

ATTORNEY GENERAL'S CHARITABLE TRUST UNIT REPORT REGARDING CAREGIVERS AND DANNY'S TEAM

I. INTRODUCTION

On September 6, 2018, the Department of Justice Charitable Trusts Unit (CTU) issued administrative subpoenas to members of the board of directors of CareGivers, Inc., a Manchester-based charitable organization, based on that organization's failures to meet its reporting requirements. The subpoena required their attendance at an investigatory meeting on September 25, 2018. On September 11, 2018, Donny Guillemette, the executive director, disappeared and the CTU then immediately issued an administrative subpoena for the bank records of CareGivers. Mr. Guillemette's body was found in Merrimack on September 16, 2018.

The Director of Charitable Trusts met with the CareGivers board of directors on September 17, 2018 and inspected its offices. That inspection revealed significant financial issues within the organization. In addition, Mr. Guillemette's office contained unopened invoices and financial paperwork relating to a separate charitable organization, Danny's Team. A subsequent review showed that Mr. Guillemette served as the treasurer of Danny's Team and controlled its investment accounts.

As a result, the CTU requested that the boards of directors of both CareGivers and Danny's Team obtain forensic accounting services to review their finances. Each organization hired Karen Carew, CPA, of Carew & Wells PLLC to perform certain procedures.

Ms. Carew's work uncovered financial problems that CareGivers had suffered for years. In an apparent attempt to address those financial issues, Mr. Guillemette supplemented CareGivers' bank accounts by making unauthorized distributions from Danny's Team funds. Mr. Guillemette also treated CareGivers' and Danny's Team accounts as his own, using them to pay

personal expenses. Mr. Guillemette then produced financial reports for the CareGivers board of directors that inaccurately reflected its financial standing.

Ms. Carew created reports that demonstrated the nature of Mr. Guillemette's activities. Mr. Guillemette's email messages and account statements provided additional information. Still, given Mr. Guillemette's scheme, the full extent of the improper transactions has not been determined.

After Mr. Guillemette's death, the CareGivers board of directors entered into a management agreement with New Hampshire Catholic Charities (Catholic Charities), followed by an acquisition agreement dated November 9, 2018 through which Catholic Charities acquired the assets and programs of CareGivers. The board of directors of Danny's Team is in the process of dissolving the organization and distributing its assets.

This report provides further details about CareGivers and Danny's Team, as well as the CTU's investigation and conclusions.

II. FACTUAL BACKGROUND

A. CareGivers Operations

CareGivers was founded in 1984. It adopted a national model for matching volunteers with frail elderly and disabled persons so as to help those in need remain in their homes. The organization coordinates volunteers who provide transportation to medical appointments and grocery shopping, as well as personal interaction and social contact through telephone calls and in-home visits. CareGivers also operates a food pantry that volunteers can access to supplement clients' groceries.

Originally based in Manchester, CareGivers maintained a fiscal sponsorship arrangement with Catholic Charities until 1987, when it became independent. CareGivers merged with a similarly named Nashua organization in 1998.

CareGivers rented office space in Bedford for several years, but moved to 1 Perimeter Drive in Manchester in April of 2017. It operated with eight full and part-time staff members and relied heavily on volunteers for its programming. Its executive director/president from 2000 to 2018 was Mr. Guillemette.

B. Danny's Team Operations

Danny's Team was formed in 1989 to provide practical assistance for people living with disabilities, such as home and auto modifications. It has no staff. The board of directors raises funds from sporting events such as golf tournaments and then makes grants for projects helping disabled persons. Mr. Guillemette had been a director and was the organization's treasurer from 2003 to 2018.

C. Overdue Reports

Charitable organizations are required to file annual reports with the CTU. RSA 7:28, II. Those reports include a financial statement, usually a copy of the Form 990 filed with the Internal Revenue Service, as well as a statement concerning conflicts of interest.

CareGivers had filed unremarkable annual reports with the CTU for many years. But starting in 2016 CareGivers fell behind and failed to file two annual reports despite repeated requests from the CTU and assurances of compliance from CareGivers. As a result, the CTU issued its administrative subpoena on September 6, 2018, for an investigative meeting on September 25, 2018. That meeting eventually took place on October 25, 2018, six weeks after Mr. Guillemette's death.

Danny's Team had filed unremarkable annual reports with the CTU for years. As of September, 2018, its current annual report was less than a month overdue.

D. Initial Investigation

As stated above, the CTU issued an administrative subpoena to CareGivers' board of directors on September 6, 2018. On September 14, 2018, while Mr. Guillemette was missing, the CTU issued an administrative subpoena to People's United Bank, where CareGivers maintained accounts. The CTU received those bank records on October 1, 2018. The Director of Charitable Trusts initially met with the CareGivers' board of directors on September 17, 2018, at its offices at 1 Perimeter Road in Manchester. During that meeting, it became apparent to the Director that neither the board nor staff exercised adequate oversight over the finances of CareGivers. Mr. Guillemette was the only person who reviewed bank information and who prepared financial reports. He opened the mail, paid bills and handled payroll.

Mr. Guillemette's office at CareGivers contained a number of unopened invoices from creditors. It also contained investment account information for Danny's Team, which raised questions as well about the use of that organization's assets.

As of September 17, 2018, CareGivers' bank balances were insufficient to pay bills, including payroll. CTU urged the directors immediately to retain a forensic accountant to look into the organization's finances. The board did so, retaining Karen Carew, CPA to investigate. The board also retained legal counsel.

The CTU then issued an administrative subpoena to the board of directors of Danny's Team. Its directors likewise exercised little oversight of the finances of their organization. At the CTU's urging, they also hired a forensic accountant, Karen Carew, CPA, to review their financial records..

The CTU obtained from the Merrimack Police Department possession of a Microsoft Surface tablet computer, a mobile phone, and a number of documents, all of which had been left in Mr. Guillemette's auto at the time of his death. The CTU also obtained log-in information enabling access to the PeachTree, QuickBooks and PayPal applications residing on that computer. The CTU then shared with Ms. Carew the data it could access using the software.

E. Financial Records Investigation

1) CareGivers

The CTU conducted its formal investigative meeting with the board of directors on October 25, 2018. In addition to board members, the board's counsel and Karen Carew, CPA attended. The parties agreed on a plan for the scope of the financial review and for the submission of the overdue annual reports.

On January 3, 2019, CareGivers filed with the CTU its annual reports for 2015, 2016 and 2017, prepared by Ms. Carew. Ms. Carew then issued a report dated March 1, 2019, attached as Exhibit 1, which detailed her review of the financial activity of CareGivers, and which relied upon data from People's United Bank, QuickBooks (internal), PeachTree (internal), PayPal and Capital One. Some of that data was pulled from the Surface tablet computer. Ms. Carew concluded that CareGivers' actual revenues and cash balances were substantially overstated on PeachTree, a cloud-based business accounting application that CareGivers used. This resulted in PeachTree presenting an overly optimistic financial position on its management reports, including reports presented to the board of directors. She found that "the total revenue of the program was insufficient to cover the operating expenses and the organization ha[d] insufficient cash balances available to sustain operations at a loss."

Ms. Carew's report, as well as CTU's review of CareGivers incoming mail and Mr. Guillemette's email account, show that Mr. Guillemette arranged for payments to CareGivers totaling \$61,250 from Danny's Team from 2015 through 2018. As described below, Mr. Guillemette used his position as treasurer of Danny's Team to make those transfers, all but \$2,000 of which were not authorized by the Danny's Team board. He did not pay many of the bills incurred by CareGivers, and so permitted the accounts payable to increase. For instance, the CTU found overdue notices from Capital One, Integrated Realty (landlord), New Hampshire Food Bank, Stephanie Curry Design (website), Indeed.com (advertising), and the Internal Revenue Service (IRS). The IRS invoices dealt with outstanding liability for payroll taxes collected on behalf of CareGivers employees. The landlord had sent email messages to Mr. Guillemette threatening eviction.

Mr. Guillemette allowed the organization's Capital One credit card to reach its credit limit, and then did not pay down the balance. He then began to rely upon a corporate PayPal account to pay for items. Finally, it appears that Mr. Guillemette may have stopped paying himself a salary at some point in 2018, since the PeachTree account shows a salary accrual for him in an amount \$15,151 higher than his actual paychecks.

Some of CareGivers' operating losses can be attributed to Mr. Guillemette using CareGivers' funds as extensions of his personal accounts. From 2015 through 2017, CareGivers paid \$16,615 to Rivier University, where Mr. Guillemette had been a graduate student, even though the board of directors never authorized any tuition reimbursement arrangement. He used the Capital One credit card for what is presumed to be a mix of business and personal expenses. He used the PayPal account for a mix of business and personal expenses totaling \$18,535 in 2018. Email records show that Mr. Guillemette made many Amazon purchases paid from the

CareGivers PayPal account and shipped to his residence. He used the People's United checking account for a mix of business and personal expenses, and sought to set up an overdraft protection feature.

In the end, Ms. Carew was unable to determine fully the financial position of CareGivers, given the poor recordkeeping, the discrepancies between internal reports and outside accounts, and Mr. Guillemette's frequent use of CareGivers' accounts for his own purposes. To limit the amount of her fees, Ms. Carew did not examine bank records earlier than 2017. She did look at some other financial records going back to 2015, which revealed personal expenditures on behalf of Mr. Guillemette.

2) Danny's Team

The CTU conducted its investigative meeting with the Danny's Team board of directors on October 16, 2018. In addition to board members, board counsel and Karen Carew, CPA attended. They submitted two binders of materials for review.

Ms. Carew examined the Danny's Team records. Even though Mr. Guillemette served as the treasurer of the organization, he kept no real bookkeeping records. Ms. Carew found numbers on envelopes and sheets of paper to prepare reports for the board. She stated that the reports submitted to the directors had no basis in reality and turned out to be useless.

Ms. Carew delivered her report dated October 17, 2018, attached as Exhibit 2. She explained how Danny's Team account records demonstrate that it paid CareGivers and Mr. Guillemette as follows:

Year	CareGivers	Guillemette
2015	\$6,000	\$2,100
2016	\$7,000	\$12,000

2017	\$15,250	\$3,850
2018	\$33,000	\$700
Totals	\$61,250	\$18,650

The only payment to CareGivers that the Danny’s Team board had ever approved was \$2,000 for a food pantry freezer. Danny’s Team authorized no payments to Mr. Guillemette. All of these payments came from the Danny’s Team checking account, using money transferred from a Fidelity investment account that the board of directors kept as a quasi-endowment fund, not to be touched.

3) Future of the Organizations

When the directors learned the full extent of CareGivers’ financial situation, after Mr. Guillemette’s death, they recognized the organization could not continue as before. Fortunately, Catholic Charities, which incubated CareGivers from 1984 through 1987, stepped up to offer assistance. CareGivers and Catholic Charities entered into a Management and Fiscal Agency Agreement dated October 9, 2018, followed by a Program and Asset Acquisition Agreement dated November 9, 2018.

At this point, CareGivers operates as a program of Catholic Charities. The services that CareGivers has provided over the years continue to be offered with the same team of volunteers. The staff manager is James D. Wilkie, also the board chair of CareGivers. With no remaining programs or assets, but with outstanding liabilities, CareGivers likely will be dissolved by action of its board of directors.

The board of directors of Danny’s Team likewise was shocked to learn that Mr. Guillemette had paid out about \$80,000 from savings for his own benefit and that of CareGivers.

The board is in the process of dissolving the organization and distributing its remaining assets for charitable purposes.

III. CONCLUSIONS

Boards of directors have a fiduciary duty of care toward the organizations they govern.

This means paying attention to its affairs, and especially its finances.

- Directors should receive and review financial statements at each meeting that show categories of income, expense, and comparisons with the prior year and with budget.
- Directors should participate in the development of an annual budget.
- Directors should implement financial policies that deal with access to accounts, payment of bills, and handling of cash, all with an eye toward a division of responsibilities among more than one person.
- The organization should create a culture that encourages director questions about its financial well-being.

The boards of directors of CareGivers and Danny's Team did not exercise adequate financial oversight. At CareGivers, only Mr. Guillemette opened the mail and accessed accounts in order to make transactions and review monthly statements. While directors did receive financial reports, those reports did not receive a sufficient level of scrutiny. At Danny's Team, only Mr. Guillemette had access to accounts for the purpose of making transactions and for reviewing monthly statements. The directors trusted Mr. Guillemette in his position as treasurer to handle financial matters all on his own and with inadequate oversight and safeguards. Still, Mr. Guillemette was the one person directly responsible for the financial misdeeds at both organizations. He used CareGivers and Danny's Team accounts freely to pay personal expenses. He transferred \$61,250 from Danny's Team to shore up CareGivers' bank account, as if each

was his own. He presented to his boards of directors false financial statements to lull them into thinking that their organizations were reasonably solvent and that funds were not being misused.

One example shows the extent of Mr. Guillemette's efforts to deceive his boards of directors. In 2018, CareGivers was well behind in its payment of invoices for wholesale food deliveries received from the New Hampshire Food Bank. Exasperated, a Food Bank executive required that the CareGivers board chair write a letter giving assurances that the organization would pay its bills. Mr. Guillemette created such a letter and signed the board chair's name to it, unbeknownst to that person. Mr. Guillemette then created a Yahoo email account in the board chair's name to deliver that forged letter, and to make sure that the Food Bank never contacted that person.

Boards of directors at other New Hampshire charitable organizations may find this report instructive of what can go wrong and what steps can be taken to prevent this type of situation. There are resources available to nonprofits on the CTU website, www.doj.nh.gov/charitable-trusts. Also, the New Hampshire Center for Nonprofits offers its members many resources relating to financial controls. www.nhcnp.org.

Exhibit 1

Carew Wells

PLLC
CERTIFIED PUBLIC ACCOUNTANTS

March 1, 2019

To the Board of Directors
The CareGivers, Inc.

Re: Financial Activity for the Period January 1, 2017 through September 30, 2018

We have completed the agreed upon procedures (as described in our engagement letter, dated October 5, 2018 and subsequently expanded as requested by the NH Charitable Trust Unit in the meeting on October 25, 2018). This report is intended to provide an overview of our procedures, observations and findings during the course of our work. A complete copy of our workpapers and the financial activity recorded in QuickBooks is available if needed.

PROCEDURES

Procedures included (but were not limited to):

- Recorded the financial activity of the organization in QuickBooks for the period January 1, 2017 through September 30, 2018. This activity was captured from the bank and PayPal statements provided.
- Reviewed supporting documentation and files (including PeachTree accounting file) as was available in support of such work and to gain an understanding of the past financial activities of the organization for the period January 1, 2017 through September 30, 2018.
- Assisted the organization in producing financial information to respond to the State of New Hampshire Charitable Trust Unit in conjunction with the Administrative Investigation.
- Attended the meeting with the State of New Hampshire Charitable Trust Unit on October 25, 2018.

OBSERVATIONS & FINDINGS

Observed Financial Position & Activity

Revenue and expenses have been classified based on the description of the item on the bank & PayPal statements, nature and or/amount of the transaction. Amounts which could not be classified as operating revenue and expenses are reported in the "Other Income" section of the Profit & Loss we have prepared.

Overall (before considering the "Other" amounts which could not be classified as operating revenue and expenses), the total revenue of the program was insufficient to cover the operating expenses and the organization has insufficient cash balances available to sustain operations at a loss. When unremitted payroll withholdings and tax liabilities is added to operations, The CareGivers operated at a loss of \$5,977 in 2017 and profit of \$256 for the year-to-date September 30, 2018.



	12/31/17	YTD 09/30/18
Revenue	214,829	98,012
Expenses	(193,641)	(88,180)
Unremitted payroll tax estimate ¹	<u>(27,165)</u>	<u>(9,576)</u>
Overstated cash	<u>(5,977)</u>	<u>256*</u>

*There is evidence to support an earlier observation that Donny Guillemette had stopped paying himself salary in 2018. Even though his salary shows on the payroll register in PeachTree for 2018, there is a \$15,151 difference between salaries reported in PeachTree and net paychecks which cleared the bank statements. There was no variance in 2017. Had this salary been paid and payroll taxes considered, The CareGivers would have experienced a loss year-to-date September 30, 2018 as well.

“Other” Amounts

These items include payments to a Capital One credit card, deposits received from Danny’s Team, an unknown bank transfer, tuition to Rivier University, deposits received from Danny’s Team, remaining unclassified payments and PayPal activity.

- CareGivers paid \$23,374.01 to a Capital One credit card between January 1, 2017 and January 24, 2018. Limited statements were available, but it appears there is a combination of mostly personal expenses and a limited number of business expenses.

Only \$18,228.65 in payments to Capital One were recorded in PeachTree. These have been allocated to many expenses, including program, postage, printing, etc. There is insufficient information available to determine if these are legitimate business expenses.

- CareGivers received \$48,250 from Danny’s Team. Payments were received via checks deposited to CareGivers bank accounts and electronic transfers to payable (in 2018 only). These amounts were identified from checks images paid by Danny’s Team and were either individually traced to a corresponding deposit on the CareGivers’ statements or when included with multiple items deposited as a group, they were allocated based on when the item cleared Danny’s Team accounts.

Expanded work was done for Danny’s Team and shows that total payments to CareGivers was \$61,250 when including payments received in 2015 and 2016.

	12/31/15	12/31/16	12/31/17	YTD 09/30/18	Total
CareGivers	6,000	7,000	15,250	33,000	61,250

- On January 3, 2017, an online transfer of \$100 was initiated from The CareGivers’ People’s United bank account ending in #0697 to another account ending in #1010. We have no record of a bank account ending in #1010. This was the only transfer to this account found in our testing.
- \$7,165 was paid to Rivier University

¹ As estimated from PeachTree payroll reports which reasonably tied to the net paychecks actually cleared on the bank statements in 2017.

- An additional \$30,176 of other payments were paid from the bank accounts which are unclassified. It is important to note that some of the undetermined payments MAY be legitimate expenditures of the organization, but for which there was insufficient documentation or institutional memory to classify those expenditures as part of operational expenses or program activities.
- \$13,101 of the deposits to the PayPal account were either individual contributions or payments from Danny's Team and we have recorded them as such. Most of the deposits were transfers from the bank account to PayPal to cover the purchases. We were unable to classify the remaining \$1,550 of miscellaneous deposits in PayPal.
- Total PayPal expenditures were \$33,290. Around January 2018, the activity of PayPal purchases increased in frequency; this corresponds with the same time as payments to Capital One stopped. Based on the nature of the vendors, and amounts, it appears there is a combination of mostly personal expenses and a limited number of business expenses. No specific vendor or amounts accounted for a significant amount of the PayPal charges.

PeachTree Reporting

The financial position and activity recorded in PeachTree through May 31, 2018 was incomplete and inconsistent with the actual financial activity on the bank and PayPal statements. The information in PeachTree has limited value and should be used cautiously. Overall, PeachTree presented a stronger financial position and operating profitability despite the fact that the organization was actually struggling to pay bills, was not remitting payroll tax liabilities, and operating at a loss.

Comparison of Cash Position

PeachTree overstated the cash position of the organization. Between January 1, 2017 and May 31, 2018, PeachTree reflected cash increased by \$62,885. The actual bank balance declined by \$8,003.

	Opening Balance	12/31/17	5/31/18	Change
PeachTree	84,860	132,512	147,745	62,885
Bank Statements	<u>11,866</u>	<u>8,678</u>	<u>3,863</u>	(8,003)
Overstated cash	72,994	123,834	143,882	

We considered this discrepancy further by comparing the PeachTree Bank Deposit Report to the deposits on the bank statements (operating account only)², and noticed the following patterns:

- The receipt date of deposits in PeachTree frequently recorded the revenue and increased cash well in advance of the actual bank deposit. E.g., an \$11,743.55 deposit was recorded in PeachTree on 02/02/18 and the actual bank deposit was made on 02/27/18.
- After matching as many deposits as possible, there were several deposits left on both the bank statement and PeachTree that could not be matched. Some of these appear to be duplicate deposits recorded in PeachTree. Offsetting these discrepancies in PeachTree, there were additional deposits on the bank statements which were not recorded in PeachTree. These included bank transfers between accounts as well as other items that were presumed to be revenue based on the nature of the description, amount, etc.

² Detailed comparison reports and PeachTree Deposit Reports for the operating account have been retained in our workpapers.

The net effect of these discrepancies contributed to the overstated cash balance in PeachTree. In the operating account tested, PeachTree deposits exceeded actual bank deposits by \$11,211 for the year ended, December 31, 2017 and \$17,994, for the five-months ended, May 31, 2018.

Comparison of Revenue

PeachTree overstated the revenue of the organization as compared to the revenue identified from bank statements³.

	12/31/17	YTD 05/31/18	YTD 09/30/18
PeachTree	262,475	97,704	Unrecorded
Estimated from bank statements	<u>214,829</u>	<u>56,652</u>	98,012
Overstated revenue	47,646	41,052	

Comparison of Expenses

There was considerable variance in the expenses we were able to classify based on the information available with the amounts reported in PeachTree. Most significantly was the additional payroll expense in PeachTree which includes the unremitted payroll withholdings and taxes. Other variances have already been described throughout this report.

If you have any questions, or need additional information, please do not hesitate to contact me at (603) 224-3950. We have generated reports throughout the course of our work which have been summarized here (copies are available).

Sincerely,



Karen M. Carew, CPA, CFE
Carew & Wells, PLLC

cc: Thomas Donovan; NH Charitable Trust Unit
Ovide Lamontagne; Bernstein, Shur, Sawyer & Nelson, PA

³ When recording deposits from the bank statement, we were able to identify which were bank transfers, refunds from vendors, and adjust for the amounts received from Danny's Team. Other than an immaterial amount of deposits to the PayPal account which remain unclassified, we were able to reasonably estimate actual revenue.

Exhibit 2



RECEIVED

DEC 3 - 2018

CHARITABLE TRUSTS UNIT

October 17, 2018

Board of Directors
Danny's Team
PO Box 606
Durham, NH 03824

Re: Financial Activity for the Period January 1, 2016 through September 30, 2018

We have completed the agreed upon procedures (as described in our engagement letter, dated October 5, 2018 and subsequently expanded as requested by the NH Charitable Trust Unit in the meeting on October 16, 2018). This report is intended to provide an overview of our procedures, observations and findings during the course of our work. A complete copy of our workpapers and the financial activity recorded in QuickBooks is available if needed.

PROCEDURES

Procedures included (but were not limited to):

- Recorded the financial activity of the organization in QuickBooks for the period January 1, 2015 through September 30, 2018.
- Reviewed supporting documentation and files, as was available in support of such work and to gain an understanding of the past financial activities of the organization for the period January 1, 2015 through September 30, 2018.
- Assisted the organization in producing financial information to respond to the State of New Hampshire Charitable Trust Unit in conjunction with the Administrative Investigation.
- Attended the meeting with the State of New Hampshire Charitable Trust Unit on October 16, 2018.
- Prepared 2017 and 2018 Annual Reports required by the State of New Hampshire Charitable Trust Unit.
- Filed the 2018 Form 990-N (postcard) with the Internal Revenue Service

OBSERVATIONS & FINDINGS

Compliance with Filing Requirements

We have reviewed your current status with the Internal Revenue Service, the NH Secretary of State, and the NH Charitable Trust Unit. The organization was not current in filings with the IRS or State of New Hampshire Charitable Trust Unit. The organization was in good standing with the State of New Hampshire Secretary of State. We filed the 2018 Form 990-N on your behalf electronically with the IRS. We have also prepared the 2017 and 2018 Annual Reports for you to file with the Charitable Trust Unit. With these filings, Danny's Team will be current on the filings required by these organizations.



Decline in Cash & Investments

Between January 1, 2015 and September 30, 2018, total assets (both cash and investments) declined by \$63,729 as summarized in the table below:

	Opening Balance	12/31/15	12/31/16	12/31/17	YTD 09/30/18
Cash	2,645	3,447	1,042	2,398	164
Investments	98,558	82,574	72,458	65,423	37,310
Change in cash		\$ (2,481)			
Change in investments		(61,248)			
Total decline in assets		<u>\$(63,729)</u>			

During this time, the total return on investments was \$12,502. This gain was offset by \$73,750 in transfers from Fidelity to the Granite State Credit Union ("GSCU") checking account.

	12/31/15	12/31/16	12/31/17	YTD 09/30/18	Total
Transfers	11,000	17,000	16,750	29,000	73,750

The change in cash reflects all other financial activity, including transfers received from Fidelity, the results of the golf fundraiser, contributions, known operational expenses and program activities, as well as those payments which we cannot determine are appropriate and authorized expenditures of the organization ("undetermined payments").

Undetermined Payments

It is important to note that some of the undetermined payments MAY be legitimate expenditures of the organization, but for which there was insufficient documentation or institutional memory to classify those expenditures as part of golf tournament costs, operational expenses or program activities. Between January 1, 2015 and September 30, 2018 there were \$92,451 in undetermined payments from the GSCU checking account and PayPal.

Most of the undetermined payments were payable to either CareGivers, Inc. ("CareGivers") or Don Guillmette ("Guillmette"). However, there was \$12,551 that was paid to other vendors or for which the check image was not available. Several of these were paid to the USPS or Postmaster for unusual amounts and may have been money orders. Two were paid to Ultimate Industries and may be golf tournament items as this vendor was used in 2016 (noted in the check memo). Others were paid to vendors that did not seem consistent with the typical expenditures of the organization.

Total payments to CareGivers was \$61,250. Payments were made via checks drawn on the GSCU checking account and electronic transfers from PayPal (in 2018 only). Curiously, we did not identify a single payment for \$2,000 which is the only amount for which we could find any supporting documentation that a payment to CareGivers was authorized.

	12/31/15	12/31/16	12/31/17	YTD 09/30/18	Total
CareGivers	6,000	7,000	15,250	33,000	61,250

Total payments Guillmette were \$18,650. Payments were made via checks drawn on the GSCU checking account and most images included a memo that said "service project." While there are usually only 1 or 2 checks payable to Guillmette throughout the year, we noted that 6 checks were written during a six month period between May and October 2016. This increased volume corresponds with the sharp increase in total payments to Guillmette during that year.

	12/31/15	12/31/16	12/31/17	YTD 09/30/18	Total
Guillmette	2,100	12,000	3,850	700	18,650

Contributions, Golf Tournament, Operating Expenses and Program Activities

Deposits have been classified as either contributions or golf tournament income using reports available from Eventbrite and PayPal. Remaining payments were classified based on the amounts and timing of the deposits.

The golf fundraiser has successfully raised \$48,549 (after expenses) to support the organization's activities over the past four years.

	12/31/15	12/31/16	12/31/17	YTD 09/30/18	Total
Golf, net	11,899	11,313	15,658	9,679	48,549

Operating expenses have remained low and are primarily comprised of insurance, postage and website expenses. Consistent with your goal, these expenses have been kept to just \$7,580 an average of \$1,900 per year.

Program activities includes financial assistance, payments for a one-to-one support person, and service projects to improve accessibility. Total expenditures for program activities was \$27,907 an average of \$7,000 per year. It is important to note that some program expenditures may be included in undetermined payments which would increase the total spent for programs.

It has been a pleasure to work with your organization. Clearly you are dedicated and conscientious to your mission. I would be happy to provide guidance about strengthening internal controls as you move forward. If you have any questions, or need additional information, please do not hesitate to contact me at (603) 224-3950.

Sincerely,

Karen M. Carew

Karen M. Carew, CPA, CFE
Carew & Wells, PLLC

Cc: Roy McCandless, Esq.
Thomas Donovan, NH Charitable Trust Unit

