



FOUMBERG, JUNEJA,
ROCHER & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
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LS&Co.
The Nonprofit Services Group of
FOUMBERG, JUNEJA, ROCHER & COMPANY

June 2, 2025

Dr. Edgar Lampkin, CEO
Audit Committee Members
California Association for Bilingual Education (CABE)
20888 Amar Rd.
Walnut, California 91789
Dear Dr. Lampkin and Audit Committee Members:

We are pleased to confirm our understanding of the services we are to provide for CABE (the "Organization") for the year ended June 30, 2025.

We will audit the financial statements of CABE, which comprise the statement of financial position as of June 30, 2025 and the related statements of activities, functional expenses and cash flows for the year then ended, and the disclosures (collectively, these are referred to as the "financial statements").

The objectives of our audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. 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 will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibility for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental

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regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audits and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audits, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Although we have not completed our audit planning, the following are likely significant risks of material misstatement. Modifications may occur as we complete our audit planning.

1. Management override of controls.
2. Recognition of revenue and expenses in accordance with generally accepted accounting procedures.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service

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providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Tax and Other Services

We will prepare the financial statements of the Organization in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

You agree to assume all management responsibilities for the financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferable from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

We will also prepare the Organization's Return of Organization Exempt From Income Tax (US 990) and the related California Form 199. for the year ended June 30, 2025 based on information provided by you. The Form RRF-1 is now e-filed with the California Attorney General by the Organization. Accordingly, we do not prepare that form. We will be available to advise you regarding that filing; however, responsibility for preparing and e-filing the RRF-1 rests solely with you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

Foumberg, Juneja, Rocher & Co., L.P. is responsible for preparing the returns listed above.

It is your responsibility to provide us with all the information required for preparing complete and accurate returns. You should retain all the documents, cancelled checks, and other data that form the basis of the returns. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the tax returns and, therefore, you should review them carefully before you sign them.

You will submit your tax information to us on a schedule to be agreed. If, for some unforeseen reason, your data is not provided to us as agreed, resulting in an inability to file your returns by the final due dates, you may be subjected to late penalties on your returns.

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We will use our professional judgment in preparing your returns. Whenever we are aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. In accordance with our professional standards, we will follow whatever position you request, as long as it is consistent with the codes, regulations, and interpretations that have been promulgated. When possible, we will resolve questions involving application of tax rules in your favor, if there is reasonable justification for doing so. If the Internal Revenue Service (IRS) or other taxing agency should later contest the position taken, there may be an assessment of tax plus interest and penalties. We assume no liability for such additional penalties, interest, or assessments. In the event, however, that you ask us to take a tax position that in our professional judgment will not meet the applicable laws and standards as promulgated, we reserve the right to stop work and shall not be liable for any damages that occur as a result of ceasing to render services.

If you have a financial interest in, or signature authority over, any foreign accounts, you may be subject to certain filing requirements with the U.S. Department of the Treasury, in addition to the IRS. Filing requirements may also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). The filing deadline for the Report of Foreign Bank and Financial Accounts (FBAR) required by the U.S. Department of the Treasury is April 1st and follows the federal income due date guidance, which notes that if the tax due date falls on a weekend or legal holiday, the form is considered timely filed if filed on the next business day. An automatic 6-month extension is available. Electronic filing of the FBAR is mandatory using the Bank Secrecy ACT (BSA) e-filing system for the Financial Crimes Enforcement Network (FinCEN). We must receive a signed consent form from you prior to submitting the foreign reporting form. If we do not receive your signed authorization to file your foreign reporting form, we will not be able to file any of the required disclosure statements on your behalf. Additionally, the IRS requires information reporting on foreign interest or activities under applicable IRC sections and related regulations, and the respective IRS tax forms are due when your income tax return is due, including extensions. The IRS reporting requirements are in addition to the U.S. Department of the Treasury reporting requirements stated above. Therefore, if you have any direct or indirect foreign interests that require disclosures to the IRS, you must provide us with the information necessary to prepare the applicable IRS forms. Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the IRS may result in substantial civil and/or criminal penalties. By your signature below, you agree to provide us with complete and accurate information regarding any foreign accounts that you may have had a direct or indirect interest in, or signature authority over, during the above referenced tax year. The foreign reporting requirements are very complex, so if you have any questions regarding the application of the U.S. Department of the Treasury and/or the IRS reporting requirements to your foreign interests or activities, please ask for advice in that regard. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

Management is responsible for the design, implementation, and administration of applicable policies that may be required under the Affordable Care Act. As we are not rendering any legal

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services as part of our engagement, we will not be responsible for advising you with respect to the legal or regulatory aspects of your organization's compliance with the Affordable Care Act.

Your returns may be selected for examination by taxing authorities. In the event of an examination or other IRS or state taxing authority contact, we would be available to represent you. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such governmental tax examination and you request us to represent you, we will render additional invoices for the time and expenses incurred. Fees and services will be communicated in a separate engagement letter.

The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax provisions taken in the preparation of the private foundation return, but management must make all decisions with regard to those matters.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. You are also responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or event, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization

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involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the consolidated financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations. You are responsible for the preparation of any supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You are required to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or were available to be issued. You agree that you will not date the subsequent event disclosure earlier than the date of your management representation letter.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts and pledges receivable, and other confirmations we request and will locate any documents selected by us for testing. The cost of any specialists required for valuations or other items necessary for the audit will be incurred by the Organization.

Brian J. Harris, CPA is the head of audit at the firm and is ultimately responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Lewis Sharpstone CPA will serve as a key client service point of contact for you and as the engagement quality control reviewer.

To ensure that Foubberg, Juneja, Rocher & Co. P. C.'s independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our audit engagement ends on delivery of our audit reports. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We estimate our fees for these services will be as follows:

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|---|-----------|
| • Audit of 2024 financial statements | \$ 23,000 |
| • Preparation of US 990 and California Form 199 | \$ 3,600 |

Our fees are based on your cooperation. These fees include reasonable out-of-pocket costs (such as local travel, postage, copies and telephone calls). If additional time is necessary, we will keep you informed of any issues we encounter, and our fees will be adjusted accordingly. The fees for these services will be based on our standard hourly rates. Our invoices for these fees will be rendered according to the following schedule and are payable upon presentation.

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Upon signing engagement letter	\$ 5,000
Upon 35% of estimated audit hours being incurred	6,000
Upon 70% of estimated audit hours being incurred	6,000
Upon presentation of draft materials for the audit exit conference	<u>6,000</u>
	<u>\$ 23,000</u>
Upon commencement of Form 990 preparation	\$ 1,600
Upon presentation of draft 990	<u>2,000</u>
	<u>\$ 3,600</u>

In the event that a check for payment of our invoice is dishonored or your credit card payment is declined, Foumberg, Juneja, Rocher & Co., P.C. reserves the right to require payment by ACH debit, wire transfer or bank certified funds.

After 30 days, a late charge of 1.5% per month may be assessed on any balance that remains unpaid after deduction of current payments, credits and allowances.

All audit fees must be paid prior to audit issuance, and all tax return fees must be paid prior to filing of the tax return.

Certain assurance services might be prepared by a wholly-owned subsidiary of Foumberg, Juneja, Rocher & Co., P.C. located outside of the United States of America. All Foumberg, Juneja, Rocher & Co., P.C. employees, regardless of location, are held to the same high standards, and all work and services performed are ultimately reviewed by a member of the Foumberg, Juneja, Rocher & Co., P.C. management team located within the United States of America.

In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until all outstanding balances are paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. Upon such termination, Foumberg, Juneja, Rocher & Co., P.C. will not be responsible for any missed deadlines or penalties and fees, or any damages arising from same. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. You also agree to pay reasonable collection costs, attorney's fees and court costs if collection action becomes necessary for us on your account.

In the event of a dispute over fees for our services, we mutually agree to try in good faith to resolve the dispute through mediation by selecting a third-party to help us reach an agreement. If we are unable to resolve the dispute through mediation, the Organization and Foumberg, Juneja, Rocher & Co., P.C. agree to submit to resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead are accepting the use of arbitration for resolution.

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You agree to hold our firm, including any persons we may use to perform these services, harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting or arising from management's knowing misrepresentations to us.

In any event, the maximum liabilities that we would ever owe to you and the Organization in performing these services shall be limited to the fees you pay us for performing these services.

You agree that in the event our firm or any of its employees or agents is called as a witness or requested to provide any information whether oral, written, or electronic in any judicial, quasi-judicial, or administrative hearing or trial regarding information or communication that you have provided to this firm, or any documents and workpapers prepared by this firm in accordance with the terms of this agreement, you will pay any and all reasonable expenses, including fees and costs for our time at the rates then in effect, as well as any legal or other fees that we incur as a result of such appearance or production of documents.

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with a legal, arbitration or administrative proceeding in which we are not a party. In the event that we receive a subpoena or summons requesting that we produce documents from this engagement or testify about the engagement, we will notify you prior to responding to it if we are legally permitted to do so. You may, within the time permitted for our firm to respond to any request, initiate such legal action, as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request. If this occurs, our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand. For all requests, we will observe the confidentiality requirements of our profession, consistent with the requirements of the law that we respond to subpoenas or court orders, and will notify you promptly of the request.

Reporting

We will issue a written report upon completion of our audit of CABE's financial statements. Our report will be addressed to the Board of Directors of CABE. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audits. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

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Copy Retention and Other

It is our policy to keep records related to this engagement for seven years. However, Foumberg, Juneja, Rocher & Co., P.C. does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. By your signing this letter, you acknowledge and agree that upon the expiration of the seven-year period, Foumberg, Juneja, Rocher & Co., P.C. is free to destroy the records related to this engagement.

We reserve the right to withdraw from this engagement without completing the work if you fail to comply with the terms of the engagement letter. If any portion of this agreement is declared invalid or unenforceable, the finding shall not invalidate the remainder of the terms set forth.

In the interest of facilitating our services to you, we may communicate by facsimile transmission, send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to you and/or your company may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require all of our third-party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors, and consent to our use of these electronic devices and application and submission of confidential client information to third-party service providers during this engagement.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We may also issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement.

We appreciate the opportunity to be of service to you and the Organization and believe this letter accurately summarizes the significant terms of our engagement.

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If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Foumberg, Juneja, Rocher & Co., P.C.

Acknowledged on behalf of CABE

Signature _____

Title _____

Date _____