



Tuesday, August 17, 2021
Rocketship Public Schools Audit Committee (2021-22 Q1)

Meeting Time: 12:30pm to 1:30pm

Webinar link: <https://rocketshipschools.zoom.us/j/89140180294>

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. Please use the webinar's "raise hand" feature to indicate you would like to make a comment. You will be recognized once the public comment time begins, and will be unmuted by the host and permitted to make comment for a duration of up to 3 minutes.

1. Opening Items

- A. Call to order
- B. Public comment on off-agenda items

2. Consent Items

- A. Approve minutes from May 18, 2021 Audit Committee meeting

3. Agenda Items

- A. FY21 Audit Calendar review
- B. Audit updates
- C. Banking and controls review

4. 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.

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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 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 por lo menos 24 horas antes del inicio de la reunión.

Rocketship Public Schools Audit Committee (2020-21 Q4) (Tuesday, May 18, 2021)

Generated by Rachel Heredia on Friday, August 06, 2021

1. Opening Items**A. Call to order**

At 12:32pm, Mr. Jordan took roll call. With a quorum of the committee present, Mr. Jordan called the meeting to order.
Present: Louis Jordan, Greg Stanger, Julie Miller

B. Public comment on off-agenda items

At 12:34pm, Mr. Jordan called for public comment on off-agenda items. No comments were made.

2. Consent Items**A. Approve minutes from February 16, 2021 Audit committee meeting**

At 12:35pm, Mr. Jordan called for a motion to approve the consent items. A motion was made by Mr. Stanger, seconded by Ms. Miller, and carried unanimously by roll call vote.

Y: Louis Jordan, Greg Stanger, Julie Miller

N: --

Abstain: --

3. Agenda Items**A. 2020-21 Audit calendar overview**

At 12:37pm, the committee discussed agenda item 3(A).

B. Audit updates

At 12:51pm, the committee discussed agenda item 3(B).

C. Review and recommend approval of IRS Form 990 for Rocketship Education for fiscal year ending 6/30/20 to Rocketship Board of Directors

At 1:12pm, Mr. Jordan called for a motion recommend to the Rocketship Public School Board of Directors approval of IRS Form 990 for Rocketship Education for fiscal year ending 6/30/20. A motion was made my Mr. Stanger, seconded by Ms. Miller, and carried unanimously by roll call vote.

Y: Louis Jordan, Greg Stanger, Julie Miller

N: --

Abstain: --

D. Lease accounting standards discussion

At 1:19pm, the committee discussed agenda item 3(D).

4. Adjourn

At 1:30pm, Mr. Jordan called for a motion to adjourn the meeting. A motion was made by Ms. Miller, seconded by Mr. Stanger, and motion was carried unanimously.

Y: Louis Jordan, Greg Stanger, Julie Miller

N: --

Respectfully Submitted,

Rachel Heredia
Director, Compliance Strategy
Rocketship Public Schools

RPS Audit Committee Update August 2021

August 17, 2021



Agenda

- FY21 Audit Calendar review
- Audit Updates
- Banking and Controls
- Future Actions and Initiatives



Audit Calendar Overview

- Key FY21 dates: Committee and Audit Process
- Completed actions :
 - FY20 990 and LLC tax preparations- completed May
 - Interim RSED audit - completed May
 - 403b - completed July

Board Audit Committee and Updates

Audit Committee Meeting Q1FY22	08/17/2021
Audit Committee check in (CLA visit tbd)	10/06/2021
Audit Committee Meeting Q2FY22	11/16/2021
RSED Dec Board mtg	12/02/2021

Key Actions

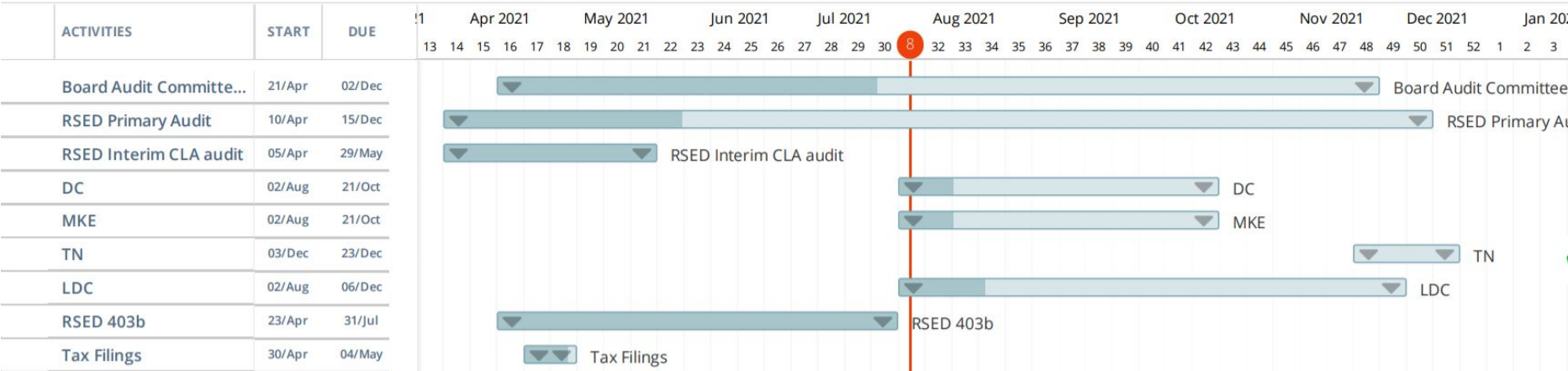
Key Actions	Due
RSED Interim CLA audit	05/29/2021
RSED 403b	07/31/2021
PBCs to DC and MKE	8/25/2021
PBCs to CLA	9/20/2021
DC complete	10/21/2021
MKE complete	10/21/2021
RSED First Draft	11/10/2021
RSED Final	11/23/2021
RSED CA Supplementals final	12/3/2021
LDC	12/06/2021
TN	12/13/2021
Tax Filings	04/22/2022



Audit Calendar: Timeline

Audit Calendar FY20-21

Read-only view, generated on 08 Aug 2021



Audit Update: Completed Activities

403b audit

- 3 months ahead of all prior year 403b processes
- Accounting, Payroll, and Principal have worked over past year to improve all processes and enhance technology which have led to clean data and efficient process
- Recommend repeating last year's *process of external consultant review of data in Oct 2021, pre-calendar year end*

Interim audit

- May - June 2021 review of preliminary financial and required student (calendar, credentials, etc) data
- Processes completed on time and as per requirements
- No findings identified

Tax filings, 990 and LLCs

- Completed on time in May per extension deadlines
- Recommend greater coordination with board meeting calendars, and faster timeline in 2022



Audit Primary Focus

- July - August activities remain on track
- PBC requests received from CLA , Aronson, and RPB
- Year end close completion is progressing with senior team internal reviews occurring during weeks of 8/9 and 8/16
- Federal program testing will include ESSER for all auditors
 - ESSER support program is new for all Charters
 - Will require additional effort and preparation across FPA and Accounting teams



Banking and Controls

- CFO transition has led to review and subsequent changes of banking controls and authorizations
- Processes have been underway since early July. Longer dated items require physical signatures and paperwork across stakeholders. Anticipate complete by Aug 2021
- Internal controls memorandums describing changes were prepared and acknowledged in July by Board and Business Committee Chairpersons
- RSED accounts: CEO and Board Bus Com chair as Key Executives, signatories include both CEO, Board Bus Chair, and designated consultant
- RSED DC accounts: CEO and Board Chair/or/Board Bus Com chair as Key Executives, signatories include both CEO, Board Member, and designated consultant
- Wells Fargo - substantially complete; Heritage and BB&T physical signature paperwork in circulation for completion



Future Actions and Initiatives

Monthly Close

- Audit procedures provide opportunity to find new wins for continuous improvement of close process
- Evaluating reduction of close time post audit completion to 15 days will also assist FPA with financial reporting and more actionable analyses and communications

Texas Launch and Audit Selection

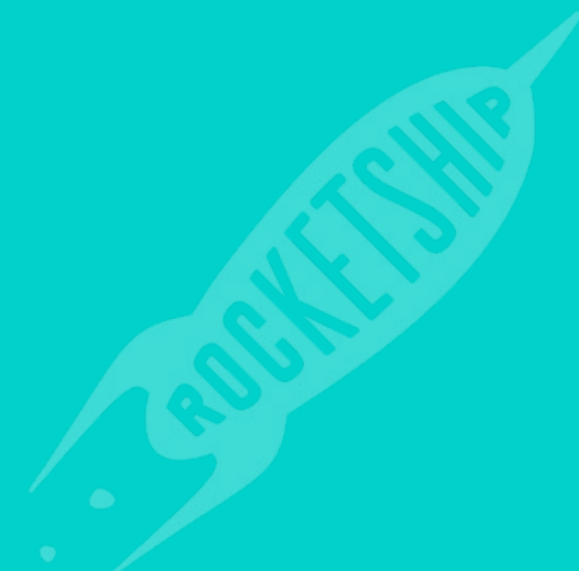
- Texas charter approval starts the need to set up financial systems and processes
- Audit selection will be important consideration for year end, given Texas/RPS structure and current complexities of multiple audit firms

Lease Accounting Standard Procedures

- Adoption of lease standard change ASC 842 delayed by FASB, due to COVID
- Due to team staffing changes, recommend focus on process and plan for November 2021 and commencement of work activities in January 2022
 - Re-establishment of leasequery work, initial conversation commenced
 - Lease review completed during audit can seed the update of lease software systems
 - Lease discussions with CLA on DC leases in Q2/Q3 2021, nearly complete
 - Continue to evaluate potential facility development lease structure changes in future



Appendix



Audit : Calendar Detail

Audit Process	Due
RSED Primary Audit	
fiscal year ends	06/30/2021
YE prelim close review	07/30/2021
RSED PBC list received	08/02/2021
YE closing complete	08/31/2021
CA CDE unaudited financials submissio	09/15/2021
RSED GL and Financial drafts submitte	09/15/2021
RSED PBC's completed	09/20/2021
July and Aug close submit to Auditors	09/20/2021
RSED and LDC Audit - "field work" on s	10/04/2021
RSED CLA audit check in	10/07/2021
CLA First Draft To RSED	11/10/2021
Nov audit mtg - Board	11/16/2021
RSED consolidated audit second draft	11/17/2021
RSED audit final drafts	11/19/2021
RSED Primary Consolidated Audit Corr	11/23/2021
RSED supplemental CA audits final	12/3/2021
CA CDE AUDIT DEADLINE	12/15/2021

Audit Process	Due
DC	
DC PBC list received	08/02/2021
DC GL and Financials to Aronson	08/25/2021
DC PBCs due	09/01/2021
DC audit 'field' work	09/01/2021
DC draft audit	10/08/2021
DC Aronson final	10/21/2021
MKE	
MKE PBC's list receive	08/02/2021
MKE GL and Financials to RPB	08/25/2021
MKE audit "field work"	09/01/2021
MKE Penner 'field' audit work (tbd)	09/01/2021
MKE Draft need for CLA	10/08/2021
MKE RPB audit final	10/21/2021
TN	
TN - draft of GASB audit	12/03/2021
TN final submitted	12/13/2021
TN AUDIT DEADLINE 12/31	12/23/2021
LDC	
LDC PBC list received	08/02/2021
LDC GL and draft statements	09/17/2021
LDC PBC complete	09/20/2021
LDC lease debt footnotes to CLA	09/20/2021
LDC Draft received	11/29/2021
LDC Final to RSED	12/06/2021

