



Audit, Tax, Public Accounting, and Consulting Services

Request for Proposal

October 3, 2024

To: Qualified Certified Public Accounting Firms

From: Morel Nouwezem – Director, Audit Planning & Administration, Rocketship Public Schools

Subject: Request for Proposal regarding Audit, Tax, and other Public Accounting and Consulting Services.

Rocketship Public Schools (RPS), a network of blended-learning charter schools, 501(c)(3) tax-exempt organization, is soliciting proposals from certified public accounting (CPA) firms to serve as its independent auditor for the fiscal year ending June 30, 2025, with the option to renew for two (2) additional years. Accordingly, the organization invites your firm to submit a response to this Request for Proposal (RFP) for the services outlined below:

- Audit Services
- Tax Services
- Consulting Services

Responses to this request should include the following:

1. A detailed description of the proposed methodology and approach for the engagement, including any pre-assessments and the anticipated timeline for the audit reports.
2. A summary of the firm's qualifications, a résumé and credentials of the team members assigned to the engagement highlighting relevant experiences.
3. References and descriptions of three similar engagements completed by the firm and proposed team members, preferably within the last two years.
4. A breakdown of estimated costs, including fixed costs and the rate and quantity of any variable components. Any required travel costs should be specified, justified, and included in the proposal.

The contents of this document, as well as any information obtained through authorized discussions with Rocketship Public Schools (RPS) personnel in connection with the preparation of your response, shall be considered confidential and proprietary to RPS. We prioritize the integrity of our financial processes and disclosures above all else. It is imperative that our audit, tax, and reporting activities provide the highest level of assurance to all key stakeholders.

Kindly submit your proposal in response to this solicitation of services no later than **November 15, 2024**. Responses should be submitted electronically to Morel Nouwezem at mnouwezem@rsed.org. The executive leadership team and the Audit Committee will evaluate all proposals that are complete and submitted within a designated time frame. Evaluation criteria will include the firm's prior experience with audits of nonprofit charter schools, technical expertise, the qualifications and experience of the audit team, and the proposed cost of services. Following the review of all RFP submissions, virtual interviews will be scheduled with selected firms.

We appreciate your attention in preparing the proposal and look forward to receiving your submission.

Yours Sincerely,

Morel Nouwezem, *Director Audit Planning & Administration*

1. Rocketship Public Schools Background

Rocketship Public Schools was founded in 2006 and is headquartered in Redwood City, California. It operates in the public education sector, specifically focusing on charter schools. With a substantial team of employees, the organization has demonstrated consistent growth and commitment to its mission. For fiscal year 2024 (FY24), Rocketship Public Schools reported consolidated revenues of \$235.6 million and net assets totaling \$76.8 million.

2. Organization and Mission

At Rocketship Public Schools, we are committed to unlocking the boundless potential of every individual. We firmly believe that each student has the right to dream, explore, and develop their unique abilities. It is both our responsibility and privilege to nurture and empower every Rocketeer we serve. Our nonprofit network of public elementary charter schools drives academic achievement, cultivates exceptional educators, and collaborates with parents to foster the success of high-quality public schools within their communities.

The mission of Rocketship Public Schools (RPS) is to spearhead transformative change in underserved communities through a scalable and sustainable public-school model that accelerates student success, fosters exceptional educators, and engages parents as partners in sustaining high-performing public schools.

RPS currently oversees 13 schools in California and 3 schools in Tennessee, and is the sole member of Rocketship Education Wisconsin Inc. and Rocketship DC Public Charter Schools Inc., which operate two and three schools respectively. Additionally, Launchpad Development Company (LDC), a supporting organization to RPS, provides facilities and development services to further RPS's mission. The network of Rocketship Public Schools comprises the following charter schools:

▪ California

- Futuro Academy
- Redwood City Prep
- Spark Academy
- Sí Se Puede Academy
- Rising Stars Academy
- Mosaic Elementary
- Mateo Sheedy Elementary
- Los Sueños Academy
- Fuerza Community Prep
- Discovery Prep
- Brilliant Minds
- Alma Academy
- Delta Prep

▪ Tennessee

- Partners Community Prep
- United Academy
- Nashville Northeast Elementary

▪ Wisconsin

- Northside School (August 2018)
- Southside Community Prep

- **Washington D.C.**
 - Ward 5 School
 - Legacy Prep
 - Rise Academy

Rocketship Education Wisconsin Inc.

Rocketship Education Wisconsin Inc. (REW) was established in October 2012 as a nonprofit public benefit corporation to hold the charter for its elementary schools in Wisconsin, including Rocketship Southside Community Prep (RSCP) and Rocketship Transformation Prep (RTP). 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) was incorporated as a nonprofit public benefit corporation in 2014 to operate charter schools in Washington, D.C. The District of Columbia Public Charter School Board (PCSB) approved RSDC to open up to eight charter schools, beginning in July 2016. RSDC and Rocketship Education entered into a Network Services Agreement to provide services in the DC region. Currently, 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 in November 2009 as a 509(a)(3) nonprofit public benefit corporation and serves as a supporting organization for RSED. LDC provides facilities and development services that align with RSED's exempt purpose. LDC's divisions 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 One Nashville LLC (NLLC1) – RNNE facilities
- Launchpad Development Two Nashville LLC (NLLC2) – RUA facilities
- Launchpad Development Three Nashville LLC (NLLC3) – Facilities development
- Launchpad Development One DC LLC (DLLC1) – RISE facilities
- Launchpad Development Two DC LLC (DLLC2) – RLP facilities

3. Project Description and Requirements

a. Scope of Work

i. Audit Services

- Conduct an annual consolidated financial statement audit of Rocketship Public Schools (RPS) and its affiliates, including the statements of financial position, activities, cash flows, functional expenses, and supplemental site financials, in accordance with U.S. generally accepted auditing standards (GAAS) for the fiscal year ending June 30, 2025.
- Conduct an annual audit for each of the RPS-related entities as outlined above.
- Perform a separate audit for one of our California schools.
- Each audit must include the statements of financial position, activities, cash flows, functional expenses, and supplemental site financials, in accordance with GAAS for the fiscal year ending June 30, 2025.
- Conduct a Governmental Accounting Standards Board (GASB) conversion audit for the State of Tennessee.
- Perform compliance audits of federally funded assistance programs in accordance with the Uniform Guidance for Rocketship Education DC and Rocketship Schools.
- Complete state-required compliance and/or single audits in line with the respective state guidelines in which Rocketship operates.
- Prepare supplementary information, including:
 - a. Consolidating Statement of Financial Position
 - b. Consolidating Statement of Activities
 - c. Consolidating Statement of Cash Flows
 - d. Reconciliation of Annual Financial Report with Audited Financial Statements for California
- Provide non-audit services, including:
 - a. Preparation of financial statements and related notes
 - b. Preparation of supplementary information
 - c. Preparation of adjusting journal entries, as needed
 - d. Preparation of the Data Collection Form
 - e. Preparation of informational tax returns
- Draft a management letter, incorporating our management action plan, to be included in the final submission to the Board of Trustees.

- Prepare and present audited financial statements, audit findings, and the management letter to the Audit Committee and/or Board of Trustees.

ii. Tax Services:

- Prepare and sign IRS Form 990, along with all other applicable state tax forms. All tax forms must be prepared, signed, and submitted in accordance with the respective federal, state, and local deadlines.

iii. Consulting Services:

- Occasionally, RPS may seek additional advisory support, request non-audit services, or ask specific questions. Any non-audit services provided by the external auditor will be evaluated to ensure there are no conflicts of interest. Non-audit services that could compromise the auditor's independence, either individually or collectively, will not be approved. If necessary, a separate proposal and fee estimate may be required for such services.

b. Timing period of delivery

The Auditor's Reports on the consolidated financial statements must be presented annually at the Audit Committee meeting, which is convened to review and approve the reports prior to their respective issuance. Draft documents are typically distributed to the Board and relevant Board Committees 21 days prior to the meeting. For all other statutory audits and reviews, the corresponding Auditor's Reports must be delivered promptly to ensure compliance with federal, state, and local reporting requirements. Additionally, the preparation and filing of annual tax returns must adhere to applicable federal, state and local deadlines. A tentative deliverable schedule for the fiscal year is provided below. These requirements must be confirmed as part of each firm's proposal:

- California: December 12th, 2025
- Tennessee: December 12th, 2025
- Wisconsin: November 14th, 2025
- Washington: November 14th, 2025
- Launchpad development Company (LDC): December 15th, 2025
- Consolidated Report: December 12th, 2025

c. Firm's Proposal and Requirements:

Your proposal must comprehensively address the following points, either within the main body of the proposal or as appended attachments:

i. Understanding of Engagement

Provide a comprehensive description of your understanding of the duties and responsibilities of this engagement, along with your firm's capacity to meet the specified requirements

ii. Audit Engagement Plan

Submit an audit engagement plan addressing the following elements:

- The audit approach and philosophy your firm adheres to;
- A detailed plan for the completion of specific tasks, including a thorough description of your audit procedures and areas of primary focus;
- The methodology to be employed in performing these tasks, including the use of technology and any subcontracting arrangements;
- The proposed staffing, including the roles of each key team member, both within and across states;
- The approach to conducting audits across multiple corporations in different states;
- The efficiencies to be gained by using a single auditor across various entities and states;
- The proposed timeline for the execution of tasks, including any interim work;
- The process for documenting and resolving any auditing or accounting issues that may arise; and
- The communication strategy, particularly with respect to audit progress reporting.

iii. IRS 990 engagement Plan

Provide a tax engagement plan that includes the following:

- The tax preparation philosophy adopted by your firm;
- A detailed plan for the accomplishment of specific tasks, including a description of your return preparation and review procedures, with an emphasis on key areas;
- The methodology to be used in the performance of these tasks, including the use of technology and any subcontracting arrangements;
- The proposed staffing and the roles of key team members involved;
- The proposed timing for the completion of the tasks;
- The process for documenting and resolving any tax reporting issues that may arise; and

- The communication strategy, particularly with respect to tax return preparation progress reporting.

iv. Qualifications Criteria

- **Charter School Auditor Approval**

All applicants must be listed as approved charter school auditors by the states and regions where Rocketship Public Schools (RPS) operates, when applicable. If this approval is not yet secured, a proposed plan to meet this requirement by the engagement start date must be provided. The plan may include, but is not limited to, collaboration with a listed and approved regional sub-contractor charter school auditor.

- **Firm Background and Experience**

Submit detailed information regarding your firm's background, expertise, and relevant experience, particularly in the regions RPS operates. This should include:

- a. The firm's specific experience in each region.
- b. Local office locations and the team members assigned to this engagement.
- c. A description of similar engagements in these regions, and a list of nonprofit charter schools, independent school districts, or higher education institutions for which your firm has acted as independent auditors or tax consultants if applicable.
- d. Any distinguishing factors or relevant expertise that sets your firm apart from competitors.

- **Independence**

Provide a detailed statement regarding your firm's independence in relation to RPS. Disclose any relationships, whether direct or indirect, with the Organization, including any affiliations with executive-level staff or members of the Board of Trustees

- **Understanding of State Audit Requirements**

Provide an explanation of your firm's understanding of the audit standards and requirements specific to each state or region in which RPS operates. Detail your experience in conducting state-mandated portions of these audits.

- **References**

Provide the names and contact information (including telephone numbers) of at least three references for the proposed engagement team, as well as three references from not-for-profit entities of comparable size to RPS.

- **Engagement Team Resumes**

Include resumes for the assigned partner, second partner, manager, lead accountants, and any other key personnel involved in the engagement, along with any additional documentation supporting their qualifications.

- **Quality Control Review**

Submit information about your firm's quality control review process, including:

- a. The name of the external quality control review organization.
- b. Length of membership in the organization.
- c. Frequency of peer reviews.
- d. A copy of your firm's most recent peer review report, the accompanying letter of comments, and your firm's response to the letter of comments.

- **Responsiveness**

- a. Provide a description of how your firm will ensure effective communication with management and the relevant board committees.
- b. Outline the steps your firm will take to ensure a smooth transition of auditor responsibilities for this engagement.

- c. Describe how your firm will coordinate efforts with the internal audit team to ensure efficiency.
- **Creativity and Problem Solving**
 - a. Provide an explanation of your firm's decision-making procedures regarding accounting and reporting matters that may impact both organizations.
- **Culture Fit**
 - a. Outline your approach to managing the transition process.
 - b. Describe your audit methodology and how you will coordinate the audit to ensure the timely and efficient completion of all required tasks.
- **Fee Proposal and Budget Constraints**

The proposed pricing mechanism must incentivize the Firm to both reduce costs and enhance performance, be straightforward to administer and monitor, and minimize any processing costs involved.

 - a. Propose the most suitable pricing structure that aligns with these criteria. The prices submitted must provide RPS with a complete and transparent view of all expenses or costs. RPS will consider the costs provided as comprehensive, and no additional costs will be accepted during contract negotiations if your firm is selected.
 - b. Please provide a detailed breakdown of hours and fee budgets, separately itemized for audit services, tax services, and consultation services. In addition, please specify any community service discounts offered by the firm beyond first-year cost reductions, if applicable. Include any guarantees regarding limits on annual fee increases. All out-of-pocket expenses, including travel-related costs, must be included in the fee structure, with a clear explanation of how such expenses are calculated
 - c. All proposed project costs must be competitive and will be evaluated against at least two other proposals for the same services, whether consulting or auditing.
- **Additional Information**

Include any other information that may be relevant or essential to your proposal, even if not explicitly requested in this document.

4. Reservation of Rights and terms of Submission

By submitting a response to this RFP, the bidding organization acknowledges and agrees to the following:

- While Rocketship Public Schools (RPS) will consider all complete and timely proposals, the decision to extend an offer or enter into an agreement remains solely at the discretion of RPS, based on criteria of its choosing.
- This RFP does not constitute a commitment or obligation, whether expressed or implied, to establish any future business relationship with the bidding organization.
- In the event that the proposal is not accepted, RPS reserves the right to use, subject to confidentiality restrictions, any concepts or ideas contained within the submission without liability.
- RPS may reject any bid at any time and for any reason. Furthermore, the Organization reserves the right to accept or reject any subcontractor proposed in the response. All subcontracted services must be clearly identified in the submission.
- All responses become the property of RPS upon receipt and will not be returned to the bidding firm.
- All information provided in connection with this RFP, including details of the organization's operations, employee demographics, and financial information, is strictly confidential and must be used solely for the purpose of responding to this RFP. This information may only be discussed within the bidding organization on a need-to-know basis and must not be disclosed to any outside parties or employees of the firm not involved in the proposal process.

- Any costs incurred in preparing the response, attending meetings, making presentations, or other related expenses are the sole responsibility of the bidding organization and will not be reimbursed by RPS.
- All submitted proposals must remain valid for ninety (90) days following the submission deadline. However, a proposal may be withdrawn in writing at any time prior to the submission deadline. The written withdrawal must be signed and dated by an authorized representative of the bidding organization. No withdrawal will be permitted after the closing date
- The projected timeline for Rocketship Public Schools to review all bidding organizations and render a final decision is as follows:
 - **September 30, 2024:** Issuance of the Request for Proposal (RFP) to firms.
 - **November 15, 2024:** Deadline for submission of bids by participating organizations.
 - **January 15, 2025:** Completion of reviews, evaluations of bids, and follow-up actions.
 - **February 2025 Board Cycle:** Final approval of the audit firm for FY25

RPS reserves the right to:

- Withdraw this Request for Proposal (RFP) at any time through written notice, without incurring any liability to potential suppliers due to the withdrawal, rejection, or acceptance of proposals.
- Waive any procedural formality in the RFP process.
- Engage in communication or negotiation with one or more organizations invited to submit proposals, without any obligation to communicate with all participants.
- Request clarification, additional information, or further elaboration from one or more of the bidding organizations regarding their submissions.
- Enter into agreements or arrangements that may not be specifically outlined in this RFP.
- Select finalist(s) based on various factors, including but not limited to, the qualification criteria outlined herein.