

# STATE OF CONNECTICUT



*AUDITORS' REPORT  
STATE EMPLOYEE CAMPAIGN  
FOR THE 2005 AND 2006 CAMPAIGNS*

**AUDITORS OF PUBLIC ACCOUNTS**

KEVIN P. JOHNSTON ❖ ROBERT G. JAEKLE

**INDEPENDENT AUDITORS' REPORT ON THE  
APPLICATION OF AGREED-UPON PROCEDURES  
TO THE RECORDS OF THE CONNECTICUT STATE EMPLOYEES'  
CAMPAIGN FOR CHARITABLE GIVING  
FOR THE 2005 and 2006 CAMPAIGNS**

Jan Gwudz, Campaign Director  
The Connecticut State Employees' Campaign for Charitable Giving:

Pursuant to Section 5-262 of the General Statutes we have performed the procedures enumerated below, which were agreed to by the management of the Connecticut State Employees' Campaign for Charitable Giving (the Campaign), solely to assist you in evaluating the accompanying *Summary of Collections Distributed to Federations* and the related *Schedule of Net Distributions after Expenses* for Campaign years 2005 and 2006, which are included in this report for informational purposes only. The Campaign's management is responsible for these schedules. 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 in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this has been requested or any other purpose.

Our procedures and findings are as follows:

**1. Review of Committee Meetings and Minutes:**

We have obtained and reviewed the minutes of the Committee meetings to determine compliance with statutory requirements. We were informed that the Connecticut State Employees' Campaign Committee did not register the meeting schedule for campaign years 2005 and 2006 with the Office of the Secretary of the State in accordance with Section 1-225, subsection (b), of the General Statutes.

**2. Verification of Cash Receipts:**

We obtained the employee payroll deductions information from transmittals generated by the State Comptroller's Office and traced the amounts to the Community Health Charities'

accounting records, which is the Principal Combined Fund Organization (PCFO). We performed this review to ensure that contributions were properly reflected in the accompanying schedules. We also reviewed the records of the PCFO related to employees' cash contributions and interest information supporting the total receipts reported. We noted no reportable variances.

### **3. Calculation of Collections and Distributions:**

We obtained the *Schedule of Net Distributions after Expenses* and the *Summary of Collections Distributed to Federations*. We recalculated the addition of the amounts on the statement, and traced the amounts to the supporting receipt and distribution ledgers and reports. We noted no reportable variances.

### **4. Review of Campaign Budget and Expenses:**

We obtained the Final Expenditure Reports and the Approved Budget amounts for the 2005 and 2006 Campaign years and reviewed them for reasonableness and compliance with statutory requirements. We noted no unusual or unexplained variances. Administrative expenses did not exceed 110 percent of the budgeted amounts, as required by Section 5-262, subsection (f), of the General Statutes.

### **5. Review of Distributions to Federations:**

Using the information on the Distribution Schedules, we recalculated the Gross Distribution percentage of a sample of Federations for agreement to the distribution percentage reported by the PCFO. We also traced the payments to the check registers, bank statements, and the cancelled checks to confirm that payments were actually made. We noted no reportable exceptions.

We obtained the *Schedule of Net Distributions after Expenses* for the Campaign years 2005 and 2006 and the supporting cash distribution schedules. Variances between the percentages of pledged dollars and the percentages of actual distribution to the respective charities were compared. We also recalculated the percentages used to allocate expenses and distribute collections. Our calculation disclosed no inaccuracies, and the variance between the pledged dollars percentage to the actual distribution percentage was insignificant.

We compared the receipt dates of the payroll deductions with the distribution dates to determine if they were made within 30 days of receipt as required by Section 5-262-10 (b) (7) of the Regulations of Connecticut State Agencies. The campaign receives payroll deductions for biweekly pay periods and makes only one distribution every month. We noted a total of five instances (one in Campaign year 2005 and four in Campaign year 2006) in which the payroll deductions received from the State Comptroller's Office were not distributed in a timely manner. In those five instances, the amount of the first payroll deduction in each of the monthly distributions was late, totaling \$247,894 out of the total distribution amount of \$866,838. The number of days late ranged from three to eleven days. We were informed by the PCFO that the Campaign interpreted the period of 30 days in this regulation to be counted from the last payroll deduction received during each month. The PCFO notified us that effective May 2009, the Campaign will change its procedures to distribute the payroll deduction within the 30 days of receipt.

For purposes of this report, we have not set a materiality level for instances of noncompliance that we may detect. We have set the materiality level for the reporting of known monetary exceptions at \$1,000.

Because the above procedures do not constitute an audit made in accordance with auditing standards generally accepted in the United States of America, we do not express an opinion on any of the accounts or items referred to above. Had we performed additional procedures, 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 Connecticut State Employees' Campaign for Charitable Giving and the Office of the State Comptroller, and is not intended to be and should not be used by anyone other than these parties for any other purpose. However, this report is a matter of public record and its distribution will not be limited.

In conclusion, we wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Connecticut State Employees' Campaign for Charitable Giving during the course of this review.

Sincerely,

Kenneth Post  
Principal Auditor

Approved:

Kevin P. Johnston  
Auditor of Public Accounts

Robert G. Jaekle  
Auditor of Public Accounts

October 14, 2009  
State Capitol  
Hartford, Connecticut

**CT STATE EMPLOYEES' CAMPAIGN FOR CHARITABLE GIVING  
SUMMARY OF COLLECTIONS DISTRIBUTED TO FEDERATIONS  
FOR THE 2005 and 2006 CAMPAIGNS**

	Campaign	
	2006	2005
Receipts:		
Cash contributions	\$ 259,398	\$ 265,835
State payroll deductions	1,539,850	1,538,989
Interest	103	116
Total Receipts	<u>1,799,351</u>	<u>1,804,940</u>
Less:		
Bank Service Charges	<u>620</u>	<u>361</u>
Total Distributable Collections	<u>1,798,731</u>	<u>1,804,579</u>
Collections distributable to Federations, per Schedule 1	1,798,731	1,804,579
Expenses, per Schedule 1	<u>195,223</u>	<u>210,947</u>
Net Distributions after Expenses, per Schedule 1	<u>\$ 1,603,508</u>	<u>\$ 1,593,632</u>

**CT STATE EMPLOYEES' CAMPAIGN FOR CHARITABLE GIVING**  
**NET DISTRIBUTIONS AFTER EXPENSES**  
**FOR THE 2005 AND 2006 CAMPAIGNS**

<u>Federations</u>	<u>2006 Campaign</u>			<u>2005 Campaign</u>		
	<u>Collection Distributed to Federations</u>	<u>Administrative Expense</u>	<u>Net Distribution</u>	<u>Collection Distributed to Federations</u>	<u>Administrative Expense</u>	<u>Net Distribution</u>
America's Charities	\$ 174,567	\$ 18,947	\$ 155,619	\$ 139,494	\$ 16,314	\$ 123,180
Community Health Charities of CT	223,870	24,303	199,567	216,549	25,325	191,224
Community Works of CT	78,407	8,512	69,894	67,852	7,934	59,918
Earth Share	77,849	8,452	69,397	63,702	7,452	56,250
Greater Harford Arts Council	33,942	3,687	30,255	22,557	2,637	19,920
Independent Charities of America	240,832	26,130	214,702	237,663	27,758	209,905
Global Impact	167,894	18,226	149,668	170,894	19,985	150,909
Neighbor to Nation	86,483	9,385	77,098	99,974	11,684	88,290
Health Way, Inc.	-	-	-	5,233	614	4,619
United Ways						
<i>Ansonia</i>	8,382	911	7,471	9,745	1,139	8,606
<i>Bridgeport</i>	16,045	1,739	14,306	16,241	1,893	14,348
<i>Bristol</i>	26,891	2,920	23,971	24,001	2,808	21,193
<i>Danbury</i>	12,429	1,347	11,083	12,091	1,413	10,678
<i>Gales Ferry</i>	65,114	7,067	58,047	67,311	7,863	59,448
<i>Greenwich</i>	1,025	112	913	1,985	232	1,753
<i>Meriden</i>	17,466	1,895	15,570	16,422	1,922	14,500
<i>Middletown</i>	33,402	3,626	29,776	37,716	4,409	33,307
<i>Hartford</i>	384,047	41,675	342,372	366,510	42,844	323,666
<i>Naugatuck and Beacon Falls</i>	3,112	337	2,775	3,609	422	3,187
<i>New Britain</i> <sup>1</sup>	-	-	-	19,850	2,310	17,540
<i>New Haven</i>	47,145	5,119	42,026	50,889	5,951	44,938
<i>New Milford</i>	1,277	138	1,139	2,526	295	2,231
<i>Norwalk</i>	2,914	316	2,598	2,346	274	2,072
<i>Milford</i>	5,504	598	4,906	6,497	759	5,738
<i>Southington</i>	12,016	1,305	10,711	13,895	1,627	12,268
<i>Stamford</i>	3,418	371	3,047	9,925	1,160	8,765
<i>Torrington</i>	21,297	2,313	18,984	24,001	2,803	21,198
<i>Waterbury</i>	53,404	5,794	47,610	56,122	6,561	49,561
<i>Willimantic</i> <sup>2</sup>	-	-	-	38,979	4,559	34,420
<b>Total</b>	<b>\$ 1,798,731</b>	<b>\$ 195,223</b>	<b>\$1,603,508</b>	<b>\$ 1,804,579</b>	<b>\$ 210,947</b>	<b>\$1,593,632</b>

Note:

<sup>1</sup> In Campaign year 2006 the United Way of New Britain was merged with the United Way of Hartford (Central and Northeastern Connecticut).

<sup>2</sup> In Campaign year 2006 the United Way of Willimantic (Windham Region) was merged with the United Way of Hartford (Central and Northeastern Connecticut).