

**ProAct, Inc.**  
Eagan, Minnesota

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Extended Employment Compliance Audit Report  
For the Year Ended  
June 30, 2024



**CERTIFIED PUBLIC ACCOUNTANTS**

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Carpenter, Evert & Associates

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INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH SPECIFIC REQUIREMENTS  
APPLICABLE TO EXTENDED EMPLOYMENT PROGRAMS

Board of Directors  
ProAct, Inc.  
Eagan, Minnesota

INDEPENDENT AUDITOR'S REPORT

We have examined management's assertions included in the accompanying Management Assertion Letter that ProAct, Inc. complied with the Minnesota Department of Employment and Economic Development's 13 Extended Employment Compliance Examination Standards Criterion, during the year ended June 30, 2024. Management is responsible for ProAct, Inc.'s compliance with those requirements. Our responsibility is to express an opinion on management's assertions about ProAct, Inc.'s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether ProAct, Inc. complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether ProAct, Inc. complied with special requirements. The nature, timing and extent of the procedures depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on ProAct, Inc.'s compliance with specified requirements.

In our opinion, management's assertions referred to above are fairly stated, in all material respects, with the aforementioned requirements for the year ended June 30, 2024.

This report is intended solely for the information and use of management, board of directors, and Minnesota Department of Employment and Economic Development (DEED) and is not intended to be, and should not be used by anyone other than these specified parties.

*Carpenter Evert and Associates, LTD.*  
Certified Public Accountants

Minneapolis, Minnesota  
October 1, 2024

**ProAct, Inc.**  
**Appendix A - Management Assertion Letter**

We assert, to the best of our knowledge and belief, as of October 1, 2024 that we have complied with the Extended Employment Program criterion for the year ending, June 30, 2024.

- Criterion 1:** Individuals have worked the hours reported, and earned the wages reported, by the provider for the reimbursement paid by the DEED as shown in DEED Relevant Data for EE Audit report.
- Criterion 2:** Individuals have been paid appropriate hourly rates.
- Criterion 3:** Individuals in Supported Employment perform their work in competitive, integrated employment as defined in 3300.6000, subpart 7.
- Criterion 4:** Individuals reported to Extended Employment program have documentation of a diagnosed disability or disabilities and documentation of 3 or more serious functional limitations affecting employment.
- Criterion 5:** Individuals reported to the Extended Employment program require ongoing employment support services to maintain or advance in employment.
- Criterion 6:** Individuals reported to the Extended Employment Program and on a Medicaid Waiver are receiving separate and necessary services, and no duplicate funding is received by the provider.
- Criterion 7:** Individuals have a current Extended Employment Support Plan developed with the informed choice of the individual reported to Extended Employment, or the individual reported to Extended Employment's legal guardian.
- Criterion 8:** The individual's Extended Employment Support Plan identifies the ongoing employment support services necessary for the individual to maintain and advance in employment.
- Criterion 9:** The ongoing employment support services provided to the individual are consistent with the services identified in the Extended Employment Support Plan.
- Criterion 10:** Individuals receive a minimum of two contacts per month in the delivery of ongoing employment support services.

ProAct, Inc. Management Assertion Letter (continued)

- Criterion 11: Center Based Employment Subprogram:  
We receive no funds from the Extended Employment Program Center-Based Employment subprogram. Therefore, this criterion is not applicable.
- Criterion 12: Community Employment Subprogram:  
We receive no funds from the Extended Employment Program Community Employment subprogram. Therefore, this criterion is not applicable.
- Criterion 13: Supported Employment Subprogram:  
Our organization's SFY 2024 contracted allocation for the Extended Employment Program Supported Employment Subprogram was \$577,732. We have met the conditions of the contract and based on reported audited work hours, earned \$577,732 of the contracted allocation.

signed: Judie Foster-Lupkin date: 9/30/24  
Judie Foster-Lupkin, President/CEO

signed: Charles F De Net date: 10-1-24  
Officer, Board of Directors

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**ProAct, Inc.**  
**Appendix C - Schedule of Questioned Hours and Wages**  
**July 1, 2023 - June 30, 2024**

Base Program	Hours				Wages			Compliance Criterion	Hours and Wages were questioned, and may be disallowed, due to these compliance criterion:
	Reported	Examined	Questioned	Variance	Reported	Examined	Variance		
None									
CE Variances				0			0		
None									
SE Variances				0			0		
None									
CBE Variances				0			0		
Net Variances				0			0		

**HOURS IN SUBPROGRAM SAMPLES: SE 1,452; CE N/A; CBE N/A; TOTAL 1,452**

## Appendix D - 2024 Audit Procedures Checklist

	Yes	No	Not Applicable
1.) Management and auditor have met and reached an understanding of the criterion and procedures used in the audit.	X		
2.) The scope is to examine management's written assertions about the Extended Employment provider's compliance with established criteria. The scope does not include an auditor's opinion on internal control over compliance. Management's assertions (Appendix A.) are included in the report.	X		
3.) Supplemental schedules report all noncompliance found. Reported variances in reported hours and wages in the format provided by the DEED in Appendix C. <i>Schedule of Questioned Hours and Wages, Appendix E. Center-Based Employment Subprogram Reconciliation and Appendix F, Community Employment Subprogram Reconciliation, and Appendix G. Supported Employment Subprogram Reconciliation.</i> The schedules are appropriately modified to show only noncompliance found.	X		
4.) The opinion on compliance shall be for the period of the Extended Employment Program under examination.	X		
5.) The audit report used the established criteria published by the DEED as shown in the samples. Criteria not applicable are disclosed on Appendix A. Management Assertion Letter.	X		
6.) The same auditor was used for this compliance examination and the financial statement audit, and the firm conducting this examination did not perform the auditee's accounting or reporting of hours and wages to DEED. If any part of this assertion is not true, we have checked NO and the auditee has addressed this item in a response to the audit findings.	X		
7.) Selected samples were selected from the DEED's report, titled <u>Relevant Data for EE Audit Report.</u>	X		
8.) The auditee responded to the auditor's findings and included that response with the examination report to the DEED.			X
9.) The auditor reviewed the DEED's monitoring report.			X
10.) The auditor has obtained the signed pledge of an officer of the board of directors, who is not involved in the daily operations or management of the corporation, to present the audit report to the provider's Board or its designated committee. If not, or not applicable, the reasons are included in the provider's response to the DEED.	X		

We have reviewed the Audit Requirements Checklist, Audit Procedures Checklist, and the results of our Extended Employment compliance engagement with our auditor.

signed: Judie Foster-Lupkin  
Judie Foster-Lupkin, President/CEO

date: 9/30/24

signed: Charles F De Not  
Officer, Board of Directors

date: 10-1-24

APPENDIX E: Center-Based Employment Subprogram Reconciliation  
July 1, 2023 to June 30, 2024

Appendix E: Center-Based Employment Subprogram Reconciliation			
Part A. Base Allocation			
Line 1	Reported CBE hours	-	
Line 2	CBE Error Rate: (Insert %)	0.00%	
Line 3	- Projected errors to population	-	
Line 4	+/- Net variances to reported CBE hours	-	
Line 5	Allowable hours after audit	-	
Line 6	x CBE reimbursement rate	\$2.11	
Line 7	Potential CBE earnings, based on reported production		\$0.00
Line 8	Contracted CBE allocation		\$0.00
Line 9	Reported & Unfunded Production	\$0.00	
Line 10	CBE dollars contracted and Earned		\$0.00
Line 11	CBE dollars Paid to Date		\$0.00
Line 12	Final Amount due to Provider from DEED-EE		\$0.00
Line 13	Final Amount due to DEED-EE from Provider		\$0.00
Part B. CBE Contract reconciliation			
Line 14	Net CE funds Due To Provider or [DEED-EE]		\$0.00
<b>SUMMARY: CBE FUNDS DUE TO PROVIDER OR [DEED-EE]</b>			
	CBE Sample Size N=	0.00	#DIV/0!



APPENDIX F: Community Employment Subprogram Reconciliation  
 July 1, 2023 to June 30, 2024

Appendix F: Community Employment Program Subprogram Reconciliation			
Part A. CE Base Allocation			
Line 1	Reported CE hours	-	
Line 2	CE Error Rate: (Insert %)	0.00%	
Line 3	- Projected errors to population	-	
Line 4	+/- Net variances to reported CE hours	-	
Line 5	Allowable hours after audit	-	
Line 6	x CE reimbursement rate	\$4.38	
Line 7	Potential CE earnings, based on reported production		\$0.00
Line 8	Contracted CE allocation		\$0.00
Line 9	Reported & Unfunded Production	\$0.00	
Line 10	CE Dollar Contracted and Earned		\$0.00
Line 11	CE Dollars Paid to Date		\$0.00
Line 12	Final Amount due to Provider from DEED-EE		\$0.00
Line 13	Final Amount due to DEED-EE from Provider		\$0.00
Part B. CE Contract reconciliation			
Line 14	Net CE funds Due To Provider or [DEED-EE]		\$0.00
<b>SUMMARY: SE FUNDS DUE TO PROVIDER OR [DEED-EE]</b>			\$0.00
CE Sample Size N=		0.00	#DIV/0!

APPENDIX G: Supported Employment Subprogram Reconciliation  
July 1, 2023 to June 30, 2024

Appendix G: Supported Employment Program Subprogram Reconciliation			
Part A. SE Base Allocation			
Line 1	Reported SE hours	89,018.85	
Line 2	SE Error Rate: (Insert %)	0.00%	
Line 3	- Projected errors to population	-	
Line 4	+/- Net variances to reported SE hours	-	
Line 5	Allowable hours after audit	89,018.85	
Line 6	x SE reimbursement rate	\$6.49	
Line 7	Potential SE earnings, based on reported production		\$577,732.34
Line 8	Contracted SE allocation		\$577,732.31
Line 9	Reported & Unfunded Production	\$0.03	
Line 10	SE Funds contracted and Earned		\$577,732.31
Line 11	SE funds Paid to Date		\$577,732.31
Line 12	Final Amount due to Provider from DEED-EE		\$0.00
Line 13	Final Amount due to DEED-EE from Provider		\$0.00
Part B. SE Contract reconciliation			
Line 14	Net SE funds Due To Provider or [DEED-EE]		\$0.00
<b>SUMMARY: SE FUNDS DUE TO PROVIDER OR [DEED-EE]</b>			\$0.00
SE Sample Size N=		1452.08	0.02