



Santa Clara County Office of Education

Mary Ann Dewan, Ph.D.  
County Superintendent of Schools

January 31, 2019

Mr. Fred Ferrer, Board President  
Rocketship Public Schools  
350 Twin Dolphin Drive #109  
Redwood City, 94065

RE: Letter of Concern regarding Rocketship Alma Academy Charter School's Annual Independent Audit

Dear Mr. Ferrer,

Pursuant to Education Code Section 47607, a charter may be revoked by the authority that granted the charter if the authority finds, through a showing of substantial evidence, that the charter school did any of the following:

- A. Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.
- B. Failed to meet or pursue any of the pupil outcomes identified in the charter.
- C. Failed to meet generally accepted accounting principles, or engaged in fiscal mismanagement.
- D. Violated any provision of law.

Education Code Section 47605.6(m) states that "A charter school shall transmit a copy of its annual, independent financial audit report for the preceding fiscal year, as described in 47605.6(b)(5)(l), to its chartering entity, the Controller, the county superintendent of schools of the county in which the charter school is sited unless the county board of education of the county in which the charter school is sited is the chartering entity, and the department by December 15 of each year."

Further as stated in Element I of Rocketship Alma's Charter Petition, "An annual audit of Rocketship's books and records will be conducted as required by Education Code Sections 47605.6(b)(5)(l) and 47605.6(m). The annual audit will be completed and forwarded to SCCOE, the County Superintendent of Schools, the State Controller, and to the CDE by the 15<sup>th</sup> of December of each year."

This is the second year in a row that Rocketship Alma Academy has failed to timely submit its annual independent financial audit by December 15. The financial audit for Fiscal Year

County Board of Education: Joseph Di Salvo, Rosemary Kamei, Kathleen M. King, Grace H. Mah, Peter Ortiz, Claudia Rossi, Anna Song  
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(FY) 2016-17 was submitted to SCCOE, the State Controller and the CDE on February 8, 2018, after requesting an extension from the County Superintendent of Schools on December 7, 2017, for additional time until December 22, 2017, to submit. Rocketship missed that deadline and failed to request any additional time.

The current financial audit for FY 2017-18 has still not been submitted. Rocketship has requested extensions for this audit on December 14, 2018, on January 10, 2019, and now again on January 25, 2019. Each of these prior extension requests have been granted by the County Superintendent of Schools. However, these extensions are also raising concerns regarding the fiscal viability of the school.

### **Remediation Requirements:**

Consistent with Education Code 41020.2, extensions for audits do not waive the legal deadline, which is established by statute, but permits the filing of the report after the deadline. Further, while the County Superintendent of Schools may grant an extension, the State Controller and the CDE must also agree to the extension. Per the State Controller's Office, "the State Controller will not consent to the extension request unless the circumstances leading to the extension is extraordinary." Any penalties, monetary or otherwise, which may be imposed by CDE or the State Controller are unknown at this time. Also, as this is the second year in a row for requests for audit extensions, Rocketship must change its auditing practices to come into compliance with the mandated timelines. Further, Rocketship must submit its FY 2017-18 audit by February 15, 2019.

Additionally, by February 15, 2019, Rocketship must submit to SCCOE a written explanation of why its 2017 and 2018 audits have been delayed, and specifically what changes to its auditing practices it has implemented in order to ensure that this issue will not arise for 2019 or into the future.

### **Conclusion:**

Rocketship Alma's failure to comply with these Remediation Requirements, or obtain agreement from SCCOE on or before January 31, 2019, to alternative means of resolving these issues, may result in the SCCOE staff and/or the Santa Clara County Board of Education taking one or more actions in response, up to and including actions in compliance with Education Code 47607.

Sincerely,

Khristel Johnson  
Director, Charter Schools



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CC: Mary Ann Dewan, Ph.D., County Superintendent of Schools, SCCOE  
Maria O'Hollearn, Regional Director, Bay Area, Rocketship Public Schools  
Cheye Calvo, Chief Growth & Community Engagement, Rocketship Public Schools  
Samantha Turner, Principal, Rocketship Alma Academy