

# **University of Connecticut**

Agreed-Upon Procedures on UCONN 2000  
Construction Expenditures  
June 30, 2012

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## Independent Accountant's Report

To the Board of Trustees and Joint Audit and Compliance Committee ("JACC")  
University of Connecticut  
Storrs, Connecticut

We have performed the procedures enumerated below, which were agreed to by the University of Connecticut (the University), its Board of Trustees, and the JACC (the specified parties), solely to assist you with meeting the requirements of Connecticut General Statutes Sec. 10a-109z for the fiscal year ended June 30, 2012. Selections of the construction expenditures were made by management, with our assistance. The University's management is responsible for the accounting records related to these construction expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified above in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Scope

We were engaged to perform certain procedures for the fiscal year ended June 30, 2012, to assist management of the University in their compliance with Connecticut General Statutes Sec. 10a-109z.

With our assistance, the University's management made selections of construction expenditures during fiscal year 2012. They made their selections from a comprehensive list of 2012 UCONN 2000 construction expenditures for named projects, deferred maintenance and equipment. The comprehensive list of 2012 construction expenditures totaled \$92,852,654. The total includes construction expenditures during 2012 that were components of projects for which we performed other attest engagements. Management selected expenditures totaling \$68,386,005 (the complete list is included in Exhibit 1), equal to 74 percent of the total comprehensive list of 2012 construction expenditures during the fiscal year ended June 30, 2012, in which we were asked to apply the agreed-upon procedures.

The following summarizes our agreed-upon procedures, results, and findings:

#### Agreed-Upon Procedures:

1. We obtained a schedule of project expenditures from the University's management to ensure that the expenditures were posted correctly to the University's FRS accounting system under the appropriate project and were properly approved. We also obtained appropriate documentation to support the expenditures selected by management and mathematically recalculated the accuracy of the documentation obtained.

## Results and Findings:

We considered whether the selected expenditures were appropriately charged to the respective project based on factors such as the description of the project on the invoice, project location, commencement date, the contractor submitting the invoice, and on general inquiries with University personnel. We then agreed the underlying support to the University's FRS system for each related project. The underlying support consisted of: purchase orders, approved changes to contracts, work plans, or purchase order request forms ("green sheet"), approved for payment forms ("goldenrod"), vendor invoices, receiving reports, and equipment rental contracts. During the performance of our procedures in connection with the underlying support, we determined that the following control attributes were performed: (1) the invoice was matched to the original purchase order and a "green sheet" approval form was attached, (2) the "goldenrod" payment approval was attached and signed off by the appropriate level of management, (3) the invoice or supporting documentation was mathematically accurate, and (4) all appropriate sign offs were obtained. We did not find any deficiencies in these controls when applicable. We recomputed the extensions and footings in the supporting documentation without exception.

## Agreed-Upon Procedures:

2. For labor allocation costs selected by the University, we agreed labor charges on the project cost records to the source documents, such as labor cost allocation worksheets and management approved journal entries. In addition, we also obtained from management the University approved allocation methodology for payroll quantities and recalculated the payroll allocation without exception. In addition, we also obtained from management the University approved allocation methodology for payroll quantities and recalculated the payroll allocation.

## Results and Findings:

For each labor allocation entry selected, we were provided allocation worksheets isolating the selected payroll allocation recorded for the related project within the University's FRS reporting system. The payroll allocation charge recorded in each project was calculated and applied quarterly to equal 1.75 percent (changed on July 1, 2010 from 1.00 percent) of the project expenditures incurred during that quarter but not to exceed 1.75 percent (or 1 percent prior to July 1, 2010) of the total project budget. We first recalculated these payroll allocation worksheets and determined that they were mathematically accurate without exception. We then ensured that the calculated allocation amount was charged to the proper project by viewing the payroll allocation journal entry, which was approved at the appropriate level in accordance with University procedures, and agreeing the calculated amount to the respective journal entry, and ultimately the FRS report for that project, without exception. Finally, we demonstrated that all allocations recorded to the projects did not exceed 1.75 percent (or 1 percent prior to July 1, 2010) of the respective total project. There were no exceptions noted while performing the above procedures.

## Agreed-Upon Procedures:

3. For projects selected by the University (all named projects and deferred maintenance contracts over \$500,000), we obtained the approved budgets, change order analysis, original contracts and change orders over \$100,000.

## Results and Findings:

For the projects selected, we verified that the project was presented for approval to the Board of Trustees of the University, Executive Vice President for Administration and Chief Financial Officer and the Provost and Executive Vice President for Academic Affairs (Storrs) or Executive Vice President for Health Affairs & Dean, School of Medicine (UCHC). We then verified the projects were authorized or approved by the Board of Trustees of the University in an amount equal to, or in excess of, total cost expended for the project. For projects under \$500,000, we verified the project was approved by Office of the Executive Vice President for Administration and Chief Financial Officer on the Approval for Budget for Projects Under \$500,000 form. We verified the accuracy of all information on the form. We did not note any exceptions for the budgets.

For the projects selected, we obtained the change order analysis. We agreed the original contract amount to the change order analysis. We selected change orders of \$100,000 and above and agreed them to the change order analysis. We verified that the information listed on the Approval of Change to Original Contract, Workplan or Purchase Order Request ("ACR") agreed to the information listed on the "Approval for Payment" form. We noted that all signatures were on the form and the funding was available for each of these projects. There were no exceptions noted for the projects selected.

## Communication of Procedures

As part of our procedures, we held regular status update meetings with the University's Working Group Team (the Working Group). These meetings were used to communicate the progress of our agreed-upon procedures, including the number of expenditures reviewed; findings identified; follow-up items; responsibility for follow-up; status of documentation needed to complete our engagement; any change to our scope and procedures; our fees to date and status of our billings; and follow-up on previous meetings' open items.

In addition, we met with the University's Senior Management on February 12, 2013. Our discussions were similar to those noted above. At this meeting, we discussed our final report and other communications.

Finally, we made ourselves available to the JACC and attended the February 13, 2013 JACC meeting to present our findings and to finalize our results.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the UCONN 2000 construction expenditures for the fiscal year ended June 30, 2012.

Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Trustees, the Joint Audit and Compliance Committee, General Assembly of the Connecticut State Legislature and management of the University, and is not intended to be and should not be used by anyone other than these specified parties.

*McGladrey LLP*

Chicago, Illinois  
February 13, 2013

University of Connecticut

Exhibit 1 - Expenditures Selected for Applying Agreed-Upon Procedures  
Year Ended June 30, 2012

Project/FRS Account Number	Project Name	Description/Vendor	Project Expenditures Selected
901126	Arjona and Monteith	SKANSKA USA BUILDING	\$ 2,951,492
901126	Arjona & Monteith	SKANSKA USA BUILDING	2,279,823
901126	Arjona & Monteith	SKANSKA USA BUILDING	2,175,181
901126	Arjona & Monteith	SKANSKA USA BUILDING	2,172,349
901590	UCHC Planning & Design Costs (HC Hospital)	HKS-SBA	2,147,621
901126	Arjona & Monteith	SKANSKA USA BUILDING	1,983,834
901126	Arjona & Monteith	SKANSKA USA BUILDING	1,859,572
901126	Arjona & Monteith	SKANSKA USA BUILDING	1,834,117
901126	Arjona & Monteith	SKANSKA USA BUILDING	1,784,598
901126	Arjona & Monteith	SKANSKA USA BUILDING	1,669,328
901126	Arjona & Monteith	SKANSKA USA BUILDING	1,653,873
901126	Arjona & Monteith	SKANSKA USA BUILDING	1,624,002
901590	UCHC Planning & Design Costs (HC Hospital)	HKS-SBA	1,525,486
901590	UCHC Planning & Design Costs (HC Hospital)	HKS-SBA	1,518,561
901590	UCHC Planning & Design Costs (HC Hospital)	HKS-SBA	1,508,151
901126	Arjona & Monteith	SKANSKA USA BUILDING	1,456,223
901126	Arjona & Monteith	SKANSKA USA BUILDING	1,384,597
901126	Arjona & Monteith	SKANSKA USA BUILDING	1,198,620
901126	Arjona & Monteith	SKANSKA USA BUILDING	1,142,714
901590	UCHC Planning & Design Costs (HC Hospital)	HKS/SBA	993,225
901590	UCHC Planning & Design Costs (HC Hospital)	HKS/SBA	949,875
901590	UCHC Planning & Design Costs (HC Hospital)	HKS-SBA	916,976
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	868,811
901388	Psychology Building Renovation/Addition	DANIEL *O'CONNELL'S	862,647
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	853,363
883316	University of CT Health Center Deferred Maintenance-Phase III	ALL STATE CONSTRUCTION	816,120
901126	Arjona & Monteith	SKANSKA USA BUILDING	796,890
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	779,851
901380	Biobehavioral Complex Replacement	CARLIN CONSTRUCTION	743,020
901126	Arjona & Monteith	HB COMMUNICATIONS IN	741,963
901367	Floriculture Greenhouse	CARLIN CONSTRUCTION	729,977
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	652,233
901367	Floriculture Greenhouse	CARLIN CONSTRUCTION	651,967
901367	Floriculture Greenhouse	CARLIN CONSTRUCTION	610,123
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	598,437
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	593,810
901367	Floriculture Greenhouse	CARLIN CONSTRUCTION	592,372
901380	Biobehavioral Complex Replacement	CARLIN CONSTRUCTION	577,560
901388	Psychology Building Renovation/Addition	DANIEL *O'CONNELL'S	552,936
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	487,263
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	479,107
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	467,696
901367	Floriculture Greenhouse	CARLIN CONSTRUCTION	464,520
883316	University of CT Health Center Deferred Maintenance-Phase III	ALL STATE CONSTRUCTION	452,246
901134	UCHC Main Building Renovation	BURT HILL INC	417,480
901388	Psychology Building Renovation/Addition	CUH2A ARCHITECTS ENG	407,877
883316	University of CT Health Center Deferred Maintenance-Phase III	GREENWOOD INDUSTRIES, INC.	401,285
901367	Floriculture Greenhouse	CARLIN CONSTRUCTION	390,466
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	390,219
901590	UCHC Planning & Design Costs (HC Hospital)	HKS-SBA	380,325
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	380,210
901590	UCHC Planning & Design Costs (HC Hospital)	TURNER CONSTRUCTION	366,170
901265	Storrs Hall Additon	CONSIGLI CONSTRUCTION CO., INC.	349,059
901259	Storrs Deferred Maint & Renov - Phase I, II & III	KBE BUILDING CORP	336,108
901646	Beach Hall Renovations	GL CAPASSO INC	319,304
901590	UCHC Planning & Design Costs (HC Hospital)	HKS-SBA	317,781
901367	Floriculture Greenhouse	CARLIN CONSTRUCTION	317,658
880213	Storrs Equip, Library Coll, Telecom - Phase I & II	ORACLE AMERICA INC	310,465

University of Connecticut

Exhibit 1 - Expenditures Selected for Applying Agreed-Upon Procedures  
Year Ended June 30, 2012

Project/FRS Account Number	Project Name	Description/Vendor	Project Expenditures Selected
901126	Arjona & Monteith	SKANSKA USA BUILDING	299,883
901367	Floriculture Greenhouse	CARLIN CONSTRUCTION	282,023
901380	Biobehavioral Complex Replacement	CARLIN CONSTRUCTION	269,557
901259	Storrs Deferred Maint & Renov - Phase I, II & III	KBE BUILDING CORP	265,645
901259	Storrs Deferred Maint & Renov - Phase I, II & III	KBE BUILDING CORP	255,166
880213	Storrs Equip, Library Coll, Telecom - Phase I & II	ORACLE AMERICA INC	249,047
901133	UCHC CLAC Renovation Biosafety Level Lab 3	PERKINS + WILL INC	245,719
901367	Floriculture Greenhouse	CARLIN CONSTRUCTION	245,130
901126	Arjona & Monteith	SKANSKA USA BUILDING	235,069
901126	Arjona & Monteith	HB COMMUNICATIONS IN	232,982
880213	Storrs Equip, Library Coll, Telecom - Phase I & II	ORACLE AMERICA INC	232,604
901126	Arjona & Monteith	SKANSKA USA BUILDING	225,343
880213	Storrs Equip, Library Coll, Telecom - Phase I & II	ORACLE AMERICA INC	220,105
880213	Equip, Library Coll, Telecom - UCHC	SUNGARD HIGHER EDUCATION INC	216,624
901132	UCHC Research Tower	FIP CONSTRUCTION INC	216,582
880213	Storrs Equip, Library Coll, Telecom - Phase I & II	INTERSTATE FORD TRUC	216,196
901583	Storrs Deferred Maint & Renov - Phase I, II & III	CONSIGLI CONSTRUCTION CO., INC.	211,446
880213	Equip, Library Coll, Telecom - UCHC	SUNGARD HIGHER EDUCATION INC	206,459
901126	Arjona & Monteith	SKANSKA USA BUILDING	202,752
901380	Biobehavioral Complex Replacement	OFC ENVIRN/RED THREA	197,313
901259	Storrs Deferred Maint & Renov - Phase I, II & III	KBE BUILDING CORP	193,734
901259	Storrs Deferred Maint & Renov - Phase I, II & III	CB EXP ALLOC-901259	191,385
901259	Storrs Deferred Maint & Renov - Phase I, II & III	KBE BUILDING CORP	189,653
901590	UCHC Planning & Design Costs (HC Hospital)	TURNER CONSTRUCTION	188,539
901726	Storrs Deferred Maint & Renov - Phase I, II & III	STANDARD ELECTRIC IN	187,400
901590	UCHC Planning & Design Costs (HC Hospital)	HKS/SBA	176,148
901590	UCHC Planning & Design Costs (HC Hospital)	HKS/SBA	170,883
880213	Equip, Library Coll, Telecom - UCHC	INTL INTEGRATED SOLUTIONS LTD	163,379
901380	Biobehavioral Complex Replacement	CARLIN CONSTRUCTION	162,751
880213	Storrs Equip, Library Coll, Telecom - Phase I & II	ORACLE AMERICA INC	149,553
901612	Fine Arts Phase II	ALL STATE CONSTRUCTION	146,305
901373	Young Building Renovation/Addition	DPC ARCHITECTURE INC	137,806
901311	Storrs Deferred Maint & Renov - Phase I, II & III	FISHER TANK COMPANY	137,793
901126	Arjona & Monteith	HB COMMUNICATIONS IN	137,772
901590	UCHC New Construction and Renovation	JACOBS PROJECT MANAG	137,401
901727	Storrs Deferred Maint & Renov - Phase I, II & III	TABACCO & SON BUILDE	136,400
901569	WH Campus Renovations/Improvements	ALL PHASE ENTERPRISE	134,896
901640	Storrs Deferred Maint & Renov - Phase I, II & III	SILKTOWN ROOFING INC	129,899
880213	Equip, Library Coll, Telecom - UCHC	SUNGARD HIGHER EDUCATION INC	129,121
901126	Arjona & Monteith	SKANSKA USA BUILDING	129,063
880213	Equip, Library Coll, Telecom - UCHC	INTL INTEGRATED SOLUTIONS LTD	128,598
901421	Storrs Deferred Maint & Renov - Phase I, II & III	ALL STATE CONSTRUCTION	126,936
901126	Arjona & Monteith	ADMSAL DIST 1STQTR	126,284
901278	Avery Point Undergrad & Library Bldg	SASAKI ASSOCIATES IN	125,980
901278	Avery Point Undergrad & Library Bldg	SASAKI ASSOCIATES IN	125,980
883316	University of CT Health Center Deferred Maintenance-Phase III	ALL STATE CONSTRUCTION	125,407
901421	Storrs Deferred Maint & Renov - Phase I, II & III	ALL STATE CONSTRUCTION	122,842
901636	Storrs Deferred Maint & Renov - Phase I, II & III	BRD BUILDERS LLC	122,562
901373	Young Building Renovation/Addition	DPC ARCHITECTURE INC	119,946
901126	Arjona & Monteith	ADMSAL DIST 4THQTR	119,689
901367	Floriculture Greenhouse	CARLIN CONSTRUCTION	117,853
901367	Floriculture Greenhouse	CARLIN CONSTRUCTION	116,725
901132	UCHC Research Tower	FIP CONSTRUCTION INC	116,712
901259	Storrs Deferred Maint & Renov - Phase I, II & III	KBE BUILDING CORP	116,018
901259	Storrs Deferred Maint & Renov - Phase I, II & III	KBE BUILDING CORP	114,192
900965	North Hillside Road Completion	FUSS & ONEILL INC	114,100
901658	Storrs Deferred Maint & Renov - Phase I, II & III	TABACCO & SON BUILDE	112,648
901428	Storrs Deferred Maint & Renov - Phase I, II & III	CARTER BURGESS INC	112,320

University of Connecticut

Exhibit 1 - Expenditures Selected for Applying Agreed-Upon Procedures  
Year Ended June 30, 2012

Project/FRS Account Number	Project Name	Description/Vendor	Project Expenditures Selected
901590	UCHC Planning & Design Costs (HC Hospital)	HKS-SBA	112,066
201543	Avery Point Renovations	SARAZIN GENERAL CONTRACTORS, IN	111,046
901376	Engineering Building	MITCHELL *GIURGOLA A	110,517
901212	UCHC Dental School Renovation	SARAZIN GENERAL CONTRACTORS, IN	109,666
201543	Avery Point Renovations	SARAZIN GENERAL CONTRACTORS, IN	109,545
901126	Arjona & Monteith	ADMSAL DIST 4THQTR	109,523
901126	Arjona & Monteith	SKANSKA USA BUILDING	108,473
901373	Young Building Renovation/Addition	DPC ARCHITECTURE INC	108,014
901320	Storrs Deferred Maint & Renov - Phase I, II & III	ALL STATE CONSTRUCTION	105,579
901428	Storrs Deferred Maint & Renov - Phase I, II & III	CARTER BURGESS INC	103,864
901134	UCHC Main Building Renovation	BURT HILL INC	103,273
201543	Avery Point Renovations	SARAZIN GENERAL CONTRACTORS, IN	102,599
883316	University of CT Health Center Deferred Maintenance-Phase III	MONTAGNO CONSTRUCTION INC.	102,082
880213	Equip, Library Coll, Telecom - UCHC	HARRASSOWITZ	100,000
201543	Avery Point Renovations	SARAZIN GENERAL CONTRACTORS, IN	99,847
880213	Equip, Library Coll, Telecom - UCHC	INTL INTEGRATED SOLUTIONS LTD	95,450
883316	University of CT Health Center Deferred Maintenance-Phase III	GREENWOOD INDUSTRIES, INC.	94,243
201543	Avery Point Renovations	SARAZIN GENERAL CONTRACTORS, IN	90,455
883316	University of CT Health Center Deferred Maintenance-Phase III	COMNET COMMUNICATIONS, LLC	84,002
880213	Equip, Library Coll, Telecom - UCHC	SUNGARD HIGHER EDUCATION INC	83,956
201543	Avery Point Renovations	SARAZIN GENERAL CONTRACTORS, IN	83,177
880213	Equip, Library Coll, Telecom - UCHC	NWN	83,138
901280	Gentry Renovation & Completion	SVIGALS & PARTNERS LLP	63,841
901663	UCHC Library/Student Computer Center Renovation	BKM TOTAL OFFICE	54,788
901366	Farm Buildings Repairs/Replacment	HAZ-PROS INC	54,000
201543	Avery Point Renovations	SARAZIN GENERAL CONTRACTORS, IN	52,678
880213	Equip, Library Coll, Telecom - UCHC	INTL INTEGRATED SOLUTIONS LTD	52,624
883316	University of CT Health Center Deferred Maintenance-Phase III	ALL STATE CONSTRUCTION	43,835
901545	Benton State Art Museum Addition	SIMPLEX GRINNELL LP	34,317
901588	Avery Point Renovations	SARAZIN GENERAL CONTRACTORS, IN	31,874
901663	UCHC Library/Student Computer Center Renovation	BKM TOTAL OFFICE	21,868
901274	Jorgensen Renovation	CB EXP ALLOC-901274	14,074
201543	Avery Point Renovations	SARAZIN GENERAL CONTRACTORS, IN	11,406
901213	Mansfield Training School Improvements	PURCELL ASSOCIATES	1,835
901718	Gant Building Renovations	NER CONSTRUCTION MAN	1,322
901545	Benton State Art Museum Addition	FUSS & ONEILL INC	993
901374	Gant Building Renovations	ADMSAL DIST 4THQTR	618
901274	Jorgensen Renovation	ADMSAL DIST 4THQTR	166
201543	Avery Point Renovations	ADMSAL DIST 3RDQTR	32
901280	Gentry Renovation & Completion	ADMSAL DIST 4THQTR	14
901213	Mansfield Training School Improvements	ADMSAL DIST 2NDQTR	6
901366	Farm Buildings Repairs/Replacment	ADMSAL DIST 4THQTR	2
901126	Arjona & Monteith	ADMSAL DIST 4THQTR	(119,689)
901590	UCHC Planning & Design Costs (HC Hospital)	UCHC MILONE & MACBRO	(161,584)
901259	Storrs Deferred Maint & Renov - Phase I, II & III	CB EXP ALLOC-901259	(191,385)
Total expenditures subjected to the agreed-upon procedures			<u>\$ 68,386,005</u>
Total 2012 construction expenditures			<u>\$ 92,852,654</u>
Percent of expenditures subjected to the agreed-upon procedures to total expenditures			<u>74%</u>