

WACOSA

**EXTENDED EMPLOYMENT
COMPLIANCE EXAMINATION**

JUNE 30, 2018

DRAFT

**WACOSA
TABLE OF CONTENTS
JUNE 30, 2018**

INDEPENDENT ACCOUNTANTS' REPORT	1
MANAGEMENT ASSERTION LETTER	2
SCHEDULE OF QUESTIONED HOURS AND WAGES	4
CENTER-BASED EMPLOYMENT FUND RECONCILIATION	5
COMMUNITY EMPLOYMENT FUND RECONCILIATION	6
SUPPORTED EMPLOYMENT FUND RECONCILIATION	7
AUDIT STANDARDS CHECKLIST	8
BOARD PLEDGE	
10	

DRAFT



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
WACOSA
Waite Park, Minnesota

We have examined management of WACOSA's assertions that WACOSA complied with the Minnesota Department of Employment and Economic Development's 14 Extended Employment Compliance Examination Standards Criterion, during the year ended June 30, 2018. WACOSA's management is responsible for compliance with those requirements. Our responsibility is to express an opinion on management's assertions about WACOSA'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 management's assertion about compliance is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, 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.

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

In our opinion, management's assertions that WACOSA complied with the Minnesota Department of Employment and Economic Development's 14 Extended Employment Compliance Examination Standards Criterion, is fairly stated in all material respects.

CliftonLarsonAllen LLP

St. Cloud, Minnesota
REPORT DATE

**WACOSA
MANAGEMENT ASSERTION LETTER**

We assert, to the best of our knowledge and belief, as of REPORT DATE, that we have complied with the Extended Employment Program criterion for the year ending, June 30, 2018.

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: Is a placeholder for New and Expanded programs, of which there were none to audit for SFY 2018.

Criterion 3: Individuals have been paid appropriate hourly rates.

Criterion 4: Individuals in Supported Employment perform their work in integrated settings.

Criterion 5 (check one):

- X When the provider is the payroll agent, individuals in DEED-certified Extended Employment locations and Subprograms (a) receive fundamental personnel benefits proportionate to the full-time non-exempt staff, and (b) no EE individual earns less than the minimum annual accruals of 5 days paid vacation, 5 days paid sick leave, and 5 paid holidays, or 10 days paid flexible leave and 5 paid holidays.
- We are not the payroll agent for any reported individuals; therefore this criterion is not applicable.

Criterion 6 (check one):

- X Individuals reported to the Extended Employment Program and on any Medical Assistance (MA) waiver are receiving separate and necessary services, and no duplicate funding is received by the provider.
- We receive no Medical-Assistance funds for reported individuals; therefore, this criterion is not applicable.

Criterion 7: Individuals are persons with a most severe disability, who have 3 or more serious functional limitations affecting employment, and who require ongoing employment support services to maintain or advance in employment.

Criterion 8: Individuals have a current Extended Employment Support Plan developed with the informed consent of the worker, or the worker's legal guardian.

Criterion 9: The individuals' Extended Employment Support Plan identifies the ongoing employment support services necessary for the individual to maintain and advance in employment.

Criterion 10: The ongoing employment support services provided to the individual are consistent with the services identified in the Extended Employment Support Plan.

Criterion 11: Individuals receive a minimum of two in-person contacts per month in the delivery of ongoing employment support services.

**WACOSA
MANAGEMENT ASSERTION LETTER (CONTINUED)**

Criterion 12 (check one):

- We have an Extended Employment Contract that allows us to earn a maximum of \$1,711 to provide of Center-Based Employment to Minnesotans with the most severe disabilities. We have met the conditions of the contract and based on reported and audited work hours, earned \$1,711 of the contracted allocation.
- We receive no funds, directly or indirectly, from the Extended Employment Program Center for Center-Based Employment. Therefore this criterion is not applicable.

Criterion 13 (check one):

- We have an Extended Employment Contract that allows us to earn a maximum of \$42,934 to provide of Community Employment to Minnesotans with the most severe disabilities. We have met the conditions of the contract and based on reported and audited work hours, earned \$42,934 of the contracted allocation.
- We receive no funds, directly or indirectly, from the Extended Employment Program Center for Community Employment. Therefore this criterion is not applicable.

Criterion 14: We have an Extended Employment Contract that allows us to earn a maximum of \$70,763 to provide of Supported Employment to Minnesotans with the most severe disabilities. We have met the conditions of the contract and based on reported and audited work hours, earned \$70,763 of the contracted allocation.

Signed: _____
Executive Director

Date: _____

Signed: _____
Officer, Board of Directors

Date: _____

**WACOSA
CENTER BASED EMPLOYMENT FUND RECONCILIATION
JULY 1, 2017– JUNE 30, 2018**

		Submitted Schedule	
Part A. Base Allocation			
Line 1	Reported CBE hours	2,021.60	
Line 2	CBE Error Rate: (Insert %)	0%	
Line 3	- Projected errors to population	-	
Line 4	+/- Net variances to reported CBE hours	-	
Line 5	Allowable hours after audit	2,021.60	
Line 6	x CBE reimbursement rate	\$ 2.11	
Line 7	Potential CBE earnings, based on reported production		\$ 4,265.58
Line 8	Contracted CBE allocation		\$ 1,711.00
Line 9	Reported & Unfunded Production	\$ 2,555	
Line 10	CBE dollars contracted and Earned		\$ 1,711.00
Line 11	CBE dollars Paid to June 30, 2018		\$ 1,711.00
Line 12	Final Amount due Provider		\$ -
Line 13	Final Amount due Department		\$ -
Part B. CBE Contract reconciliation			
Line 14	Net CBE funds Due Provider or Department		\$ -
SUMMARY: CBE FUNDS DUE PROVIDER OR DEPARTMENT			\$ -

DRAFT

**WACOSA
COMMUNITY EMPLOYMENT FUND RECONCILIATION
JULY 1, 2017– JUNE 30, 2018**

		Submitted Schedule	
Part A. CE Base Allocation			
Line 1	Reported CE hours	11,180.67	
Line 2	CE Error Rate: (Insert %)	0%	
Line 3	- Projected errors to population	-	
Line 4	+/- Net variances to reported CBE hours	-	
Line 5	Allowable hours after audit	11,180.67	
Line 6	x CE reimbursement rate	\$ 3.87	
Line 7	Potential CE earnings, based on reported production		\$ 43,269.19
Line 8	Contracted CE allocation		\$ 42,934.00
Line 9	Reported & Unfunded Production	\$ 335	
Line 10	CE Dollar Contracted and Earned		\$ 42,934.00
Line 11	CE Dollars Paid to June 30, 2018		\$ 42,934.00
Line 12	Final Amount due Provider		\$ -
Line 13	Final Amount due Department		\$ -
Part B. CE Contract reconciliation			
Line 14	Net CBE funds Due Provider or Department		\$ -
SUMMARY: CE FUNDS DUE PROVIDER OR DEPARTMENT			\$ -

DRAFT

**WACOSA
CENTER-BASED EMPLOYMENT FUND RECONCILIATION
JULY 1, 2017– JUNE 30, 2018**

Submitted Schedule

Part A. SE Base Allocation

Line 1	Reported SE hours	21,922.76	
Line 2	SE Error Rate: (Insert %)	0%	
Line 3	- Projected errors to population	-	
Line 4	+/- Net variances to reported SE hours	-	
Line 5	+ Reported & Unfunded SE hours in N/E	-	
Line 6	Allowable hours after audit	21,922.76	
Line 7	x SE reimbursement rate	\$ 4.49	
Line 8	Potential SE earnings, based on reported production		\$ 98,433.19
Line 9	Contracted SE allocation		\$ 70,763.00
Line 10	Reported & Unfunded Production	\$ 27,670	
Line 11	SE Funds contracted and Earned		\$ 70,763.00
Line 12	SE funds Paid to June 30, 2018		\$ 70,763.00
Line 13	Final Amount due Provider		\$ -
Line 14	Final Amount due Department		\$ -

Part B. SE New and Expanded Allocation

Line 15	Reported SE hours	-	
Line 16	SE Error Rate: (Insert %)	5%	
Line 17	- Projected errors to population	-	
Line 18	+/- Net variances to reported SE hours	-	
Line 19	Allowable hours after audit	-	
Line 20	x SE reimbursement rate	\$ 4.49	
Line 21	Potential SE earnings, based on reported production		\$ -
Line 22	Contracted SE allocation		\$ -
Line 23	Reported & Unfunded Production	\$ -	
Line 24	SE Funds contracted and Earned		\$ -
Line 25	SE funds Paid thru [last date paid]		\$ -
Line 26	Final Amount due Provider		\$ -
Line 27	Final Amount due Department		\$ -

Part C. SE Contract reconciliation

Line 28	Contracted funds Due Provider		\$ -
Line 29	Contracted Funds Due Department		\$ -
Line 30	Net SE funds Due Provider		\$ -

SUMMARY: SE FUNDS DUE PROVIDER \$ -

APPENDIX D. 2018 Audit Standards Checklist

Instructions: Complete and submit to DEED with the final audit report.

Criteria	Yes	No	Not Applicable
Management and auditor have met and reached an understanding of the criterion and procedures used in the audit.	X		
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		
Supplemental schedules report all noncompliance found. Reported variances in reported hours and wages in the format provided by the DEED in Appendix C. 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. The schedules are appropriately modified to show only noncompliance found.	X		
The opinion on compliance shall be for the period of the Extended Employment Program under examination.	X		
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		

Criteria	Yes	No	Not Applicable
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		
Selected samples were selected from the DEED's report, titled Relevant Data for EE Audit report.	X		
The auditee responded to the auditor's findings and included that response with the examination report to the DEED.	X		
The auditor reviewed the DEED's monitoring report.			X
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: _____

Date: _____

Executive Director Name and Title

Signed: _____

Date: _____

Officer, Board of Directors

October 15, 2018

Kristin Schmidt, CPA
CliftonLarsonAllen
P.O. Box 1067
St. Cloud, MN 56302

Dear Kristin:

As chairperson of the WACOSA Board of Directors, I agree to present the findings of the Extended Employment Program audit report to the Board of Directors, and review any recommendations that may be contained in the report.

Sincerely,

Chairperson

Date

Executive Director

Date

DRAFT