



**Tuesday, August 20, 2024**  
**Rocketship Public Schools Audit Committee (2024-25 Q1)**

**Meeting Time: 12:00pm**

**Public Comment: Members of the public can make comment on off-agenda items at the start of the meeting, and on agenda items immediately preceding the board's discussion of each item. You will be recognized once the public comment time begins, and be permitted to make comment for a duration of up to 3 minutes.**

**Meeting Location: 2001 Gateway Place, Suite 230E San Jose, CA 95110**

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**Teleconference locations:**

**950 Owsley Ave, San Jose, CA 95122**

**1700 Cavallo Rd, Antioch, CA 94509**

**2351 Olivera Rd, Concord, CA 94520**

**909 Roosevelt Ave, Redwood City, CA 94061**

**311 Plus Park Blvd Suite 130, Nashville, TN 37217**

**42803 Roullier Road, Ronan MT 59864**

**222 N Wolfe Rd, Sunnyvale, CA 94085**

**1877 Camino A Los Cerros, Menlo Park, CA 94025**

**185 Spur Ridge Court, Healdsburg CA 95448**

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**1. Opening Items**

A. Call to order

B. Public comment on off-agenda items

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**2. Consent Items**

A. Approve minutes from May 13, 2024 Audit Committee meeting

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**3. Agenda Items**

A. FY24 Audit Process Update

B. 403(b) Update

C. JetPackEd Capitalization

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**4. Closed Session**

A. Conference with Legal Counsel — Anticipated Litigation: Potential/threatened litigation pursuant to California Government Code § 54956.9. Number of cases: 1

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**5. Agenda Items (contd.)**

A. Public report on actions taken in closed session

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**6. Adjourn**

THE ORDER OF BUSINESS AND TIMINGS MAY BE CHANGED WITHOUT NOTICE: Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice, provided that the Board takes action to effectuate such change.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY: Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting may request assistance by contacting us at [compliance@rsed.org](mailto:compliance@rsed.org).

SPANISH & VIETNAMESE TRANSLATION: If you need Spanish or Vietnamese audio translation in order to access the Rocketship Board meeting, please send a request to [compliance@rsed.org](mailto:compliance@rsed.org) at least 24 hours before the start of the meeting. If you would like to make a public comment in Spanish or Vietnamese and would like us to translate to English for the Board, please send a request to [compliance@rsed.org](mailto:compliance@rsed.org) at least 24 hours before the start of the meeting.

Si necesita traducción de audio al español para acceder a la reunión de la Mesa Directiva de Rocketship, envíe una solicitud a [compliance@rsed.org](mailto:compliance@rsed.org) por lo menos 24 horas antes del inicio de la reunión. Si desea hacer un comentario público en español y desea que lo traduzcamos al inglés para la Mesa Directiva, envíe una solicitud a [compliance@rsed.org](mailto:compliance@rsed.org) por lo menos 24 horas antes del inicio de la reunión.

## **Rocketship Public Schools Audit Committee (2023-24 Q4) (Monday, May 13, 2024)**

*Generated by Cristina Vasquez on Monday, June 3, 2024*

### **1. Opening Items**

#### **A. Call to order**

At 8:07am, Ms. Miller took roll call. With a quorum of committee members present, Ms. Miller called the meeting to order.

Present: Courtney Shenberg, Greg Stanger, Louis Jordan, Julie Miller, Matt Red (advisor)

Absent: --

#### **B. Public comment on off-agenda items**

At 8:08am, Ms. Miller called for public comment on off-agenda items. No comments from the public were made.

### **2. Consent Items**

#### **A. Approve minutes from April 23, 2024 Audit Committee meeting**

At 8:09am, a motion to approve consent items was made by Mr. Jordan, seconded by Ms. Shenberg, and carried unanimously by roll call vote.

Y: Courtney Shenberg, Greg Stanger, Louis Jordan, Julie Miller

N: --

Abstain: --

### **3. Agenda Items**

#### **A. Audit Update**

At 8:09am, the committee discussed agenda item 3(A). No action was taken.

#### **B. Review and approve IRS Form 990 for Rocketship Education for fiscal year ending 6/30/23**

At 8:20am, the committee discussed agenda item 3(B).

At 8:24am, a motion to approve IRS Form 990 for Rocketship Education for fiscal year ending 6/30/23 was made by Mr. Jordan, seconded by Ms. Shenberg, and carried unanimously by roll call vote.

Y: Courtney Shenberg, Greg Stanger, Louis Jordan, Julie Miller

N: --

Abstain: --

#### **C. Review and recommend approval to the Rocketship Board of Directors the addition of Time and Effort Policies and Procedures to Rocketship's Fiscal Policies**

At 8:25am, the committee discussed agenda item 3(C).

At 8:36am, a motion to recommend approval to the Rocketship Board of Directors the addition of Time and Effort Policies and Procedures to Rocketship's Fiscal Policies was made by Mr. Jordan, seconded by Ms. Shenberg, and carried unanimously by roll call vote.

Y: Courtney Shenberg, Greg Stanger, Louis Jordan, Julie Miller

N: --

Abstain: --

### **4. Adjourn**

At 8:36am, a motion to adjourn the meeting was made by Mr. Jordan, seconded by Ms. Shenberg, and carried unanimously by roll call vote.

Y: Courtney Shenberg, Greg Stanger, Louis Jordan, Julie Miller

N: --

Abstain: --

# Q1 Rocketship Public Schools Audit Committee Meeting

August 20, 2024



# Agenda

## 1. Opening Items

**A.** Call to order

**B.** Public comment on off-agenda items

## 2. Consent Items

**A.** Approve minutes from May 13, 2024 Audit Committee meeting

## 3. Agenda Items

**A.** FY24 Audit Process Update

**B.** 403(b) Update

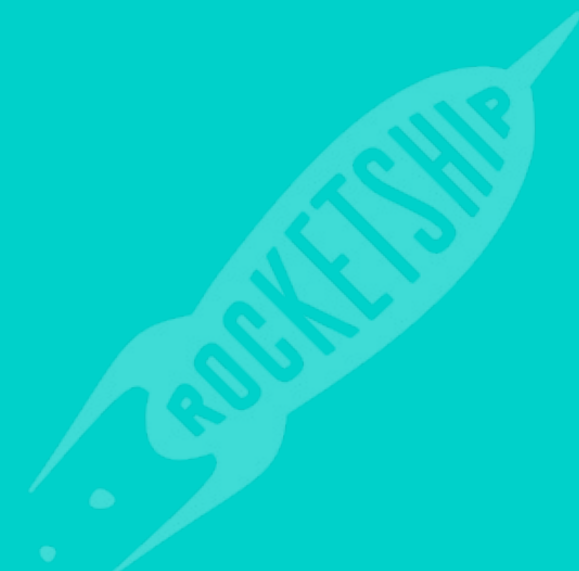
**C.** JetPackEd Capitalization

## 4. Closed Session

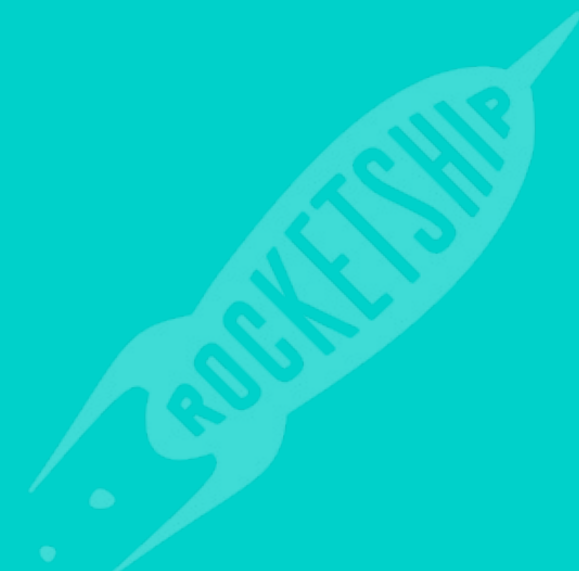
**A.** Conference with Legal Counsel — Anticipated Litigation: Potential/threatened litigation pursuant to California Government Code § 54956.9. Number of cases: 1

## 5. Adjourn

Opening Items: Call to Order



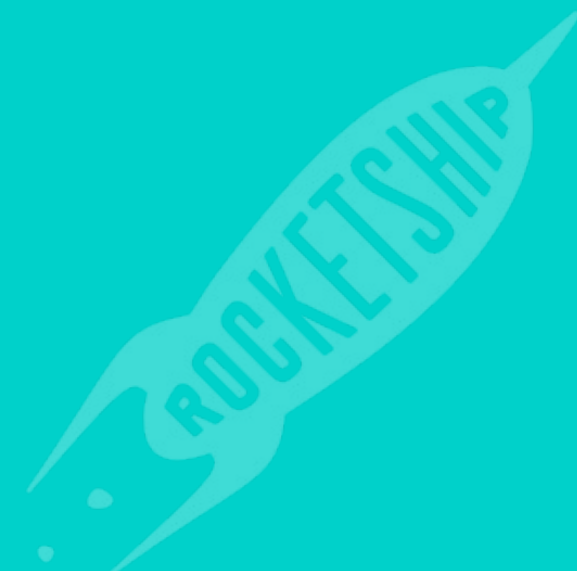
# Opening Items: Public Comment







# Update on FY24 Audit Process



# Audit Update

## Interim Audit

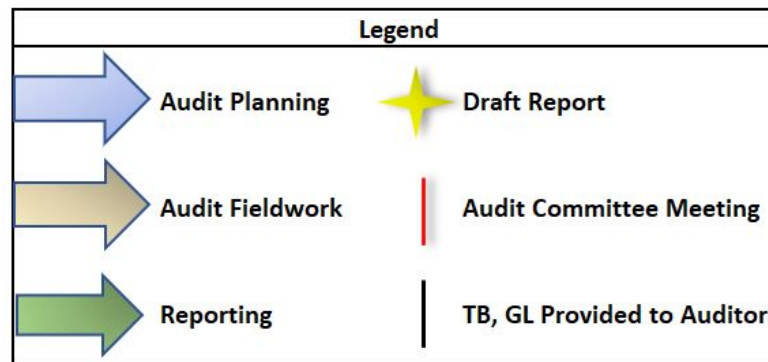
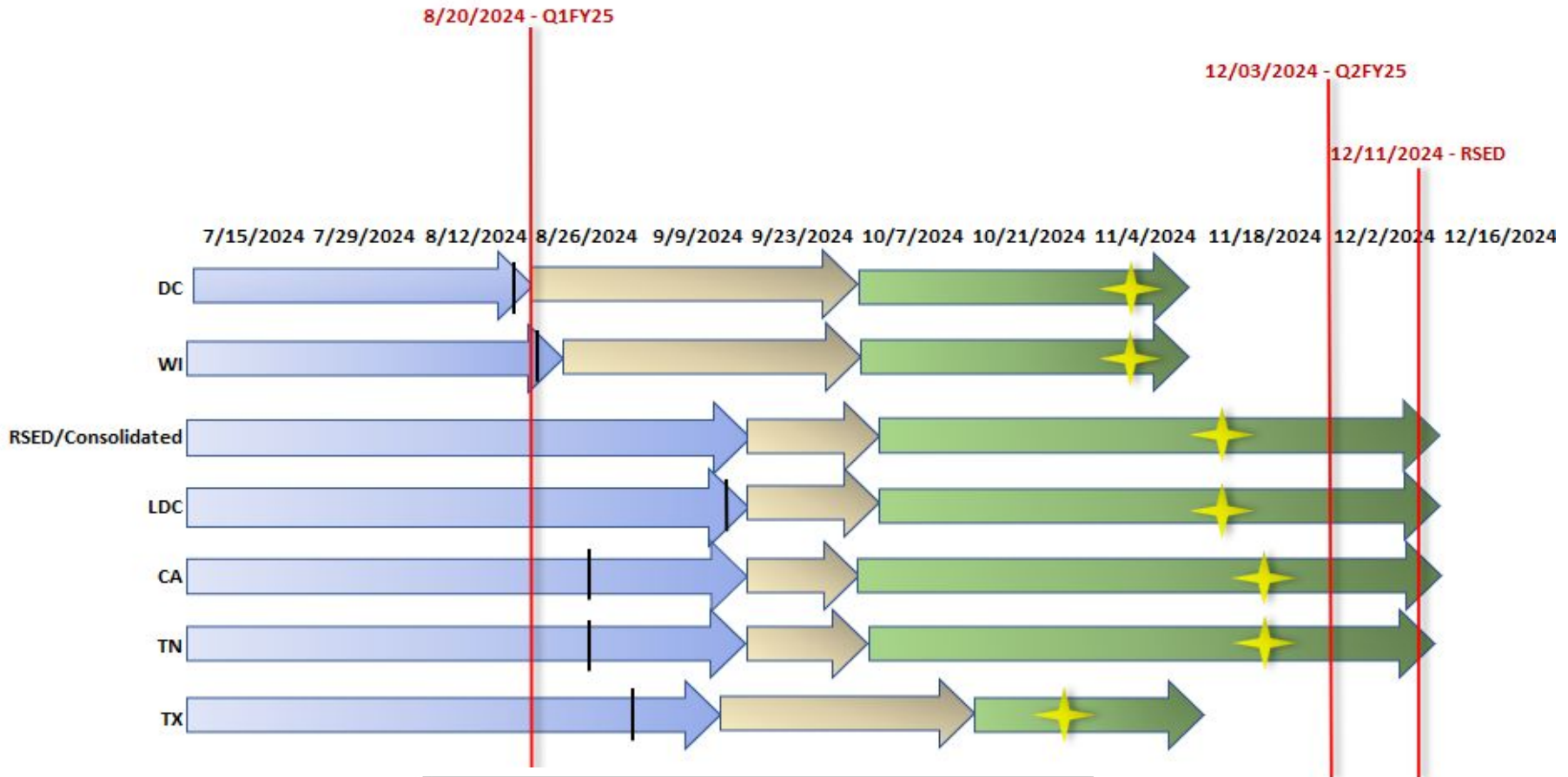
- The interim audit has been completed.
- The scope of the interim audit primarily focuses on CA state compliance testing and some controls.
- A potential TK class size finding may result for our CA School-Si Se Puede. Management is currently in discussions with the auditors. (A repeat finding from FY23)
- No issues were noted for internal control testing during the interim audit.

## Year End Audit

- We are now tracking audits on a **regional basis**, with each region being monitored individually.
- An **audit calendar** has been developed for each region under audit, outlining the timeline, key milestones, and deliverable dates.
  - We are on schedule to meet the milestones and due dates in our audit calendar.
- We are maintaining bi-weekly meetings with the auditors: **RWX** for Texas, and **CLA** for all the other regions.
- A streamlined **collaboration** has been established between Compliance, FP&A, and Accounting departments, with a weekly meeting to ensure alignment on the ongoing audit plan, and achieve the audit objectives in a timely manner.
  - The new Director of Audit position has significantly increased audit efficiency, communication and will reduce audit risk.
  - An additional Director of Grants will enhance operational efficiency and help bridge cross-departmental processes.



# FY24 Audit Update - Timeline



# FY24 Audit Update - Other key Activities & Deliverables

Below are additional key audit activities and deliverables dates.

Other Key Activities & Deliverables		Dates
Audit Committee Q4 FY24		5/13/2024
Tax Filings		5/15/2024
RSED Interim Finalization		6/30/2024
RSED 403b Finalization		8/23/2024
Trial Balance and General Ledger Submission	DC	8/22/2024
	WI	8/26/2024
	CA, TN	8/30/2024
	TX	9/6/2024
	LDC	9/13/2024
Final Reports	DC, WI, TX	11/15/2024
	RSED, LDC, CA, TN	12/15/2024



# FY24 Audit Update - Progress

Phases	Audit Activites	Status
Planning	Request List provided by CLA	✓
	SEFA Reports provided to CLA	●
	PBC Schedules (for sample Selections) provided	●
	GL, TB & Financials provided to CLA	●
	Sample selections provided by CLA	●
Fieldwork	All PBC requested submitted to CLA (including sample Selections)	●
	Fieldwork Start	●
	Audit Status Meeting	●
Reporting	Draft Report	●
	Final Report	●

Legend	
✓	Activity completed on time, or ahead of schedule.
●	On track. Currently stands to be completed before or by due date.
●	Trending towards late. Requires attention.
●	Late.

# 403(b) Update



## 403(b) Audit

- Rocketship staff received the draft plan audit financials and reports on August 12, 2024, and management is currently reviewing the reports.
- The preliminary draft contains several findings:
  - Delinquency of employer contributions equalling 3% of total plan contributions for the year
  - Process/document deficiencies related to work papers and online admin access rights
  - Mismatches between plan documents and practice on match timing and eligible compensation
- Final draft expected no later than 8/26.
- Deadline to file with Department of Labor is 10/15 (extended deadline).
- We will plan to distribute the final draft pre-submission to committee members for comment.



# JetPackEd Capitalization





# JetPackEd Capitalization

## JetPackEd Write-Off Justification

-Impairment: Change in consumer demand.

- Rocketship will not be marketing or selling software licenses to third party consumers.

-Financial impact of impairment

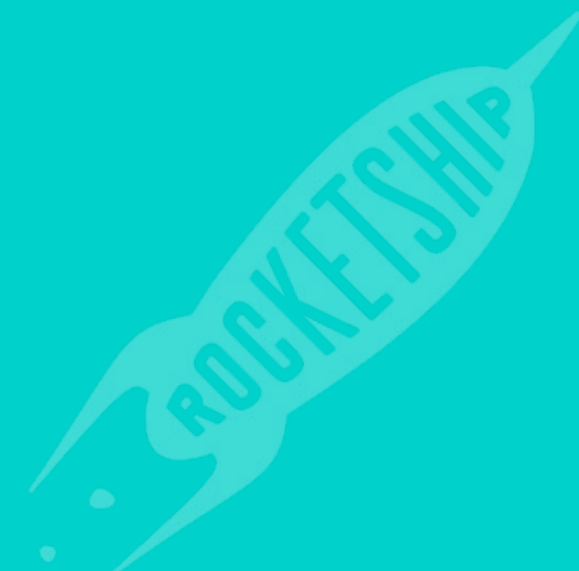
- Reduces the carrying amount of the asset on the balance sheet.
- Reduces net income on the income statement.
- Impact of impairment is \$594K in additional FY24 expenses and \$297K in reduced FY25 and \$297K FY26 expenses.

This decision is at our discretion - we believe CLA would agree with our determination.

Staff recommendation: Write off JetPackEd in FY24 completely, avoid continuing expense.



Closed Session



**The Audit Committee is in Closed Session.**

**August 20, 2024**

