



Reports of Independent Auditors and
Consolidated Financial Statements with
Supplementary Information

**Across the Bridge Foundation
dba Downtown College Preparatory**

June 30, 2024

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Report of Independent Auditors

The Board of Directors
Across the Bridge Foundation dba Downtown College Preparatory

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Across the Bridge Foundation dba Downtown College Preparatory (DCP) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Across the Bridge Foundation doing business as Downtown College Preparatory as of June 30, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DCP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that DCP will continue as a going concern. As discussed in Note 16 to the consolidated financial statements, DCP has suffered recurring losses from operations for multiple years, that raises substantial doubt about its ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DCP's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DCP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DCP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2025, on our consideration of DCP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of DCP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DCP's internal control over financial reporting and compliance.

Moss Adams LLP

San Francisco, California
February 14, 2025

Consolidated Financial Statements

**Across the Bridge Foundation
dba Downtown College Preparatory
Consolidated Statement of Financial Position
June 30, 2024**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	3,451,688
Restricted cash		2,745,936
Accounts receivable		3,287,853
Due from grantors		54,479
Prepaid expenses and other current assets		59,535
Total current assets		9,599,491

NONCURRENT ASSETS

Property and equipment, net		40,165,470
Operating lease right-of-use asset		3,201
Total noncurrent assets		40,168,671
Total assets	\$	49,768,162

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	872,445
Deferred revenue		654,120
Due to other agencies		247,554
Operating lease liability, current portion		-
Long-term liabilities, current portion		1,134,744
Total current liabilities		2,908,863

NONCURRENT LIABILITIES

Operating lease liability, noncurrent		3,199
Long-term liabilities, noncurrent portion		35,743,006
Total noncurrent liabilities		35,746,205
Total liabilities		38,655,068

NET ASSETS

With donor restrictions		
Scholarships		50
Federal and state programs		5,117,594
Associated student body		6,885
Private funding and other		4,839
Long-term debt service		2,520,032
Total net assets with donor restrictions		7,649,400
Without donor restrictions		3,463,694
Total net assets		11,113,094
Total liabilities and net assets	\$	49,768,162

See accompanying notes.

**Across the Bridge Foundation
dba Downtown College Preparatory
Consolidated Statement of Activities and Change in Net Assets
Year Ended June 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Local control funding formula sources			
State apportionment	\$ 5,561,604	\$ -	\$ 5,561,604
In-lieu property taxes	8,992,953	-	8,992,953
Federal revenue	-	2,580,665	2,580,665
State revenue	-	4,116,356	4,116,356
Local revenues			
Scholarships	-	37,645	37,645
Associated student body	-	6,422	6,422
Private funding	349,264	-	349,264
Other revenues	680,488	-	680,488
Satisfaction of program restrictions	7,996,697	(7,996,697)	-
Total support and revenues	<u>23,581,006</u>	<u>(1,255,609)</u>	<u>22,325,397</u>
EXPENSES			
Program services			
Certificated salaries	9,049,437	-	9,049,437
Classified salaries	2,433,872	-	2,433,872
Benefits	3,367,528	-	3,367,528
Material and supplies	1,004,963	-	1,004,963
Services & other expenditures	2,600,568	-	2,600,568
Total program services	<u>18,456,368</u>	<u>-</u>	<u>18,456,368</u>
Management and general			
Classified salaries	1,322,898	-	1,322,898
Benefits	513,469	-	513,469
Material and supplies	30,717	-	30,717
Services & other operating expenditures	4,598,454	-	4,598,454
Interest expense	1,717,299	-	1,717,299
Depreciation	1,399,442	-	1,399,442
Total management and general	<u>9,582,279</u>	<u>-</u>	<u>9,582,279</u>
Total expenses	<u>28,038,647</u>	<u>-</u>	<u>28,038,647</u>
CHANGE IN NET ASSETS	(4,457,641)	(1,255,609)	(5,713,250)
NET ASSETS, beginning of year	<u>7,921,335</u>	<u>8,905,009</u>	<u>16,826,344</u>
NET ASSETS, end of year	<u>\$ 3,463,694</u>	<u>\$ 7,649,400</u>	<u>\$ 11,113,094</u>

See accompanying notes.

**Across the Bridge Foundation
dba Downtown College Preparatory
Consolidated Statement of Cash Flows
Year Ended June 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (5,713,250)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation expense	1,399,442
Change in operating assets and liabilities	
Accounts receivable	893,246
Prepaid expenses	165,575
Accounts payable and accrued expenses	(1,577,035)
Deferred revenue	(391,476)
Lease liability	107,778
Due to other agencies	(574,537)
Net cash used in operating activities	<u>(5,690,257)</u>
CASH FLOWS FROM FINANCING ACTIVITY	
Principal payments on long-term liabilities	<u>(1,105,864)</u>
Net cash used in financing activity	<u>(1,105,864)</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(6,796,121)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	<u>12,993,745</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	<u><u>\$ 6,197,624</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION	
Cash paid during the year for interest	\$ 1,717,299
CASH AND CASH EQUIVALENTS	3,451,688
RESTRICTED CASH	<u>2,745,936</u>
TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	<u><u>\$ 6,197,624</u></u>

See accompanying notes.

Across the Bridge Foundation dba Downtown College Preparatory Notes to Consolidated Financial Statements

Note 1 – Organization and Mission

Across the Bridge Foundation (dba Downtown College Preparatory), hereafter known as the “DCP”, is a nonprofit, public benefit corporation incorporated under the law of the State of California and recorded by the Secretary of State on September 16, 1999. DCP operates small academic charter schools with a clear goal of preparing each of its students to thrive at a four-year university. High standards, personalized attention and an explicit focus on college success drive the academic programs at DCP. The efforts of everyone at DCP, students, staff, and community, are aligned to achieve this singular vision.

DCP opened the first charter high school in Santa Clara County. It was chartered by the San Jose Unified School District on December 2, 1999. DCP opened in September 2000 with its first class of one hundred 9th grade students, adding a grade each year, and graduated its first class of students in 2004. In August of 2011, DCP opened a new grade 6-12 charter, DCP Alum Rock. In August of 2014, DCP opened DCP Middle School. Today, DCP serves approximately 950 students.

Note 2 – Principles of Consolidation

The consolidated financial statements include the accounts of DCP and the Downtown College Preparatory Foundation (DCPF) because DCP has both control and an economic interest in DCPF. All significant intra-entity accounts and transactions have been eliminated in consolidation. DCPF is a nonprofit benefit corporation formed in fiscal year 2014–2015 under Section 509(a)(3) of the Internal Revenue Code (IRC) as a supporting organization for DCP. Unless otherwise noted, these consolidated entities are hereinafter referred to as DCP.

For presentation purposes DCP has elected to reflect separately the financial statements for the middle and high school grades of the 6–12 grade DCP Alum Rock charter in the supplementary information section of this report.

Note 3 – Summary of Significant Accounting Policies

Basis of accounting – The consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to not-for-profit organizations. DCP uses the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized in the accounting period in which the liability is incurred.

Across the Bridge Foundation
dba Downtown College Preparatory
Notes to Consolidated Financial Statements

Revenue and revenue recognition – Local control funding formula revenue, contributions, including grants from Federal, State, and local sources are recognized in the period received or unconditionally promised. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Conditional promises to give, that is those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. DCP’s federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. All other contributions received are recorded as without donor restriction, or with donor restriction depending upon the existence and/or nature of any donor restrictions.

All donor-restricted contributions are recorded as increases in with donor restricted net assets depending on the nature of the restriction. When a restriction expires, either by the passage of time or the purpose is satisfied, the with donor restricted net assets are reclassified to without donor restriction net assets and reported in the consolidated statement of activities as “Satisfaction of program restrictions.”

Cash and cash equivalents – For purposes of the consolidated statement of cash flows, DCP considers all cash and highly liquid investments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents.

Restricted cash – Cash of \$2,520,032 is restricted for debt covenants in addition to \$225,904 net asset deficient for a total restricted balance of \$2,745,936 as of June 30, 2024.

Recent accounting pronouncements – Effective July 1, 2023, DCP adopted Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which required the use of the current expected credit losses (CECL) impairment model for a broad scope of financial instruments, including financial assets measured at amortized cost (which includes loans, held-to-maturity debt securities, and trade receivables), net investments in leases, and certain off-balance-sheet credit exposures. The CECL model required the immediate recognition of estimated expected credit losses over the life of the financial instrument. Under this standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in new and enhanced disclosures only.

Receivables – Receivables consist primarily of noninterest-bearing amounts due for educational programs. Management determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. No allowance for credit loss has been established, as DCP deems all amounts to be fully collectible. Substantially all outstanding receivables as of June 30, 2024, are due from state and/or federal sources related to grant contributions and are expected to be collected within a period of less than one year.

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Notes to Consolidated Financial Statements

Intra-entity transactions – Intra-entity transactions result from a net cumulative difference between resources provided by the home office account to each charter school and reimbursement for those resources from each charter school to the home office account. Intra-entity transfers include certain costs of shared liabilities and shared assets between DCP. The transactions are eliminated in the consolidated statements.

Property and equipment – It is DCP's policy to capitalize individual property and equipment purchases over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as without donor restriction contributions unless the donor has with donor restriction the donated asset to a specific purpose. Furniture and equipment are depreciated using the straight-line method, over 3 to 7 years. Building and improvement are depreciated using the straight-line method, over 20 to 39 years. As of June 30, 2024, depreciation expense was \$1,399,442.

Impairment of long-lived assets – The long-lived assets are reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expected to result from the use and eventual disposition of that asset. Whenever any such impairment exists, an impairment loss will be recognized for the amount by which the carrying value exceeds the fair value. Management concluded that its long-lived assets were not impaired at June 30, 2024.

Deferred revenue – Deferred revenue arises when potential revenue did not meet the eligibility requirement. In subsequent periods, when the eligibility requirement is met, or when DCP has a legal claim to the resources, the liability for deferred revenue is removed from the consolidated statement of financial position, and revenue is recognized.

Certain grants received before the eligibility requirements are met are recorded as deferred revenue.

Net assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. For the year ended June 30, 2024, there were no board designated net assets.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted had been fulfilled, or both.

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Notes to Consolidated Financial Statements

Functional allocation of expenses – The costs of program and supporting services activities have been listed on a functional basis in the consolidated statement of activities and changes in net assets. The consolidated statement of functional expenses present the natural classification detail of expenses by function. The consolidated financial statements report categories of expenses that are attributed to program service activities or management and general activities. The expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

Income taxes – DCP and DCPF are organized as California nonprofit corporations and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) of the IRC as an organization described in Section 501(c)(3) and 509(a)(3), respectively, and qualifies for the charitable contribution deduction. It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. DCP is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. DCP determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Advertising costs – DCP had \$10,068 of advertising expenses for the year ending June 30, 2024.

Estimates – The preparation of the consolidated financial statements in conformity with U.S. GAAP management to make estimates and assumptions that affect certain reported amounts and disclosures in the consolidated financial statements. Accordingly, actual results could differ from those estimates.

Leases – Transactions give rise to leases when DCP receives substantially all of the economic benefits from and has the ability to direct the use of specified asset. DCP has lessee activity classified as operating leases and are included in the operating lease right-of-use assets and operating lease liabilities in the consolidated statement of financial position.

Operating lease right-of-use assets represents the right to use an underlying asset for the lease term and operating lease liabilities represent obligations to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When discount rates implicit in leases cannot be readily determined, DCP uses the risk-free rate at lease commencement to perform lease classification tests and to measure lease liabilities and right-of-use assets. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Certain optional renewal periods were not included in the determination of the lease liability and right-of-use asset if management determined it was not reasonably certain that the lease would be extended. DCP has elected not to recognize right-of-use assets and lease liabilities for leases of terms less than twelve months.

**Across the Bridge Foundation
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Notes to Consolidated Financial Statements**

Note 4 – Cash and Cash Equivalents

Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). DCP maintains its cash in bank deposit accounts that at times may exceed federally insured limits. DCP has not experienced any losses in such accounts. At June 30, 2024, DCP had \$5,735,025 of the cash on hand and in banks' balance in excess of FDIC insured limits. Management believes DCP is not exposed to any significant risk related to cash. At June 30, 2024, the investment in money market funds of \$2,745,936 was legally restricted in connection with the debt covenant.

Note 5 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 3,451,688
Restricted cash	2,745,936
Accounts receivable	3,287,853
Due from grantors	54,479
Less restricted cash	<u>(2,745,936)</u>
Total	<u><u>\$ 6,794,020</u></u>

Note 6 – Receivables

Accounts receivable at June 30, 2024, consist of the following:

Local control funding formula	
State aid	\$ 45,584
In-lieu property taxes	<u>569,682</u>
Total local control funding formula	<u>615,266</u>
Federal receivable	799,031
State receivable	1,832,197
Lottery receivable	<u>41,359</u>
	<u>2,672,587</u>
Total accounts receivable	<u><u>\$ 3,287,853</u></u>

**Across the Bridge Foundation
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Notes to Consolidated Financial Statements**

Note 7 – Accounts Payable and Accrued Expenses

Accounts payable at June 30, 2024, consist of the following:

Salaries and benefits	\$ 388,156
Vendor payables	306,822
Accrued discretionary time-off	<u>177,467</u>
Total accounts payable and accrued expenses	<u><u>\$ 872,445</u></u>

Note 8 – Due to Other Agencies

Due to other agencies at June 30, 2024, consist of the following:

Due to grantor	\$ 129,374
Interest payable	<u>118,180</u>
Total due to other agencies	<u><u>\$ 247,554</u></u>

Note 9 – Property and Equipment, Net

Property and equipment, net at June 30, 2024, consist of the following:

	Balance <u>June 30, 2023</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2024</u>
Depreciable property and equipment				
Building and improvements	\$ 49,311,553	\$ -	\$ -	\$ 49,311,553
Vehicles	30,856	-	-	30,856
Furniture and equipment	1,000,097	-	-	1,000,097
Solar Energy Project - Alma	<u>509,514</u>	<u>-</u>	<u>-</u>	<u>509,514</u>
Total property and equipment	<u>50,852,020</u>	<u>-</u>	<u>-</u>	<u>50,852,020</u>
Less accumulated depreciation				
Building and improvements	8,240,839	1,395,273	-	9,636,112
Vehicles	30,856	-	-	30,856
Furniture and equipment	976,350	4,169	-	980,519
Solar Energy Project - Alma	<u>39,063</u>	<u>-</u>	<u>-</u>	<u>39,063</u>
Total accumulated depreciation	<u>9,287,108</u>	<u>1,399,442</u>	<u>-</u>	<u>10,686,550</u>
Property and equipment, net	<u><u>\$ 41,564,912</u></u>	<u><u>\$ (1,399,442)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 40,165,470</u></u>

**Across the Bridge Foundation
dba Downtown College Preparatory
Notes to Consolidated Financial Statements**

Note 10 – Long-Term Liabilities

Loan agreement with Sobrato Family Foundation – On April 26, 2016, DCP and DCP Facilities 2, LLC entered into a loan agreement with Sobrato Family Foundation for the purpose of constructing school facilities located at 1402 Monterey Road, San Jose, California, in which DCP has a leasehold interest under the Lease Agreement (see Note 13) between DCP and the San Jose Unified School District for the purpose of operating charter schools.

The balance on the loan as of June 30, 2024, was \$2,343,391 and has an interest rate of 2 percent per annum beginning on the date of closing. The final payment of principal and interest shall be on or before April 26, 2029.

California School Finance Authority-Charter School Revenue Bonds – The California School Finance Authority (Authority) issued Charter School Revenue Bonds, referred to as Downtown College Prep - Obligated Group Series 2016, in the aggregate principal amount of \$36,405,000 (Bonds) on April 28, 2016. The Authority loaned the proceeds of the Bonds to Downtown College Prep Foundation, a consolidated entity included in DCP’s consolidated financial statements.

The Bonds are for the purpose of financing and refinancing certain costs of acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and equipping of the land and educational facilities of DCP. The Bonds mature on June 1, 2051, with interest rates between 3.81% and 4.77%. Interest on the Bonds will be payable semiannually on June 1 and December 1, commencing December 1, 2016.

The outstanding loans and bonds of DCP are as follows:

	<u>Balance July 1, 2023</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Due in One Year</u>
Revenue Bonds	\$ 34,620,000	\$ 645,000	\$ 33,975,000	\$ 665,000
Premiums	579,524	20,165	559,359	20,165
	35,199,524	665,165	34,534,359	685,165
Sobrato Loan	<u>2,784,090</u>	<u>440,699</u>	<u>2,343,391</u>	<u>449,579</u>
Total	<u>\$ 37,983,614</u>	<u>\$ 1,105,864</u>	<u>\$ 36,877,750</u>	<u>\$ 1,134,744</u>

DCP’s outstanding revenue bonds of \$35,240,000 and the Sobrato Loan of \$2,343,391 are secured with collateral of DCP properties located at 1402 Monterey Road, San Jose, California and 2888 Ocala Avenue, San Jose, California.

**Across the Bridge Foundation
dba Downtown College Preparatory
Notes to Consolidated Financial Statements**

DCP's bonds mature through 2051 as follows:

<u>Fiscal Years Ending June 30,</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2025	\$ 665,000	\$ 1,653,463	\$ 2,318,463
2026	690,000	1,626,863	2,316,863
2027	715,000	1,599,263	2,314,263
2028	750,000	1,567,088	2,317,088
2029-2033	4,265,000	7,296,825	11,561,825
2034-2038	5,330,000	6,198,288	11,528,288
2039-2043	6,750,000	4,747,751	11,497,751
2044-2048	8,580,000	2,885,250	11,465,250
2049-2051	6,230,000	632,751	6,862,751
Total	<u>\$ 33,975,000</u>	<u>\$ 28,207,542</u>	<u>\$ 62,182,542</u>

The bonds require compliance with certain covenants, for instance liquidity and base rent coverage ratios. Compliance with the requirements of some of the covenants was effective beginning in fiscal year 2017.

DCP's Sobrato Loan matures through 2029 as follows:

<u>Fiscal Years Ending June 30,</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2025	\$ 449,579	\$ 43,321	\$ 492,900
2026	458,638	34,262	492,900
2027	467,880	25,020	492,900
2028	477,308	15,592	492,900
2029	489,986	5,974	495,960
Total	<u>\$ 2,343,391</u>	<u>\$ 124,169</u>	<u>\$ 2,467,560</u>

**Across the Bridge Foundation
dba Downtown College Preparatory
Notes to Consolidated Financial Statements**

Note 11 – Net Assets with Donor Restrictions

Net assets with donor restrictions are for the following purposes and expected to be released by the periods noted below:

	<u>2024</u>	<u>Expected Release Period</u>
Sobrato PRI Principal	\$ 1,348,916	within one year
Debt Covenants	1,171,116	within one year
Arts, Music, and Instructional Materials Block Grant	706,782	within one year
SB740 Facility Grant	647,571	within one year
ESSER III	647,433	within one year
Expanded Learning Opportunity Program K-G	472,684	within one year
A-G Access/Success Grant	281,805	within one year
NSLP	281,324	within one year
Wellness Grant	256,996	within one year
ESSA - Title I	219,187	within one year
Educator Effectiveness, FY 2021-22	217,447	within one year
Prop 28 Arts and Music	185,381	within one year
Lottery - Prop 20	168,074	within one year
Kitchen Infrastructure and Training Appt.	139,754	within one year
ASES	117,462	within one year
Dual Enrollment Grant	90,000	within one year
Mental Health - Level 1 (GenEd)	66,863	within one year
Kitchen Infrastructure & Training - Infrastructure Upgrade	66,672	within one year
A-G Learning Loss Mitigation	63,073	within one year
Special Ed IDEA	60,877	within one year
Dave & Sheila Brown Memorial Fund - Local	60,316	within one year
ESSA - Title II	58,080	within one year
Expanded Learning Opportunities Grant (ELO)	50,693	within one year
California Clean Energy Jobs Act (Proposition 39)	37,418	within one year
Learning Recovery Emergency Block Grant	33,727	within one year
Title IV	27,212	within one year
PCSGP	26,047	within one year
Ethnic Studies	21,335	within one year
SPED	21,265	within one year
Title III - LEP	19,675	within one year
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	12,854	within one year
Learning Loss Mitigation (CR)	12,412	within one year
SNP COVID-19 Emergency Operational Costs Reimbursement (ECR)	12,178	within one year
Northrop Grumman Grant - STEM Program 5th-12th Grade	10,000	within one year
Project Lead the Way	9,050	within one year
Associated Student Body (ASB) - Local	6,885	within one year
ESSER II	6,421	within one year
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	5,079	within one year
ARC Grant - ECMS ONLY - Sports Equipment	2,839	within one year
Engineering Club	2,000	within one year
Kitchen Infrastructure & Training - Food Service Staff Trng	1,794	within one year
American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	1,243	within one year
Learning Loss Mitigation - Governor's Emergency Ed Relief	812	within one year
Federal City of San Jose CARES Grant	586	within one year
Scholarships - Local	50	within one year
ELO GEER II	9	within one year
Special Ed: Dispute Prevention and Dispute Resolution	3	within one year
	<u>3</u>	
Total net assets with donor restrictions	<u>\$ 7,649,400</u>	

**Across the Bridge Foundation
dba Downtown College Preparatory
Notes to Consolidated Financial Statements**

Note 12 – Net Assets Released from Restrictions

Net assets released from restrictions as of June 30, 2024, are as follows:

Federal and state grants	\$ 7,952,630
Other local revenues	44,067
	44,067
Total net assets released from restrictions	\$ 7,996,697

Note 13 – Employee Retirement Systems

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

The risks of participating in these multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and State contribution rates are set by the California Legislature, and (c) if the Organization chooses to stop participating in the multi-employer plan, it may be required to pay a withdrawal liability to the plan. The Organization has no plans to withdraw from this multi-employer plan.

California State Teachers' Retirement System (CalSTRS)

Plan description – DCP contributes to the State Teachers Retirement Plan (STRP) administered by the CalSTRS. STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits provided – The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available.

**Across the Bridge Foundation
dba Downtown College Preparatory
Notes to Consolidated Financial Statements**

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

DCP contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>STRP Defined Benefit Program</u>	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0%–2.4%	2.0%–2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

Contributions – Required member, DCP and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers’ Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contributions rates for each plan for the year ended June 30, 2024, are presented above and DCP’s total contributions were \$1,625,458.

California Public Employees’ Retirement System (CalPERS)

Plan description – Qualified employees are eligible to participate in DCP Employer Pool (SEP) under the CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2020, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

**Across the Bridge Foundation
dba Downtown College Preparatory
Notes to Consolidated Financial Statements**

Benefits provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member’s final compensation. Members hired on or before December 31, 2012, with five years of credit service are eligible to retire at age 55. Members hired on or after January 1, 2013, with five years of credit service are eligible to retire at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available. All members are eligible for nonduty disability benefits after five years of service. The Basic Death Benefit is paid to any member’s beneficiary if the member dies while actively employed. An employee’s eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>School Employer Pool (CalPERS)</u>	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1%–2.5%	1.0%–2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	26.68%	26.68%

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions go through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. DCP is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contributions rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$873,369.

Social Security – As established by Federal law, all public sector employees who are not members of their employer’s existing retirement system (STRS or PERS) must be covered by Social Security or an alternative plan. DCP has elected to use Social Security. Contributions made by DCP and an employee vest immediately. DCP contributes 6.2 percent of an employee’s gross earnings. An employee is required to contribute 6.2 percent of his or her gross earnings to the pension plan.

**Across the Bridge Foundation
dba Downtown College Preparatory
Notes to Consolidated Financial Statements**

Note 14 – Commitments and Contingencies

Grants – Certain contributions and grants require the fulfillment of certain conditions as set forth in contributions and grant agreements. DCP received financial assistance from Federal and State agencies in the form of grants. Conditions typically include one or more barriers that must be overcome and are outlined in the related grant agreements. Failure to fulfill the conditions could result in the return of the funds to the grantors. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall consolidated financial position of DCP at June 30, 2024.

Litigation – DCP is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the consolidated financial position or changes in net assets of DCP.

In conjunction with the issuance of the Downtown College Prep - Obligated Group Series 2016 bonds described in Note 11 to finance the construction of DCP Middle, DCP High and Alum Rock Middle Schools, DCP entered into a lease agreement (the Lease Agreement) with DCP Facilities 1 and DCP Facilities 2, LLCs. The lease agreement requires DCP to make payments to DCP Facilities 1 and DCP Facilities 2 equivalent to the amounts needed to service the debt, make rent payments for Alum Rock Middle, pay bond trustee fees and other costs associated with the financing transaction. These lease payments are eliminated upon consolidation.

Effective June 30, 2024, a mutual termination agreement between DCP Alum Rock High School and the East Side Union High School District regarding the termination of the existing proposition 39 facilities use agreement. No loss was recorded as a result of removed the unamortized right-of-use leased asset and liabilities balance as of June 30, 2024.

Note 15 – Expenses by Nature and Function

The table below presents expenses by both their nature and function for the year ended June 30, 2024:

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Certificated salaries	\$ 9,049,437	\$ -	\$ 9,049,437
Classified salaries	2,433,872	1,322,898	3,756,770
Benefits	3,367,528	513,469	3,880,997
Material and supplies	1,004,963	30,717	1,035,680
Services & other expenditures	2,600,568	4,598,454	7,199,022
Depreciation	-	1,399,442	1,399,442
Interest expense	-	1,717,299	1,717,299
	<u>\$ 18,456,368</u>	<u>\$ 9,582,279</u>	<u>\$ 28,038,647</u>

Across the Bridge Foundation
dba Downtown College Preparatory
Notes to Consolidated Financial Statements

Note 16 – Going Concern

The current economic climate presents significant challenges, and DCP has reported a decrease in net assets of \$5.7 million for the 2023-24 fiscal year. Management acknowledges the substantial difficulties in maintaining operational sustainability under these conditions. Over the past several years, DCP Charter Schools have experienced a steady decline in enrollment. In response, DCP engaged in negotiations to secure a forbearance on principal and interest payments related to long-term liabilities; however, no agreement was reached. Despite this, management remained cautiously optimistic that factors such as the closure of nearby district schools, strategic marketing initiatives, and the strong reputation of DCP's educational programs could have contributed to potential enrollment growth.

On January 21, 2025, the Board of Directors for DCP Charter Schools made the difficult decision to close all charter schools, effective June 30, 2025.

As of June 30, 2024, DCP reported an operating cash balance of \$872,579. A subsequent cash transfer of \$850,000 from the Downtown College Prep Foundation in December 2024 is expected to provide sufficient liquidity for operations through June 30, 2025. However, this will require diligent financial oversight, including careful budgeting, monitoring, and reporting of DCP's cash flow. Based on anticipated receivables for the 2024-25 fiscal year and prevailing statutory and revenue trends, it is projected that cash reserves will be depleted by July 2025.

Given these financial uncertainties, management has determined that substantial doubt exists regarding DCP's ability to continue as a going concern beyond one year from the date the consolidated financial statements were issued. Consequently, DCP may face challenges in realizing its assets and meeting its financial obligations through normal operational activities.

Note 17 – Subsequent Events

Subsequent events are events or transactions that occur after the consolidated statement of financial position date, but before the consolidated financial statements are available to be issued. DCP recognized in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated financial position including estimates inherent in the process of preparing the consolidated financial statements.

As described in footnote 16, DCP plans to discontinue operations after the school year 2024-2025.

Management has reviewed subsequent events and transactions that occurred after the date of the consolidated financial statements through February 14, 2025, the date the consolidated financial statements were issued.

Supplementary Information

**Across the Bridge Foundation
dba Downtown College Preparatory
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Award Number	Federal Expenditures
U.S. Department of Education			
Passed through California Department of Education (CDE)			
COVID-19 ESSER III	84.425D	15559	\$ 649,417
COVID-19 American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	10155	394,752
COVID-19 American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	15620	62,700
COVID-19 American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	15621	149,760
COVID-19 American Rescue Plan Act Homeless Children and Youth	84.425W	15536	<u>12,359</u>
Total Education Stabilization Fund			<u>1,268,988</u>
Special Education Cluster			
Special Education-Grants to States (IDEA, Part B)	84.027	13379	<u>208,954</u>
Total Special Education Cluster			<u>208,954</u>
Title I Grants to Local Educational Agencies	84.010	14329	495,190
Title I Grants to Local Educational Agencies	84.010	15438	<u>160,052</u>
Total Title I Grants to Local Educational Agencies			<u>655,242</u>
Title II, Part A, Supporting Effective Instruction	84.367	14341	66,050
Title III, English Learner Student Program	84.365	14346	79,572
Covid-19- Title IV, Part A, Student Support and Academic Enrichment	84.424A	15396	<u>20,315</u>
Total U.S. Department of Education			<u>2,299,121</u>
U.S. Department of Agriculture			
Passed through CDE			
Child Nutrition Cluster			
National School Lunch Program	10.555	13524	<u>253,679</u>
Total Child Nutrition Cluster			<u>253,679</u>
Total U.S. Department of Agriculture			<u>253,679</u>
Total Expenditures of Federal Awards			<u>\$ 2,552,800</u>

See note to supplementary information.

**Across the Bridge Foundation
dba Downtown College Preparatory
Local Education Agency Organization Structure
June 30, 2024**

Organization – Across the Bridge Foundation (DCP) operates DCP high school grade 9–12, Alum Rock school grade 6–12, and DCP middle school grade 5–8. The DCP high school’s charter was granted on – December 2, 1999, by the San Jose Unified School District. The 6–12 Alum Rock school’s charter was granted on November 18, 2009, by the Santa Clara County Office of Education. The DCP middle school’s charter was granted on September 19, 2013, by the San Jose Unified School District.

DCP Foundation (DCPF) is a nonprofit benefit corporation formed in fiscal year 2014–15 under Section 509(a)(3) of the IRC as a supporting organization for Across the Bridge Foundation.

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
GOVERNING BOARD ABF		
Maria Arellano	President	2025
Josue Fuentes	Vice President	2026
Kathy Yates	Treasurer	2025
John Koeplin	Director	2026
Marc Ketzel	Secretary	2026
Kathryn Hanson	Director	2024
Raylene Hernandez	Director	2025
Darcie Green	Director	2025
Mary Curtis	Director	2026
Julia Fresquez	Director	2027
Cuitlahuac Ramirez	Director	2027
GOVERNING BOARD DCPF		
Rodney Jenny	President	2026
Sean Meeks	Secretary/Treasurer	2026
Mr. Terry Deveau	Director	2026
ADMINISTRATION		
Dr. Valerie Royaltey-Quandt	Interim Executive Director	2025
Ruth Wamuyu Schriver *	Chief Operating Officer	2024

* Ruth Wamuyu Schriver's last day was October 31, 2024

**Across the Bridge Foundation
dba Downtown College Preparatory
Schedule of Average Daily Attendance
Year Ended June 30, 2024**

	Data ID	AC7D02C7	425FA0F5
		P2 Report	Annual Report
Alum Rock Campus			
Middle/High School			
Grade sixth classroom based		69.35	68.36
Grade seventh through eighth classroom based		162.92	161.82
Grade ninth through twelve classroom based		<u>185.70</u>	<u>184.47</u>
		<u>417.97</u>	<u>414.65</u>
	Data ID	1B7F9582	DC7A02FC
DCP High Campus			
High School			
Grade ninth through twelfth classroom based		<u>413.23</u>	<u>411.86</u>
	Data ID	75DF92DF	37E70188
DCP Middle Campus			
Middle School			
Grade five through sixth classroom based		77.04	76.39
Grade seventh through eighth classroom based		<u>140.29</u>	<u>138.44</u>
		<u>217.33</u>	<u>214.83</u>
Total		<u><u>1,048.53</u></u>	<u><u>1,041.34</u></u>

See note to supplementary information.

**Across the Bridge Foundation
dba Downtown College Preparatory
Schedule of Instructional Time
Year Ended June 30, 2024**

Grade Level ¹	1986–87	2023–2024	Number of Actual Days		Status
	Minutes Requirement	Actual Minutes	Traditional ² Calendar	Multitrack Calendar	
Alum Rock Middle Campus					
Grade 6	54,000	70,576	180	N/A	Complied
Grade 7	54,000	70,576	180	N/A	Complied
Grade 8	54,000	70,576	180	N/A	Complied
Alum Rock High Campus					
Grade 9	64,800	65,148	180	N/A	Complied
Grade 10	64,800	65,148	180	N/A	Complied
Grade 11	64,800	65,148	180	N/A	Complied
Grade 12	64,800	65,148	180	N/A	Complied
DCP Middle Campus					
Grade 5	54,000	56,250	180	N/A	Complied
Grade 6	54,000	56,250	180	N/A	Complied
Grade 7	54,000	56,250	180	N/A	Complied
Grade 8	54,000	56,250	180	N/A	Complied
DCP High Campus					
Grade 9	64,800	64,800	180	N/A	Complied
Grade 10	64,800	64,800	180	N/A	Complied
Grade 11	64,800	64,800	180	N/A	Complied
Grade 12	64,800	64,800	180	N/A	Complied

¹ The Alum Rock campus operates grades 6 through 12. The DCP Middle campus operates only grades 5 through 8. The DCP High campus operates only grades 9 through 12.

² The School does not file Form J-13A during the year.

**Across the Bridge Foundation
dba Downtown College Preparatory
Consolidating Statement of Financial Position
June 30, 2024**

	Central Office	DCP High	Alum Rock Middle	Alum Rock High	DCP Middle	Eliminations	ABF Combined	DCP Foundation	Eliminations	Total Consolidated
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	\$ (7,128,282)	\$ 3,549,341	\$ 2,673,381	\$ (282,887)	\$ 2,061,026	\$ -	\$ 872,579	\$ 2,579,109	\$ -	\$ 3,451,688
Restricted cash	-	-	-	-	-	-	-	2,745,936	-	2,745,936
Accounts receivable	-	1,320,104	1,036,819	195,102	735,828	-	3,287,853	-	-	3,287,853
Due from grantors	4,569	-	500	5,958	-	-	11,027	43,452	-	54,479
Due from (to) other funds	2,821,271	(1,876,289)	(970,204)	(75,064)	140,481	-	40,195	(40,195)	-	-
Prepaid expenses and other assets	6,717	12,773	15,368	11,013	13,664	-	59,535	-	-	59,535
Total current assets	<u>(4,295,725)</u>	<u>3,005,929</u>	<u>2,755,864</u>	<u>(145,878)</u>	<u>2,950,999</u>	<u>-</u>	<u>4,271,189</u>	<u>5,328,302</u>	<u>-</u>	<u>9,599,491</u>
NONCURRENT ASSETS										
Property and equipment	66,370	1,940,260	2,893,010	168,148	2,024,850	-	7,092,638	43,759,381	-	50,852,019
Less accumulated depreciation	(66,370)	(580,126)	(498,333)	(168,148)	(436,362)	-	(1,749,339)	(8,937,210)	-	(10,686,549)
Property and equipment, net	-	1,360,134	2,394,677	-	1,588,488	-	5,343,299	34,822,171	-	40,165,470
Operating lease right-of-use asset	-	17,056,681	15,959,892	-	15,025,714	(48,039,086)	3,201	-	-	3,201
Total noncurrent assets	<u>-</u>	<u>18,416,815</u>	<u>18,354,569</u>	<u>-</u>	<u>16,614,202</u>	<u>(48,039,086)</u>	<u>5,346,500</u>	<u>34,822,171</u>	<u>-</u>	<u>40,168,671</u>
Total assets	<u>\$ (4,295,725)</u>	<u>\$ 21,422,744</u>	<u>\$ 21,110,433</u>	<u>\$ (145,878)</u>	<u>\$ 19,565,201</u>	<u>\$ (48,039,086)</u>	<u>\$ 9,617,689</u>	<u>\$ 40,150,473</u>	<u>\$ -</u>	<u>\$ 49,768,162</u>
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES										
Accounts payable and accrued liabilities	\$ 237,007	\$ 312,846	\$ 51,988	\$ 68,429	\$ 153,460	\$ -	\$ 823,730	\$ 48,715	\$ -	\$ 872,445
Deferred revenue	-	1,411	61,326	-	54,563	-	117,300	536,820	-	654,120
Due to other agencies	-	34,705	3,091	33,165	58,413	(48,976)	80,398	167,156	-	247,554
Operating lease liabilities, current portion	-	3,974	-	-	-	(3,974)	-	-	-	-
Long-term liabilities, current portion	-	-	-	-	-	-	-	1,134,744	-	1,134,744
Total current liabilities	<u>237,007</u>	<u>352,936</u>	<u>116,405</u>	<u>101,594</u>	<u>266,436</u>	<u>(52,950)</u>	<u>1,021,428</u>	<u>1,887,435</u>	<u>-</u>	<u>2,908,863</u>
NONCURRENT LIABILITIES										
Operating lease liabilities, noncurrent portion	-	17,020,699	16,065,297	-	15,031,476	(48,114,273)	3,199	-	-	3,199
Long-term liabilities, noncurrent portion	-	-	-	-	-	-	-	35,743,006	-	35,743,006
Total noncurrent liabilities	<u>-</u>	<u>17,020,699</u>	<u>16,065,297</u>	<u>-</u>	<u>15,031,476</u>	<u>(48,114,273)</u>	<u>3,199</u>	<u>35,743,006</u>	<u>-</u>	<u>35,746,205</u>
Total liabilities	<u>237,007</u>	<u>17,373,635</u>	<u>16,181,702</u>	<u>101,594</u>	<u>15,297,912</u>	<u>(48,167,223)</u>	<u>1,024,627</u>	<u>37,630,441</u>	<u>-</u>	<u>38,655,068</u>
NET ASSETS										
With donor restrictions										
Scholarships	-	50	-	-	-	-	50	-	-	50
Federal and State programs	394,055	1,483,165	1,530,522	359,226	1,350,626	-	5,117,594	-	-	5,117,594
Associated student body	-	6,885	-	-	-	-	6,885	-	-	6,885
Private funding and other	-	-	-	2,000	2,839	-	4,839	-	-	4,839
Debt covenants	-	-	-	-	-	-	-	2,520,032	-	2,520,032
Without donor restrictions	<u>(4,926,787)</u>	<u>2,559,009</u>	<u>3,398,209</u>	<u>(608,698)</u>	<u>2,913,824</u>	<u>128,137</u>	<u>3,463,694</u>	<u>-</u>	<u>-</u>	<u>3,463,694</u>
Total net assets	<u>(4,532,732)</u>	<u>4,049,109</u>	<u>4,928,731</u>	<u>(247,472)</u>	<u>4,267,289</u>	<u>128,137</u>	<u>8,593,062</u>	<u>2,520,032</u>	<u>-</u>	<u>11,113,094</u>
Total liabilities and net assets	<u>\$ (4,295,725)</u>	<u>\$ 21,422,744</u>	<u>\$ 21,110,433</u>	<u>\$ (145,878)</u>	<u>\$ 19,565,201</u>	<u>\$ (48,039,086)</u>	<u>\$ 9,617,689</u>	<u>\$ 40,150,473</u>	<u>\$ -</u>	<u>\$ 49,768,162</u>

See note to supplementary information.

**Across the Bridge Foundation
dba Downtown College Preparatory
Consolidating Statement of Activities and Changes in Net Assets
Year Ended June 30, 2024**

	Central Office	DCP High	Alum Rock Middle	Alum Rock High	DCP Middle	Eliminations	ABF Combined	DCP Foundation	Eliminations	Total Consolidated
SUPPORT AND REVENUES										
Local control funding formula sources										
State apportionment	\$ -	\$ 1,299,932	\$ 2,292,449	\$ 1,580,238	\$ 388,985	\$ -	\$ 5,561,604	\$ -	\$ -	\$ 5,561,604
In-lieu property taxes	-	4,620,523	1,341,024	801,304	2,230,102	-	8,992,953	-	-	8,992,953
Federal revenue	-	937,267	382,667	285,244	975,487	-	2,580,665	-	-	2,580,665
State revenue	-	1,527,783	1,344,626	201,369	1,042,578	-	4,116,356	-	-	4,116,356
Local revenues	<u>3,302,326</u>	<u>12,074</u>	<u>20,247</u>	<u>13,897</u>	<u>5,023</u>	<u>(2,476,681)</u>	<u>876,886</u>	<u>3,585,765</u>	<u>(3,388,832)</u>	<u>1,073,819</u>
Total support and revenues	<u>3,302,326</u>	<u>8,397,579</u>	<u>5,381,013</u>	<u>2,882,052</u>	<u>4,642,175</u>	<u>(2,476,681)</u>	<u>22,128,464</u>	<u>3,585,765</u>	<u>(3,388,832)</u>	<u>22,325,397</u>
EXPENSES										
Program services										
Certificated salaries	589,797	3,224,003	1,772,239	1,900,044	1,563,354	-	9,049,437	-	-	9,049,437
Classified salaries	686,704	571,574	351,884	428,295	395,415	-	2,433,872	-	-	2,433,872
Benefits	396,294	1,132,580	664,329	629,339	544,986	-	3,367,528	-	-	3,367,528
Material and supplies	8,942	288,072	337,985	174,894	195,070	-	1,004,963	-	-	1,004,963
Services and other expenditures	<u>423,855</u>	<u>2,410,761</u>	<u>2,082,568</u>	<u>924,109</u>	<u>2,645,125</u>	<u>(2,497,018)</u>	<u>5,989,400</u>	<u>-</u>	<u>(3,388,832)</u>	<u>2,600,568</u>
Total program services	<u>2,105,592</u>	<u>7,626,990</u>	<u>5,209,005</u>	<u>4,056,681</u>	<u>5,343,950</u>	<u>(2,497,018)</u>	<u>21,845,200</u>	<u>-</u>	<u>(3,388,832)</u>	<u>18,456,368</u>
Management and general										
Classified salaries	774,847	147,834	120,990	91,204	188,023	-	1,322,898	-	-	1,322,898
Benefits	303,363	56,098	54,509	30,513	68,986	-	513,469	-	-	513,469
Material and supplies	10,857	2,767	15,511	1,259	323	-	30,717	-	-	30,717
Services and other operating expenditures	445,208	1,380,537	920,003	384,103	866,613	-	3,996,464	601,990	-	4,598,454
Interest expense	-	-	-	-	-	-	-	1,717,299	-	1,717,299
Depreciation	-	43,186	78,439	-	51,606	-	173,231	1,226,211	-	1,399,442
Total management and general	<u>1,534,275</u>	<u>1,630,422</u>	<u>1,189,452</u>	<u>507,079</u>	<u>1,175,551</u>	<u>-</u>	<u>6,036,779</u>	<u>3,545,500</u>	<u>-</u>	<u>9,582,279</u>
Total expenses	<u>3,639,867</u>	<u>9,257,412</u>	<u>6,398,457</u>	<u>4,563,760</u>	<u>6,519,501</u>	<u>(2,497,018)</u>	<u>27,881,979</u>	<u>3,545,500</u>	<u>(3,388,832)</u>	<u>28,038,647</u>
CHANGE IN NET ASSETS	(337,541)	(859,833)	(1,017,444)	(1,681,708)	(1,877,326)	20,337	(5,753,515)	40,265	-	(5,713,250)
NET ASSETS, beginning of year	<u>(4,195,191)</u>	<u>4,908,942</u>	<u>5,946,175</u>	<u>1,434,236</u>	<u>6,144,615</u>	<u>107,800</u>	<u>14,346,577</u>	<u>2,479,767</u>	<u>-</u>	<u>16,826,344</u>
NET ASSETS, end of year	<u>\$ (4,532,732)</u>	<u>\$ 4,049,109</u>	<u>\$ 4,928,731</u>	<u>\$ (247,472)</u>	<u>\$ 4,267,289</u>	<u>\$ 128,137</u>	<u>\$ 8,593,062</u>	<u>\$ 2,520,032</u>	<u>\$ -</u>	<u>\$ 11,113,094</u>

See note to supplementary information.

**Across the Bridge Foundation
dba Downtown College Preparatory
Consolidating Statement of Cash Flows
Year Ended June 30, 2024**

	Central Office	DCP High	Alum Rock Middle	Alum Rock High	DCP Middle	Eliminations	ABF Combined	DCP Foundation	Eliminations	Total Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES										
Change in net assets	\$ (337,541)	\$ (859,833)	\$ (1,017,444)	\$ (1,681,708)	\$ (1,877,326)	\$ 20,337	\$ (5,753,515)	\$ 40,265	\$ -	\$ (5,713,250)
Adjustments to reconcile change in net assets to net cash from operating activities										
Depreciation expense	-	43,183	78,439	-	51,605	-	173,227	1,226,215	-	1,399,442
Change in operating assets and liabilities										
Accounts receivable	5,512	(467,145)	489,609	893,811	(28,541)	-	893,246	-	-	893,246
Due from grantors	-	-	-	-	-	-	-	-	-	-
Due from (to) other funds	(1,825,960)	253,132	433,565	152,638	12,136	-	(974,489)	974,489	-	-
Prepaid expenses	19,445	65,846	(6,437)	12,898	73,823	-	165,575	-	-	165,575
Accounts payable and accrued expenses	(202,805)	(334,854)	(315,792)	(214,172)	(409,915)	-	(1,477,538)	(99,497)	-	(1,577,035)
Deferred revenue	-	(115,710)	(38,659)	(129,323)	(189,721)	-	(473,413)	81,937	-	(391,476)
Lease liability	-	34,904	51,843	-	41,368	(20,337)	107,778	-	-	107,778
Due to other agencies	-	(156,146)	(312,200)	(173,395)	(56,021)	-	(697,762)	123,225	-	(574,537)
Net cash from operating activities	<u>(2,341,349)</u>	<u>(1,536,623)</u>	<u>(637,076)</u>	<u>(1,139,251)</u>	<u>(2,382,592)</u>	<u>-</u>	<u>(8,036,891)</u>	<u>2,346,634</u>	<u>-</u>	<u>(5,690,257)</u>
CASH FLOWS FROM FINANCING ACTIVITY										
Principal payments on long-term liabilities	-	-	-	-	-	-	-	(1,105,864)	-	(1,105,864)
Net cash from financing activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,105,864)</u>	<u>-</u>	<u>(1,105,864)</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	<u>(2,341,349)</u>	<u>(1,536,623)</u>	<u>(637,076)</u>	<u>(1,139,251)</u>	<u>(2,382,592)</u>	<u>-</u>	<u>(8,036,891)</u>	<u>1,240,770</u>	<u>-</u>	<u>(6,796,121)</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	<u>(4,786,933)</u>	<u>5,085,964</u>	<u>3,310,457</u>	<u>856,364</u>	<u>4,443,618</u>	<u>-</u>	<u>8,909,470</u>	<u>4,084,275</u>	<u>-</u>	<u>12,993,745</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	<u><u>\$ (7,128,282)</u></u>	<u><u>\$ 3,549,341</u></u>	<u><u>\$ 2,673,381</u></u>	<u><u>\$ (282,887)</u></u>	<u><u>\$ 2,061,026</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 872,579</u></u>	<u><u>\$ 5,325,045</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,197,624</u></u>

See note to supplementary information.

Across the Bridge Foundation
dba Downtown College Preparatory
Combining Statement of Financial Position for Alum Rock Middle School,
DCP Middle School, and DCP High School
June 30, 2024

	DCP High (El Primero)	Alum Rock Middle	DCP Middle (El Camino)	Combined
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 3,549,341	\$ 2,673,381	\$ 2,061,026	\$ 8,283,748
Restricted cash	-	-	-	-
Accounts receivable	1,320,104	1,036,819	735,828	3,092,751
Due from grantors	-	500	-	500
Due (to) from other funds	(1,876,289)	(970,204)	140,481	(2,706,012)
Prepaid expenses and other current assets	12,773	15,368	13,664	41,805
Total current assets	<u>3,005,929</u>	<u>2,755,864</u>	<u>2,950,999</u>	<u>8,712,792</u>
NONCURRENT ASSETS				
Capital assets	1,940,260	2,893,010	2,024,850	6,858,120
Less accumulated depreciation	(580,126)	(498,333)	(436,362)	(1,514,821)
Property and equipment, net	1,360,134	2,394,677	1,588,488	5,343,299
Operating lease right-of-use asset	17,056,681	15,959,892	15,025,714	48,042,287
Total noncurrent assets	<u>18,416,815</u>	<u>18,354,569</u>	<u>16,614,202</u>	<u>53,385,586</u>
Total assets	<u>\$ 21,422,744</u>	<u>\$ 21,110,433</u>	<u>\$ 19,565,201</u>	<u>\$ 62,098,378</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 312,846	\$ 51,988	\$ 153,460	\$ 518,294
Deferred revenue	1,411	61,326	54,563	117,300
Due to other agencies	34,705	3,091	58,413	96,209
Leases payable, current portion	3,974	-	-	3,974
Total current liabilities	<u>352,936</u>	<u>116,405</u>	<u>266,436</u>	<u>735,777</u>
NONCURRENT LIABILITIES				
Leases, noncurrent portion	17,020,699	16,065,297	15,031,476	-
Total noncurrent liabilities	<u>17,020,699</u>	<u>16,065,297</u>	<u>15,031,476</u>	<u>-</u>
Total liabilities	<u>17,373,635</u>	<u>16,181,702</u>	<u>15,297,912</u>	<u>735,777</u>
NET ASSETS				
With donor restrictions				
Scholarships	50	-	-	50
Federal and State programs	1,483,165	1,530,522	1,350,626	4,364,313
Associated student body	6,885	-	-	6,885
Private funding and other	-	-	2,839	2,839
Without donor restrictions	<u>2,559,009</u>	<u>3,398,209</u>	<u>2,913,824</u>	<u>8,871,042</u>
Total net assets	<u>4,049,109</u>	<u>4,928,731</u>	<u>4,267,289</u>	<u>13,245,129</u>
Total liabilities and net assets	<u>\$ 21,422,744</u>	<u>\$ 21,110,433</u>	<u>\$ 19,565,201</u>	<u>\$ 13,980,906</u>

See note to supplementary information.

**Across the Bridge Foundation
dba Downtown College Preparatory
Combining Statement of Activities and Changes in Net Assets
for Alum Rock Middle School, DCP Middle School, and DCP High School
Year Ended June 30, 2024**

	DCP High (El Primero)	Alum Rock Middle	DCP Middle (El Camino)	Combined
SUPPORT AND REVENUES				
Local control funding formula sources				
State apportionment	\$ 1,299,932	\$ 2,292,449	\$ 388,985	\$ 3,981,366
In-lieu property taxes	4,620,523	1,341,024	2,230,102	8,191,649
Federal revenue	937,267	382,667	975,487	2,295,421
State revenue	1,527,783	1,344,626	1,042,578	3,914,987
Local revenues	<u>12,074</u>	<u>20,247</u>	<u>5,023</u>	<u>37,344</u>
Total support and revenues	<u>8,397,579</u>	<u>5,381,013</u>	<u>4,642,175</u>	<u>18,420,767</u>
EXPENSES				
Program services				
Certificated salaries	3,224,003	1,772,239	1,563,354	6,559,596
Classified salaries	571,574	351,884	395,415	1,318,873
Salaries and benefits	1,132,580	664,329	544,986	2,341,895
Material and supplies	288,072	337,985	195,070	821,127
Services and other expenditures	<u>2,410,761</u>	<u>2,082,568</u>	<u>2,645,125</u>	<u>7,138,454</u>
Total program services	<u>7,626,990</u>	<u>5,209,005</u>	<u>5,343,950</u>	<u>18,179,974</u>
Management and general				
Classified salaries	147,834	120,990	188,023	456,847
Benefits	56,098	54,509	68,986	179,593
Material and supplies	2,767	15,511	323	18,601
Services and other operating expenditures	1,380,537	920,003	866,613	3,167,153
Depreciation	<u>43,186</u>	<u>78,439</u>	<u>51,606</u>	<u>173,231</u>
Total management and general	<u>1,630,422</u>	<u>1,189,452</u>	<u>1,175,551</u>	<u>3,995,425</u>
Total expenses	<u>9,257,412</u>	<u>6,398,457</u>	<u>6,519,501</u>	<u>22,002,168</u>
CHANGE IN NET ASSETS	(859,833)	(1,017,444)	(1,877,326)	(3,581,401)
NET ASSETS, beginning of year	<u>4,908,942</u>	<u>5,946,175</u>	<u>6,144,615</u>	<u>16,999,732</u>
NET ASSETS, end of year	<u>\$ 4,049,109</u>	<u>\$ 4,928,731</u>	<u>\$ 4,267,289</u>	<u>\$ 13,418,331</u>

See note to supplementary information.

**Across the Bridge Foundation
dba Downtown College Preparatory
Note to Supplementary Information
Year Ended June 30, 2024**

Note 1 – Purpose of Supplementary Schedules

Schedule of expenditures of federal awards

Basis of presentation – The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Across the Bridge Foundation (dba Downtown College Preparatory) (DCP) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of DCP, it is not intended to and does not present the financial position, changes in net assets, or cash flows of DCP.

Summary of significant accounting policies – Expenditures reported in the schedule are reported on the accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to any subrecipients for the year ended June 30, 2024.

Indirect cost rate – DCP does not draw for indirect administrative expenses and has not elected to use the ten percent de minimus cost rate.

Local education agency organization structure – This schedule provides information about DCP's members of the governing board, and members of the administration.

Schedule of average daily attendance – Average daily attendance (ADA) is a measurement of the number of pupils attending classes of DCP. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to local education agencies. This schedule provides information regarding the attendance of students at DCP.

Schedule of instructional time – This schedule presents information on the amount of instructional time offered by DCP and whether DCP complied with the provisions of Education Code Sections 47612 and 47612.5, if applicable. DCP must maintain their instructional minutes at the 1986–87 requirements, as required by Education Code Section 47612.5.

Combining and consolidating statement of financial position, statement of activities, and statement of cash flows – The combining and consolidating statements are included to provide information regarding the individual campuses that have been included in DCP's basic financial statements.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Across the Bridge Foundation dba Downtown College Preparatory

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Across the Bridge Foundation dba Downtown College Preparatory (DCP) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 14, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DCP's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of DCP's internal control. Accordingly, we do not express an opinion on the effectiveness of DCP's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether DCP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

DCP's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on DCP's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. DCP's response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



San Francisco, California
February 14, 2025

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
Across the Bridge Foundation dba Downtown College Preparatory

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Across the Bridge Foundation doing business as Downtown College Preparatory (DCP)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on DCP's major federal program for the year ended June 30, 2024. DCP's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, DCP complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of DCP and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of DCP's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to DCP's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on DCP's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about DCP's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding DCP's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of DCP's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of DCP's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss Adams LLP

San Francisco, California
February 14, 2025

Report of Independent Auditors on State Compliance

The Board of Directors
 Across the Bridge Foundation dba Downtown College Preparatory

Report on Compliance with State Laws and Regulations

Opinion on Compliance with State Laws and Regulations

We have audited Across the Bridge Foundation doing business as Downtown College Preparatory (DCP)'s compliance with the types of compliance requirements described in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the Audit Guide) applicable to DCP's state program for the year ended June 30, 2024, listed below:

<u>Procedures</u>	<u>Description</u>	<u>Performed</u>
Local Education Agencies other than Charter Schools:		
A.	Attendance	No, see below
B.	Teacher Certification and Misassignments	No, see below
C.	Kindergarten Continuance	No, see below
D.	Independent Study	No, see below
E.	Continuation Education	No, see below
F.	Instructional Time	No, see below
G.	Instructional Materials	No, see below
H.	Ratio of Administrative Employees to Teachers	No, see below
I.	Classroom Teacher Salaries	No, see below
J.	Early Retirement Incentive	No, see below
K.	Gann Limit Calculation	No, see below
L.	School Accountability Report Card	No, see below
M.	Juvenile Court Schools	No, see below
N.	Middle or Early College High School	No, see below
O.	K-3 Grade Span Adjustment	No, see below
P.	Transportation Maintenance of Effort	No, see below
Q.	Apprenticeship: Related and Supplemental Instruction	No, see below
R.	Comprehensive School Safety Plan	No, see below
S.	District of Choice	No, see below
TT.	Home to School Transportation Reimbursement	No, see below

<u>Procedures</u>	<u>Description</u>	<u>Performed</u>
School Districts, County Offices of Education, and Charter Schools:		
T.	Proposition 28 Arts and Music in Schools	No, see below
U.	After/Before School Education and Safety Program	No, see below
V.	Proper Expenditure of Education Protection Account Funds	Yes
W.	Unduplicated Local Control Funding Formula Pupil Counts	Yes
X.	Local Control and Accountability Plan	Yes
Y.	Independent Study – Course Based	No, see below
Z.	Immunizations	No, see below
AZ.	Educator Effectiveness	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ.	Career Technical Education Incentive Grant	No, see below
EZ.	Transitional Kindergarten	No, see below

Charter Schools:

AA.	Attendance	Yes
BB.	Mode of Instruction	Yes
CC.	Nonclassroom-Based Instruction/Independent Study	No, see below
DD.	Determination of Funding for Nonclassroom-based Instruction	No, see below
EE.	Annual Instructional Minutes – classroom based	Yes
FF.	Charter School Facility Grant Program	Yes

We did not perform any procedures relating to items “A” through “S,” and “TT” of the Audit Guide because these sections do not apply to Charter Schools.

We did not perform testing procedures related to the Proposition 28 Arts and Music in Schools because there was no activity for the year ended June 30, 2024.

We did not perform any procedures related to After/Before School Education and Safety Program because DCP does not run an After/Before School Education and Safety Program.

We did not perform any procedures related to Independent Study-Course Based because DCP did not claim any independent study-course based ADA for the year ended June 30, 2024.

DCP submitted the immunization assessment report to the California Department of Public Health and did not have reported combined conditional admission and overdue rates greater than 10 percent in kindergarten, therefore, we did not perform any related procedures.

We did not perform any procedures related to Career Technical Education Incentive Grant because DCP receive Career Technical Education Incentive Grant funds for the year ended June 30, 2024.

We did not perform any procedures related to Transition Kindergarten (TK) because DCP did not claim any TK ADA for the year ended June 30, 2024.

We did not perform any procedures related to nonclassroom-based instruction (items “CC” and “DD”) because DCP did not claim any nonclassroom-based ADA for the year ended June 30, 2024.

In our opinion, DCP complied, in all material respects, with the state compliance requirements referred to above that are applicable to state laws and regulations for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of DCP and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of DCP's compliance with state compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to below and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to DCP's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on DCP's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Audit Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about DCP's compliance with state laws and regulations as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding DCP's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of DCP's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of DCP's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Moss Adams LLP

San Francisco, California
February 14, 2025

**Across the Bridge Foundation
dba Downtown College Preparatory
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Section I – Summary of Auditor’s Results

Consolidated Financial Statements

Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of Major Federal Programs and Type of Auditor’s Report Issued on Compliance for Major Federal Program:

<i>Federal Assistance Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for the Major Federal Program</i>
84.425W, 84.425D, 84.425U	COVID-19: Education Stabilization Fund Programs	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

State Awards

Type of report the auditor issued on compliance for state programs:

Unmodified

**Across the Bridge Foundation
dba Downtown College Preparatory
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Section II – Financial Statement Findings

FINDING 2024-001 – Right-Of-Use Asset and Liability-Significant Deficiency over Internal Controls over Financial Reporting

Criteria: DCP’s management is responsible for establishing and maintaining internal controls to ensure that transactions are properly recorded and reported in the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition/Context: Proposed audit adjustments resulted in significant changes to account balances which were identified during the audit.

Effect: Auditors identified an early termination lease contract had not been properly recorded on the trial balance to reduce the unamortized right-of-use (ROU) asset and liability balances as of the effective date of the modification of the lease. The total overstatement of the ROU asset and liability was \$252,084 and \$252,084 respectively on the combining statement of financial position.

Cause: DCP had early terminated a lease contract effective the last day of the audit period. The communication of this early termination did not effectively make it to the third-party accounting consultants responsible for recording transactions on behalf of DCP. The review of the trial balance produced by the third-party accountants was not thorough enough prior to the audit to identify the ROU asset and liability balances that should have been removed because of the modification to the lease contract.

Recommendation: We recommend that management implement controls to review the trial balance the third-party accountants produce before the audit to ensure that significant transactions, contracts, and changes are accounted for as of the year end.

Views of responsible officials and planned corrective actions: Management agrees with the recommendation and has created a corrective action plan. The adjustment has been made and reflected in the combining statement of financial position.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

**Across the Bridge Foundation
dba Downtown College Preparatory
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024**

There were no prior audit findings to report.



Downtown College Prep
Corrective Action Plan
For the Year Ended June 30, 2024

Finding: 2024-001- Right-Of-Use Asset and Liability- Significant Deficiency in Internal Control over Financial Reporting

Conditions: Proposed audit adjustments resulted in significant changes to account balances which were identified during the audit.

Corrective Action Plan: In order to correct for these accounting anomalies and discrepancies in practice, DCP moved from Delta Managed Solutions (DMS) as a back office financial partner to Charter Impact. In the months of transition from DMS to CI, we have remedied the issues previously identified.

Name of Contact Person:

DCP:

Dr. Valerie Royaltey-Quandt, vrquandt@dcp.org (831) 247-5403

Charter Impact:

Richard McNeel, rmcneel@charterimpact.com (323)545-3646

Projected Completion Date: The transition from DMS to Charter Impact was formally concluded on December 31, 2024. However, we continue to monitor our financial records and closely examine the accounting data for errors moving forward.

Sincerely,

Valerie Royaltey-Quandt

Dr. Valerie Royaltey-Quandt
Interim Executive Director

