



April 2, 2024

Sikich LLP
1415 W Diehl Rd STE 400
Naperville, IL 60563

To whom it may concern,

Please accept this as Management's agreement and response to the below significant deficiency finding for the fiscal year ending June 30, 2023.

Internal Controls over Preparation of Schedule of Expenditures of Federal Awards (SEFA)

Uniform Guidance section 200.510 Financial Statements requires the auditee to prepare a SEFA, which includes the total federal awards expended determined in accordance with section 200.502, Basis for Determining Federal Awards. The SEFA must be based on and derived from grant information obtained from the financial reporting records and other information provided by the Agency.

During the completion of the single audit testing, management relied on the assistance from the independent auditors on the preparation of the SEFA, after employing appropriate independence safeguards. It was noted that initially state expenditures were being included in the SEFA. Several versions of the SEFA were necessary and required significant substantive testing rework during the audit.

Sikich recommends that the Agency provide training to its finance staff and develop and implement procedures over the preparation of an accurate Schedule of Expenditures of Federal Awards which is reconciled to underlying accounting activity and reflects only the balances of federal award expenditures incurred during the fiscal year for all the Agency's federal programs.

Management's Response and Corrective Action Plan

Due to various staffing challenges within the finance department, the agency's ability to prepare an accurate and complete Schedule of Expenditures of Federal Awards [SEFA] for the audit was impacted. Moving forward into 2024, staffing needs are being addressed and training, oversight, review, and reconciliation will be performed to ensure a proper and accurate Schedule of Expenditures of Federal Awards is maintained and provided to the auditors for future audits. Additionally, starting in fiscal year 2025 the agency will be implementing a new Enterprise Resource Planning system that will automate and provide a workflow for the

agency's finances among other back-office functions. This system will also automate several tasks including the annual preparation and review of the Schedule of Expenditures of Federal Awards [SEFA] report.

Sincerely,

Erin Aleman, Executive Director