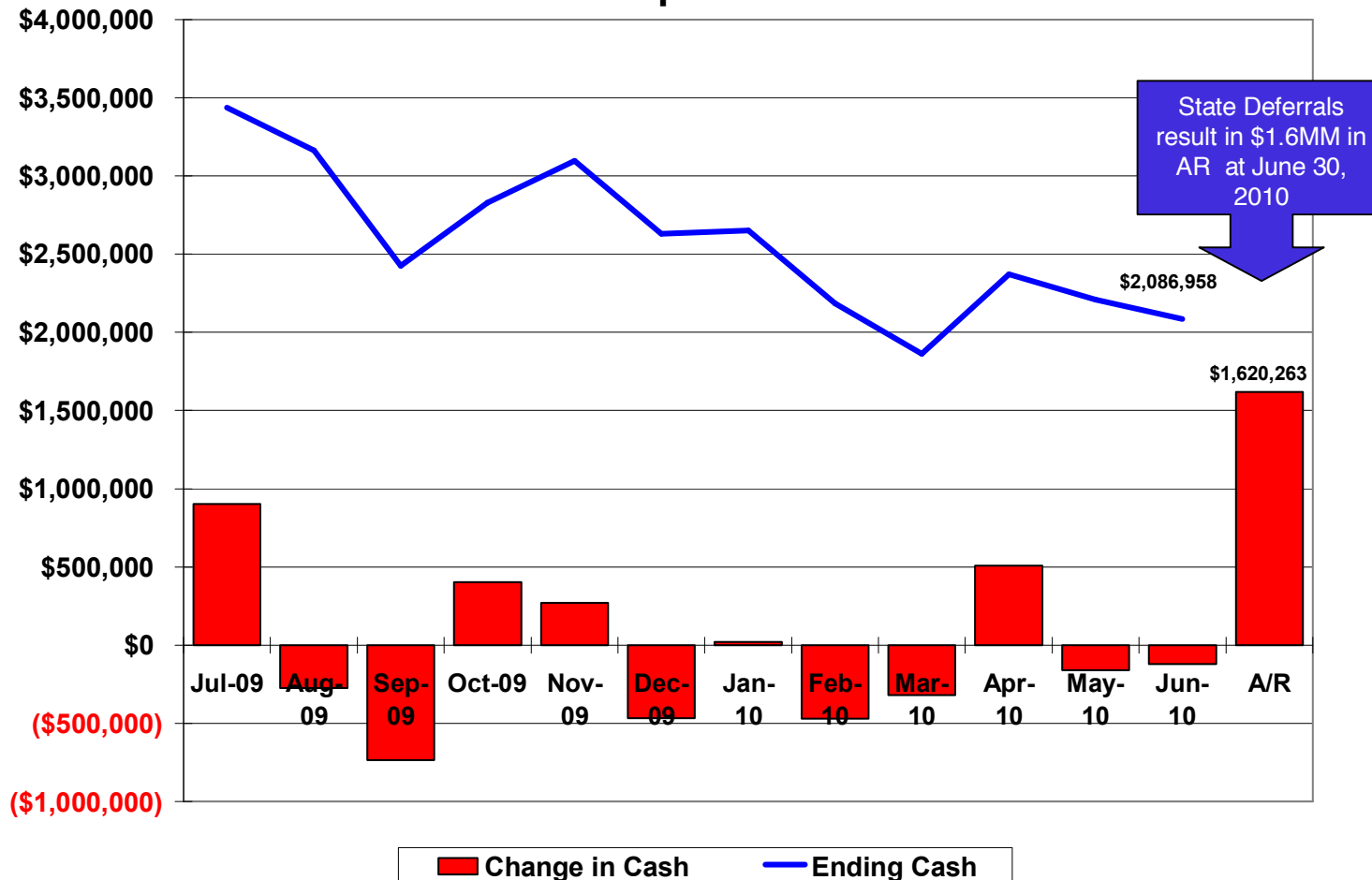


Financial Performance: Cash Flow Projection



Cash position remains strong; delays in finalizing financing for LLC3 has required Rocketship to continue granting bridge financing to Launchpad

Rocketship FY10 Cash Flow



*Deviations from prior cash flow presentations include a assumption of loaning LLC3 an additional \$400K through March until financing occurs in April

Financial Performance: Budget vs Actuals



Financial Performance through December suggests revenue and expense management consistent with revised budget and does not indicate a need to reallocate reserves

Rocketship (w/o LP) FY10 Variance Analysis and Forecast Through December

	Actual	Budget	Forecast	Variance	Explanation
Revenues					
Public Sources	\$2,853,362	\$7,130,924	\$7,127,118	(\$3,806)	Lower ADA at RSSP (-\$11K), higher ADA at RMS (\$7K)
Fundraising/Other	\$457,854	\$1,137,712	\$1,152,712	\$15,000	\$15K grant for Music Program
Facilities/Mgmt Fees	\$518,348	\$1,041,401	\$1,041,401	\$0	
Total Revenues	\$3,829,564	\$9,310,037	\$9,321,231	(\$11,194)	
Expenses					
Salaries and Benefits	\$1,629,410	\$3,965,424	\$3,980,424	(\$15,000)	Staffing for music program
Books and Supplies	\$327,496	\$886,116	\$875,159	\$10,957	Lower due to reduced ADA at RS2
Services / Operating Expenses	\$605,840	\$1,418,352	\$1,418,352	\$0	
Depreciation	\$10,158	\$25,565	\$25,565	\$0	
Financing Charges	\$71,562	\$149,834	\$149,834	\$0	
Facilities and Management Fees	\$834,978	\$2,585,218	\$2,585,218	\$0	
Reserves	\$0	\$279,528	\$0	\$279,528	
Total Expenses	\$3,977,597	\$9,310,037	\$9,034,552	\$275,485	
Net Income	(\$148,033)	\$0	\$286,679	(\$286,679)	
Beginning Reserves	\$481,766	\$481,766	\$481,766	\$0	
Net Income	(\$148,033)	\$0	\$286,679	\$286,679	
Ending Reserves	\$333,733	\$481,766	\$768,445	\$286,679	
Reserve Balance (%)	3.6%	5.2%	8.5%		

Financial Performance: Budget vs Actuals



Launchpad's financial performance through December is in keeping with the budget

Launchpad FY10 Variance Analysis and Forecast Through December

	Actual	Budget	Forecast	Variance	Explanation
Revenues					
Public Sources	\$0	\$0	\$0	\$0	
Fundraising/Other	\$0	\$0	\$0	\$0	
Facilities/Mgmt Fees	\$857,600	\$1,629,454	\$1,715,092	\$85,638	Payment from LLC's to Launchpad
Total Revenues	\$857,600	\$1,629,454	\$1,715,092	\$85,638	
Expenses					
Salaries and Benefits	\$13,453	\$59,766	\$59,766	\$0	
Books and Supplies	\$1,370	\$0	\$2,741	(\$2,741)	Materials and supplies
Services / Operating Expenses	\$128,202	\$391,075	\$391,075	\$0	
Depreciation	\$244,300	\$544,438	\$544,438	\$0	
Financing Charges	\$248,961	\$598,917	\$587,547	\$11,370	Lower Locust interest due to a temporary interest rate reduction
Facilities and Management Fees	\$42,819	\$0	\$85,638	(\$85,638)	Payment from LLC's to Launchpad
Reserves	\$0	\$20,619	\$20,619	\$0	
Total Expenses	\$679,105	\$1,614,815	\$1,671,204	(\$56,389)	
Net Income	\$178,495	\$14,639	\$43,887	\$29,249	
Beginning Reserves	\$493,331	\$493,331	\$493,331	\$0	
Net Income	\$178,495	\$14,639	\$43,887	\$29,249	
Ending Reserves	\$671,826	\$507,970	\$537,218	\$29,249	
Reserve Balance (%)	41.6%	31.5%	32.1%		

Appendices

Financial Performance: Budget vs Actuals by Location - RMS



RMS Variance Analysis

	Actual	Budget	Forecast	Variance	Explanation
Revenues					
Public Sources	\$1,351,639	\$3,307,716	\$3,314,867	\$7,151	ADA higher than budgeted
Fundraising and Other	\$14,893	\$8,718	\$16,218	\$7,500	\$7,500 grant for music program
Facilities/Mgmt Fees	\$0	\$0	\$0	\$0	
Total Revenues	\$1,366,533	\$3,316,434	\$3,331,085	\$14,651	
Expenses					
Salaries and Benefits	\$617,472	\$1,476,860	\$1,484,360	(\$7,500)	\$7,500 in salaries used for music program
Books and Supplies	\$129,742	\$369,753	\$369,753	\$0	
Services / Operating Expenses	\$146,133	\$233,894	\$233,894	\$0	
Depreciation	\$4,015	\$9,843	\$9,843	\$0	
Financing Charges	\$4,500	\$9,000	\$9,000	\$0	
Facilities and Management Fees	\$498,152	\$1,089,466	\$1,089,466	\$0	
Reserves	\$0	\$119,631	\$0	\$119,631	Reserve against uncertainty
Total Expenses	\$1,400,013	\$3,308,446	\$3,196,316	\$112,131	
Net Income	(\$33,481)	\$7,988	\$134,769	\$126,782	
Beginning Reserves	\$150,163	\$150,163	\$150,163	\$0	
Net Income	(\$33,481)	\$7,988	\$134,769	\$126,782	
Ending Reserves	\$116,682	\$158,150	\$284,932	\$126,782	
Reserve Balance (%)	4%	4.8%	8.9%		

Financial Performance: Budget vs Actuals by Location - RSSP



RSSP Variance Analysis

	Actual	Budget	Forecast	Variance	Explanation
Revenues					
Public Sources	\$1,317,823	\$3,262,289	\$3,251,332	(\$10,957)	Lower than budgeted ADA
Fundraising and Other	\$288,849	\$303,084	\$310,584	\$7,500	\$7,500 grant for music program
Facilities/Mgmt Fees	\$0	\$0	\$0	\$0	
Total Revenues	\$1,606,672	\$3,565,374	\$3,561,917	(\$3,457)	
Expenses					
Salaries and Benefits	\$515,997	\$1,296,492	\$1,303,992	(\$7,500)	\$7,500 in salaries used for music program
Books and Supplies	\$175,137	\$432,162	\$421,205	\$10,957	Reduced expenses due to lower ADA
Services / Operating Expenses	\$139,840	\$349,597	\$349,597	\$0	
Depreciation	\$6,144	\$15,722	\$15,722	\$0	
Financing Charges	\$2,594	\$11,842	\$11,842	\$0	
Facilities and Management Fees	\$632,595	\$1,141,735	\$1,141,735	\$0	
Reserves	\$0	\$85,224	\$0	\$85,224	Reserve against uncertainty
Total Expenses	\$1,472,307	\$3,332,775	\$3,244,094	\$88,681	
Net Income	\$134,364	\$232,599	\$317,822	\$85,224	
Beginning Reserves	(\$114,417)	(\$114,417)	(\$114,417)	\$0	
Net Income	\$134,364	\$232,599	\$317,822	\$85,224	
Ending Reserves	\$19,947	\$118,182	\$203,405	\$85,224	
Reserve Balance (%)	0.6%	3.5%	6.3%		

Financial Performance: Budget vs Actuals by Location □ RS3



RS3 Variance Analysis

	Actual	Budget	Forecast	Variance	Explanation
Revenues					
Public Sources	\$0	\$100,000	\$100,000	\$0	
Fundraising and Other	\$0	\$5,000	\$5,000	\$0	
Facilities/Mgmt Fees	\$0	\$0	\$0	\$0	
Total Revenues	\$0	\$105,000	\$105,000	\$0	
Expenses					
Salaries and Benefits	\$51,154	\$152,399	\$152,399	\$0	
Books and Supplies	\$499	\$3,200	\$3,200	\$0	
Services / Operating Expenses	\$1,760	\$24,680	\$24,680	\$0	
Depreciation	\$0	\$0	\$0	\$0	
Financing Charges	\$4,945	\$9,945	\$9,945	\$0	
Facilities and Management Fees	\$150,000	\$186,750	\$186,750	\$0	
Reserves		\$0		\$0	
Total Expenses	\$208,358	\$376,974	\$376,974	\$0	
Net Income	(\$208,358)	(\$271,974)	(\$271,974)	\$0	
Beginning Reserves	\$79,352	\$79,352	\$79,352	\$0	
Net Income	(\$208,358)	(\$271,974)	(\$271,974)	\$0	
Ending Reserves	(\$129,006)	(\$192,623)	(\$192,623)	\$0	
Reserve Balance (%)	-34%	-51.1%	-51.1%		

Financial Performance: Budget vs Actuals by Location □ RSED



RSED Variance Analysis

	Actual	Budget	Forecast	Variance	Explanation
Revenues					
Public Sources	\$183,900	\$460,918	\$460,918	\$0	
Fundraising and Other	\$154,112	\$570,910	\$570,910	\$0	
Facilities/Mgmt Fees	\$518,348	\$1,041,401	\$1,041,401	\$0	
Total Revenues	\$856,360	\$2,073,229	\$2,073,229	\$0	
Expenses					
Salaries and Benefits	\$444,787	\$1,039,673	\$1,039,673	\$0	
Books and Supplies	\$22,118	\$81,000	\$81,000	\$0	
Services / Operating Expenses	\$318,107	\$810,181	\$810,181	\$0	
Depreciation	\$0	\$0	\$0	\$0	
Financing Charges	\$59,523	\$119,047	\$119,047	\$0	
Facilities and Management Fees	\$52,383	\$104,766	\$104,766	\$0	
Reserves	\$0	\$74,674	\$0	\$74,674	
Total Expenses	\$896,919	\$2,229,341	\$2,154,667	\$74,674	
Net Income	(\$40,559)	(\$156,111)	(\$81,438)	(\$74,674)	
Beginning Reserves	\$366,669	\$366,669	\$366,669	\$0	
Net Income	(\$40,559)	(\$156,111)	(\$81,438)	(\$74,674)	
Ending Reserves	\$326,110	\$210,557	\$285,231	(\$74,674)	
Reserve Balance (%)	14.6%	9.4%	13.2%		

Consolidated Financials: Income Statement



	Launchpad						Launchpad Total	Consolidated Total
	Rocketship Total	Locust	Dobern	RS3 LLC	LLC4	Launchpad		
Revenues								
Public Sources	\$2,853,362	\$0	\$0	\$0	\$0	\$0	\$0	\$2,853,362
Fundraising/Other	\$457,854	\$0	\$33	\$0	\$0	\$0	\$33	\$457,887
Facilities/Mgmt Fees	\$518,348	\$294,279	\$318,120	\$150,000	\$0	\$95,202	\$857,600	\$1,375,949
Total Revenues	\$3,829,564	\$294,279	\$318,153	\$150,000	\$0	\$95,202	\$857,634	\$4,687,198
Expenses								
Salaries and Benefits	\$1,629,410	\$0	\$0	\$0	\$0	\$13,453	\$13,453	\$1,642,864
Books and Supplies	\$327,496	\$527	\$711	\$0	\$0	\$132	\$1,370	\$328,867
Services / Operating Expenses	\$605,840	\$74,647	\$6,322	\$88	\$0	\$47,145	\$128,202	\$734,042
Depreciation	\$10,158	\$150,907	\$93,393	\$0	\$0	\$0	\$244,300	\$254,458
Financing Charges	\$71,562	\$139,406	\$109,556	\$0	\$0	\$0	\$248,961	\$320,524
Facilities/Management Fees	\$1,333,130	\$21,409	\$21,409	\$0	\$0	\$0	\$42,819	\$1,375,949
Total Expenses	\$3,977,597	\$386,896	\$231,392	\$88	\$0	\$60,730	\$679,105	\$4,656,703
Net Income	(\$148,033)	(\$92,617)	\$86,762	\$149,912	\$0	\$34,472	\$178,528	\$30,495
Beginning Reserves	\$481,766	\$299,589	\$232,233	\$0	\$0	\$0	\$531,822	\$1,013,588
Net Income	(\$148,033)	(\$92,617)	\$86,762	\$149,912	\$0	\$34,472	\$178,528	\$30,495
Ending Reserves	\$333,733	\$206,972	\$318,994	\$149,912	\$0	\$34,472	\$710,351	\$1,044,083
Reserve Balance (%)	4%	26%	53%	777%	0%	18%	44%	10%

Consolidated Financials: Balance Sheet



	Launchpad						Launchpad Total	Consolidated Total
	Rocketship Total	Locust	Dobern	RS3 LLC	LLC4	Launchpad		
ASSETS								
Cash	\$2,630,778	\$64,519	\$814,707	\$88,625	\$5,600	\$59,474	\$1,032,925	\$3,663,703
Receivables	\$822,747	\$0	\$0	\$0	\$0	\$0	\$0	\$822,747
Prepaid Expenses	\$281,785	\$0	\$0	\$0	\$0	\$0	\$0	\$281,785
Deposits and Other Assets	\$21,711	\$20,800	\$0	\$60,000	\$0	\$0	\$80,800	\$102,511
Intercompany Loans	\$970,000	\$0	\$0	\$0	\$0	\$0	\$0	\$970,000
Total Current Assets	\$4,727,021	\$85,319	\$814,707	\$148,625	\$5,600	\$59,474	\$1,113,725	\$5,840,746
Property and Equipment, net	\$89,657	\$5,634,488	\$6,429,913	\$361,562	\$19,620	\$0	\$12,445,583	\$12,535,240
TOTAL ASSETS	\$4,816,678	\$5,719,807	\$7,244,620	\$510,187	\$25,220	\$59,474	\$13,559,308	\$18,375,987
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts Payable	\$154,343	\$50,854	\$125,626	\$110,274	\$5,220	\$25,002	\$316,976	\$471,318
Intercompany Loans	\$700,000	\$0	\$0	\$250,000	\$20,000	\$0	\$270,000	\$970,000
Current Portion of Other Loans	\$90,814	\$10,668	\$0	\$0	\$0	\$0	\$10,668	\$101,482
Total Current Liabilities	\$945,157	\$61,522	\$125,626	\$360,274	\$25,220	\$25,002	\$597,644	\$1,542,801
Loans Payable (incl accrued interest)	\$3,537,789	\$5,451,313	\$6,800,000	\$0	\$0	\$0	\$12,251,313	\$15,789,102
Total Long-Term Liabilities	\$3,537,789	\$5,451,313	\$6,800,000	\$0	\$0	\$0	\$12,251,313	\$15,789,102
TOTAL LIABILITIES	\$4,482,946	\$5,512,835	\$6,925,626	\$360,274	\$25,220	\$25,002	\$12,848,958	\$17,331,903
NET ASSETS								
Retained Earnings	\$481,766	\$299,589	\$232,233	\$0	\$0	\$0	\$531,822	\$1,013,588
Net Income	(\$148,033)	(\$92,617)	\$86,762	\$149,912	\$0	\$34,472	\$178,528	\$30,495
ENDING NET ASSETS	\$333,733	\$206,972	\$318,994	\$149,912	\$0	\$34,472	\$710,351	\$1,044,083
TOTAL LIABILITIES AND NET ASSETS	\$4,816,678	\$5,719,807	\$7,244,620	\$510,187	\$25,220	\$59,474	\$13,559,308	\$18,375,987

Consolidated Financials: Cash Flow Statement



	Launchpad						Launchpad Total	Consolidated Total
	Rocketship Total	Locust	Dobern	RS3 LLC	LLC4	Launchpad		
CASH FLOW FROM OPERATIONS								
Net Income	(\$148,033)	(\$92,617)	\$86,762	\$149,912	\$0	\$34,472	\$178,528	\$30,495
Plus Depreciation	\$10,158	\$150,907	\$93,393	\$0	\$0	\$0	\$244,300	\$254,458
Change in Assets	(\$329,678)	\$0	\$90,000	\$0	\$0	\$0	\$90,000	(\$239,678)
Change in Liabilities	(\$97,519)	\$48,616	(\$191,988)	\$110,274	\$5,220	\$25,002	(\$2,876)	(\$100,395)
Accrued Interest	\$64,469	\$0	\$0	\$0	\$0	\$0	\$0	\$64,469
Net Cash Flow From Operations	(\$500,604)	\$106,906	\$78,166	\$260,187	\$5,220	\$59,474	\$509,952	\$9,349
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of Land and Buildings	\$0	(\$176,756)	(\$2,159,920)	(\$374,712)	(\$19,620)	\$0	(\$2,731,008)	(\$2,731,008)
Purchase of Furniture and Equipment	(\$99,815)	\$0	(\$46,972)	\$0	\$0	\$0	(\$46,972)	(\$146,788)
Net Cash Flows From Investing Activi	(\$99,815)	(\$176,756)	(\$2,206,892)	(\$374,712)	(\$19,620)	\$0	(\$2,777,980)	(\$2,877,796)
CASH FLOWS FROM FINANCING ACTIVITIES								
Intercompany Loans	(\$220,000)	\$0	\$0	\$200,000	\$20,000	\$0	\$220,000	\$0
Loan Proceeds	\$1,250,000	\$101,000	\$0	\$0	\$0	\$0	\$101,000	\$1,351,000
Loan Repayments	(\$334,186)	(\$10,577)	\$0	\$0	\$0	\$0	(\$10,577)	(\$344,763)
Net Cash Flows From Financing Activ	\$695,814	\$90,423	\$0	\$200,000	\$20,000	\$0	\$310,423	\$1,006,237
Net Increase/(Decrease) in Cash	\$95,395	\$20,573	(\$2,128,726)	\$85,475	\$5,600	\$59,474	(\$1,957,605)	(\$1,862,210)
Beginning Cash	\$2,535,383	\$43,946	\$2,943,433	\$3,150	\$0	\$0	\$2,990,530	\$5,525,913
Change in Cash	\$95,395	\$20,573	(\$2,128,726)	\$85,475	\$5,600	\$59,474	(\$1,957,605)	(\$1,862,210)
Ending Cash	\$2,630,778	\$64,519	\$814,707	\$88,625	\$5,600	\$59,474	\$1,032,925	\$3,663,703