



February 14, 2025

Moss Adams LLP

2882 Prospect Park Drive, Suite 300

Rancho Cordova, CA 95670

We are providing this letter in connection with your audit of the consolidated financial statements of Across the Bridge Foundation doing business as Downtown College Preparatory (DCP) , which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statement of activities and changes in net assets, and consolidated statement cash flows for the year then ended, and the related notes to the consolidated financial statements for the purpose of expressing an opinion as to whether the consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP). We have also provided you with the schedule of expenditures of federal awards (SEFA), and other supplementary information, which includes: the schedules of average daily attendance, instructional time, consolidating statement financial position and consolidating statement of activities and changes in net assets, for the purpose of expressing an opinion as to whether the SEFA and other supplementary information are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$41,100 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the consolidated financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of February 14, 2025.

#### Consolidated Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 14, 2024, for the preparation and fair presentation of the consolidated



financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.

2. The consolidated financial statements referred to above are fairly presented in conformity with U.S. GAAP.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud.

5. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.

6. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs

7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

8. All events subsequent to the date of the consolidated financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP. As part of your audit, you assisted with the preparation of the financial statements and related notes and schedule of expenditures of federal awards.

10. We acknowledge our responsibility as it relates to those nonattest/nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, schedule of expenditures of federal award, and other supplementary information.



## Information Provided

11. We have provided you with:

- a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the consolidated financial statements such as records, documentation, and other matters;
- b. Minutes of the meetings of directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared;
- c. Additional information that you have requested from us for the purpose of the audit;
- d. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

12. All transactions have been properly recorded in the accounting records and are reflected in the consolidated financial statements.

13. We have retained copies of all information we provided to you during the engagement and have been provided copies of all necessary financial and non-financial schedules, memos, data, and other information related to all services performed by you, such that in our opinion our records are complete, including our records supporting our consolidated financial statements and all related accounting policies and positions. Furthermore, you do not act as the sole host of any financial or non-financial information system for us, nor do you provide any electronic security or back-up services for our data or records.

14. We have disclosed to you the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud.

15. We have no knowledge of any fraud or suspected fraud that affects the entity and involves—

- a. Management,
- b. Employees who have significant roles in internal control, or
- c. Others when the fraud could have a material effect on the consolidated financial statements.

16. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's consolidated financial statements communicated by employees, former employees, or others.



17. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the consolidated financial statements.

18. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the consolidated financial statements.

19. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware.

20. There are no estimates that may be subject to material change in the near term that have not been properly disclosed in the consolidated financial statements. We understand that *near term* means the period within one year of the date of the consolidated financial statements. In addition, we have no knowledge of concentrations existing at the date of the consolidated financial statements that make DCP vulnerable to the risk of a near-term severe impact that have not been properly disclosed in the consolidated financial statements.

21. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities and changes in net assets, and allocations have been made on a reasonable basis.

22. Revenues are appropriately classified in the statement of activities and changes in net assets within program revenues, other program revenues, and charter school revenues.

23. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

24. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the consolidated financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

25. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

26. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

27. These consolidated financial statements include all component units and properly disclose all other joint ventures and other related organizations.



28. Interfund, internal and intra-entity activity and balances have been appropriately classified and reported.

29. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the consolidated financial statements or other financial data significant to the audit objectives.

30. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

31. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

32. There have been no known or suspected breaches of sensitive information (e.g. personnel files) caused by cyber-attack or other means where the breach could have a material effect on the consolidated financial statements.

33. We are not aware of any reason Moss Adams LLP would not be considered to be independent.

34. We have no knowledge of concentrations existing at the date of the consolidated financial statements that make DCP vulnerable to the risk of a near-term severe impact that have not been properly disclosed in the consolidated financial statements. We understand that concentrations include individual or group concentrations of customers, suppliers, lenders, products, services, sources of labor or materials, licenses or other rights, or operating areas or markets.

35. DCP has appropriately reconciled its general ledger accounts to their related supporting information. All reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial information. All intra-entity and inter-entity accounts have been eliminated or appropriately measured and considered for disclosure in the interim financial information.

36. In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*. This standard introduced a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses and resulted in a change to the policy around impairment. DCP adopted ASU 2016-13 on July 1, 2023. The adoption of this guidance did not have a material impact on the DCP's consolidated financial statements and disclosures.



37. We have analyzed our current revenue recognition practices in relation to ASC 606, *Revenue from Contracts with Customers*. We concluded our existing performance obligations are met as billed and recognized under our current policies. We have determined that we do not have material contract acquisition or fulfillment costs that require capitalization. Discounts have properly allocated between the related revenue streams based on the relative stand-alone prices of each performance obligation.
38. We have analyzed our current revenue recognition practices in relation ASC 958-605, *Nonexchange Transactions*. We are able to distinguish whether a transaction is exchange (reciprocal) or nonexchange (nonreciprocal). We recognize as revenue unconditional contributions in the period they are received, regardless of any donor-imposed restrictions. We recognize as revenue conditional contributions only once the conditions are satisfied.
39. We have a process to track the status of audit findings and recommendations.
40. With respect to the supplementary and other supplementary information listed in the table of contents: We acknowledge our responsibility for presenting the 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 the Schedule of Average Daily Attendance, Schedule of Instructional Time, and the Supplemental Consolidating Financial Statements, and we believe the 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 the Schedule of Average Daily Attendance, Schedule of Instructional Time, and the Supplemental Combining Financial Statements, including its form and content, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the 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 the Schedule of Average Daily Attendance, Schedule of Instructional Time, and the Supplemental Consolidating Financial Statements have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
41. As of June 30, 2024, DCP had \$7,649,400 in net assets with donor restrictions.
42. No events of default have occurred with respect to any of the Entity's debt agreements.
43. Subsequent to the year ended June 30, 2024 the board of directors and management announced the plan to close the DCP schools in June 2025.



44. With respect to federal award programs:

- a) We are responsible for understanding and complying with, and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to the preparation of the schedule of expenditures of federal awards.
- b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
- c) If the SEFA is not presented with the audited consolidated financial statements, we will make the audited consolidated financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.



- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including, when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*.
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the consolidated financial statements have been prepared.





- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency, or pass-through entity, (in this case subrecipient), as applicable.
- t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- u) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- v) We have charged costs to federal awards in accordance with applicable cost principles.
- w) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- x) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- y) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- z) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- aa) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

To the best of our knowledge and belief, no events have occurred subsequent to the consolidated statement of financial position date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.



Signed by:

*Valerie Royaltey-Quandt*

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Valerie Royaltey-Quandt, Interim Executive Director

Signed by:

*David Graves*

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David Graves, Ryland Strategic Business Consulting

## Certificate Of Completion

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Valerie Royaltey-Quandt

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Managing Director of Academics

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