

July 17, 2023

To the Board of Directors of
Across The Bridge Foundation (DCP)
San Jose, California

We have audited the consolidated financial statement of Across the bridge Foundation (“ABF”) doing business as Downtown College Preparatory (“DCP” or “School”)(a nonprofit organization) as of and for the year ended June 30, 2022, and have issued our report thereon dated July 17, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Consolidated Financial Statement Audit under Generally Accepted Auditing Standards and Government Auditing Standards and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated March 14, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the consolidated financial statement that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the DCP complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the DCP major federal programs. Our audit of the consolidated financial statement does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement. An audit of consolidated financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of DCP solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the DCP’s major federal program compliance, is to express an opinion on the compliance for each of the DCP’s major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing 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 internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the DCP’s internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards* dated July 17, 2023. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated July 17, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the consolidated financial statement are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the consolidated financial statement and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks.

- Management Override of Controls – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of the School can override controls that the School has implemented. Management may override the School's controls to modify the financial records with the intent of manipulating the consolidated financial statements to overstate the Organization's financial performance or with the intent of concealing fraudulent transactions.
- Improper Revenue Recognition – professional standards require auditors to presume that revenue recognition is a fraud risk. Improper revenue recognition was identified as a fraud risk due to possibility that revenue is not recorded in the proper period, in the incorrect amount, etc. either due to error or fraud.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by DCP is included in Note 1 to the consolidated financial statements. As discussed in Note 1, the Organization adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, on a retrospective basis. No other changes in existing accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We did not identify any significant accounting estimates.

Financial Statement Disclosures

There were no financial statement disclosures that we considered to particularly sensitive or involve significant judgement.

Identified or Suspected Fraud

We have not identified nor have obtained information that indicates the fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the consolidated financial statements as a whole. There were no uncorrected misstatements that we identified as a result of our audit procedures that were brought to the attention of management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the consolidated financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We made the following modifications of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated July 17, 2023.

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Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with DCP, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as DCP's auditors.

The consolidated financial statements include the financial statements of DCP Foundation (DCPF), a subsidiary of DCP, which we considered to be significant components of the consolidated financial statements. Consistent with the audit of the consolidated financial statements as a whole, our audit included obtaining an understanding of DCPF and their environment, including internal control, sufficient to assess the risks of material misstatement of the consolidated financial statements of DCP and DCPF. and completion of further audit procedures.

This report is intended solely for the information and use of the Finance Committee, The Board of Directors, and management of DCP and is not intended to be and should not be used by anyone other than these specified parties.