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September 26, 2022

Patricia Krueger and Management
403(b) Thrift Plan of Arizona's Children Association
Attn: Tiffany Tillotson
3716 E. Columbia St.
Tucson, Arizona 85714-3414

We have audited the financial statements of 403(b) Thrift Plan of Arizona's Children Association, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit) for the year ended December 31, 2021, and have issued our report thereon dated September 26, 2022. As permitted by ERISA Section 103(a)(3)(C), our audit did not extend to any statements or information related to assets held for investment of the Plan (investment information) by Mutual of America Life Insurance Company, the insurance company, which is a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, that prepared and certified the statements or information regarding assets so held in accordance with 29 CFR 2520.103-5. Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements and ERISA-required supplemental schedules, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP. Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

REQUIRED COMMUNICATIONS

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 25, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by 403(b) Thrift Plan of Arizona's Children Association are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

The Plan utilized the framework established in ASC 820, *Fair Value Measurements and Disclosure* to estimate the fair value of the Plan's investments and determine the level of inputs used to arrive at the fair values.

Interest-bearing cash: Consists of highly liquid instruments that generate interest income. The carrying value of interest-bearing cash is its fair value.

Pooled separate accounts: These funds' assets are invested in registered investment companies. The funds are valued at the net asset value of units of the separate account. The net asset value of the units is determined daily and includes adjustments for investment fees. The net asset value is used as a practical expedient to estimate fair value.

The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes.

The financial statement disclosures are neutral, consistent, and clear.

Form 5500 Procedures

We are required to obtain and read a substantially complete draft of Form 5500 prior to dating our auditors' report. The purpose of this procedure is to identify any material inconsistencies between the draft Form 5500 and the Plan's financial statements. We identified no material inconsistencies in performing and completing our audit.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Reportable Findings

For purposes of this letter, a reportable finding is a matter that includes one or more of the following: (1) noncompliance or suspected noncompliance with laws and regulations, (2) a finding that in our professional judgment is significant and relevant to you regarding your responsibility to oversee the financial reporting process, and (3) an indication of internal control deficiencies identified during the audit that have not been previously communicated to management by other parties and that we determined are sufficiently important to merit management's attention.

Reportable findings that are also considered internal control deficiencies are described below in the "Internal Control Communications" section.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 26, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Our responsibility for the ERISA-required supplemental schedule accompanying the financial statements is to perform adequate procedures to evaluate whether the form and content of the ERISA-required supplemental schedule, other than that agreed to or derived from the certified investment information, is presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, and whether the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

INTERNAL CONTROL COMMUNICATIONS

Except as discussed in the following paragraph, in planning and performing our audit of the financial statements of 403(b) Thrift Plan of Arizona's Children Association, as of and for the year ended December 31, 2021 in accordance with auditing standards generally accepted in the United States of America, we considered the Plan'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 issuing our report on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

We were engaged to perform an ERISA Section 103(a)(3)(C) audit of those financial statements as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit did not extend to any statements or information related to assets held for investment of the Plan (investment information) by Mutual of America Life Insurance Company that prepared and certified the statements or information regarding assets so held in accordance with 29 CFR 2520.103-5. Our audit also did not include a consideration of internal control relating to the investment information.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 Plan's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. A reportable finding is an indication of deficiencies in internal control identified during the audit that have not been communicated to management by other parties, and that, in the auditors' professional judgment, are of sufficient importance to merit management's attention. We consider the following deficiencies in 403(b) Thrift Plan of Arizona's Children Association's internal control to be significant deficiencies and reportable findings:

Re-hired employees

During our testing of employee elective deferral contributions, we noted one instance of a re-hired employee who was originally electing to contribute a flat dollar amount per pay period prior to their termination in March 2021. When this employee was rehired in October 2021, the deferral was not restarted at the elected rate and they did not opt out of autoenrollment. Based on our review, the employee did not have deferrals restart upon rehire and were not auto-enrolled in the plan as required by the plan document. We recommend the Organization create a process to have re-hired employees complete the enrollment process with Mutual of America, where they are either required to elect a new deferral or elect to decline autoenrollment.

Eligible compensation

During our testing of employee elective deferral contributions, we noted several instances of employees who were impacted by eligible compensation issues related to improper exclusion of bonuses, gift cards, and sign-on bonuses. Per the plan definition of eligible compensation, all of these items are eligible and therefore deferral percentages should include these wage types. We recommend additional review of the payroll system to ensure all settings are appropriately setup for eligible wage codes. We further recommend adding an additional layer of review for any checks that include manual adjustments to ensure deferrals are still being properly withheld. Lastly, we recommend the audit committee and HR team discuss modifying the plan to exclude certain wage codes that typically require more manual adjustments or cause more burden to the HR team in order to properly administer.

Our audit procedures did not determine what corrective actions may be required under EPCRS related to the above errors. We recommend management consult with Mutual of America and ERISA counsel to determine what, if any, corrective action is required.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Plan personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This information is intended solely for the use of Plan Trustees and and Management of 403(b) Thrift Plan of Arizona's Children Association and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

BeachFleischman PLLC