REDWOOD CITY SCHOOL DISTRICT
750 Bradford Street • Redwood City • CA 94063 • (650) 423-2200 • FAX: (650) 423-2204

Mission: RCSD creates a safe and supportive, inspirational and rigorous, joyful and inclusive environment for all learners

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November 13, 2026

Ms. Janine Ramirez, Senior Director of External Affairs
Rocketship Redwood City Prep Charter School
2001 Gateway Place, Suite 230E
San Jose, CA 95110

Subject: **Unaudited Actuals Financial Report – Fiscal Year 2025-26**

Dear Ms. Ramirez:

As the charter authorizing agency, the Redwood City School District (District) has reviewed the 2025-26 Unaudited Actuals for Rocketship Charter School in accordance with Education Code Section 47604.33. The District uses this information to perform its duties, including monitoring the charter school's fiscal condition.

Financial Performance

Rocketship reported total revenues of $6,527,678 and expenditures of $6,792,300 for fiscal year 2025–26, resulting in an operating deficit of $264,623. The ending fund balance as of June 30, 2026, was $144,850, representing only 2.13% of annual expenditures as shown in the chart below:

	General Fund – Unrestricted/Restricted	2025-26 Estimated Actuals	2025-26 Unaudited Actuals
A.	Beginning Fund Balance/Net Position (July 1, 2025)	$409,473	$409,473
B.	Revenues	6,473,367	6,527,678
C.	Expenditures	6,587,592	6,792,300
D.	Excess (Deficiency) of Expenditures over Revenues	<114,226>	<264,623>
E.	Other Sources/Uses and Transfers	0	0
F.	Total Increase (Decrease) in Fund Balance	<114,226>	<264,623>
G.	Ending Balance – Unrestricted/Restricted	$295,247	$144,850

Fiscal Condition and Reserve Concerns

The District is particularly concerned with the continued deterioration of Rocketship's financial position. The charter school's ending fund balance has declined from $538,873 in 2023–24 to $409,473 in 2024–25 and $144,850 in 2025–26. This represents a reduction of approximately 73% over two fiscal years.

Furthermore, the reported ending fund balance includes $33,105 in nonspendable prepaid expenditures, leaving approximately $111,745 in unassigned fund balance, equivalent to just 1.65% of annual expenditures.

The District considers this reserve level inadequate to provide reasonable protection against unforeseen expenditures, revenue shortfalls, or other financial obligations. The current fund balance is substantially below the District's required minimum reserve level of 5% of annual expenditures.

Of additional concern, the 2026–27 Adopted Budget projects an ending fund balance of $358,168 based on a beginning balance of $295,247. However, the actual beginning balance for 2026–27 is $144,850, which is $213,318 below budget. This difference must be incorporated into updated financial projections.

While the District recognizes that annual financial results may fluctuate, the combination of consecutive operating deficits, declining reserves, and unfavorable budget variances raises significant concerns regarding Rocketship's ability to maintain long-term fiscal stability.

Required Fiscal Stabilization Plan

In accordance with the District's fiscal oversight responsibilities, Rocketship is requested to submit a written fiscal stabilization plan within 30 calendar days of the date of this letter. The plan shall address the following:

1. **Corrective Measures:** Specific expenditure reductions, revenue enhancements, or other actions being implemented to eliminate ongoing operating deficits and establish a structurally balanced budget.
2. **Reserve Restoration:** A realistic timeline for restoring and maintaining an unrestricted reserve of at least 5% of annual expenditures, including measurable financial targets.
3. **Updated Financial Projections:** Revised 2026–27 financial projections and a multiyear financial plan incorporating the final 2025–26 Unaudited Actuals, with clearly identified assumptions supporting projected revenues, expenditures, and ending balances.
4. **Cash Flow Analysis:** Monthly cash flow projections for the remainder of fiscal year 2026–27 demonstrating the charter school's ability to meet payroll, vendor payments, and other financial obligations as they become due.
5. **Governing Board Oversight:** Documentation demonstrating that Rocketship's governing board has reviewed the financial concerns identified by the District and the proposed corrective actions.

The District expects Rocketship's administration and governing board to give these matters immediate attention and take meaningful steps to restore financial stability. The District will closely monitor Rocketship's progress through subsequent financial reporting and its ongoing charter oversight activities.

Upcoming Reporting Requirements

Rocketship's 2025–26 Unaudited Actuals have been submitted to the San Mateo County Office of Education (SMCOE) for verification and final transmission to the California Department of Education.

Please also ensure that the following required reports are submitted to the District by their established deadlines:

- 2025-26 Independent Auditor's Report no later than January 31, 2027
- 2026-27 First Interim Report no later than December 7, 2026

The District values its working relationship with Rocketship and remains committed to ensuring the charter school's fiscal stability and the continuity of educational services for its students.

Please direct any questions regarding this letter and the requested fiscal stabilization plan to Prisciliano Martinez at pmartinez@rcsdk8.net.

Sincerely,

Rick Edson
Rick Edson (Nov 13, 2026 10:43:10 PST)

Rick Edson
Chief Business Official
(650) 423-2232

Dr. Christian J. Rubalcaba
Dr. Christian J. Rubalcaba (Nov 13, 2026 11:20:58 PST)

Dr. Christian J. Rubalcaba
Superintendent
(650) 423-2230

Cc: Benjamin Carson, CFO, Rocketship Redwood City
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Lena Alshvang, Finance Manager, Rocketship Redwood City
Maricela Guerrero, California Executive Officer, Rocketship Public Schools
Justin White, Director, Governance and Compliance, Rocketship Education
Rocketship Compliance, Rocketship Education
Francesca D'Amato, Financial Analyst, District Business Services, SMCOE
Rosalie Bowman, Manager, District Business Services, San Mateo COE
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Board of Trustees, Redwood City School District

Rocketship FY 2025-26 Unaudited Actuals Review Letter

Final Audit Report 2026-11-13

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