

# STATE OF CONNECTICUT



*INDEPENDENT AUDITORS' REPORT ON THE  
APPLICATION OF AGREED-UPON PROCEDURES  
TO THE RECORDS OF THE CONNECTICUT STATE EMPLOYEES'  
CAMPAIGN FOR CHARITABLE GIVING  
FOR THE 2007 and 2008 CAMPAIGNS*

**AUDITORS OF PUBLIC ACCOUNTS**

KEVIN P. JOHNSTON ❖ ROBERT G. JAEKLE

**INDEPENDENT AUDITORS' REPORT ON THE  
APPLICATION OF AGREED-UPON PROCEDURES  
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CAMPAIGN FOR CHARITABLE GIVING  
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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 2007 and 2008, 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 verified that the meeting schedules were filed with the Office of the Secretary of the State as required by 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 accounting records of the Principal Combined Fund Organization (PCFO), Community Health Charities (CHC). 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 fundraisers supporting the total receipts reported. It had been brought to our attention by CHC that several errors were made when posting receipts to the Connecticut State Employees' Campaign (CSEC) records. A receipt for campaign year 2007-2008 in the amount of \$1,656 and another for campaign year 2008-2009 in the amount of \$1,635 were not recorded in CSEC reports, although the funds were deposited in the CSEC bank account. In addition, in campaign year 2008-2009, receipts in the amount of \$5,255 were recorded twice. As distributions to Federations are based on cash receipts, the Federations were underpaid in campaign year 2007-2008 and overpaid in campaign year 2008-2009. Net overpayments for both campaign years totaled \$1,964. CHC is seeking Committee approval to reduce payments to the Federations in campaign year 2009-2010.

### **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. Except for the errors noted above under "Verification of Cash Receipts," we found no reportable variances.

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

We obtained the Final Expenditure Reports and the Approved Budget amounts for the 2007 and 2008 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 2007 and 2008, 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, Subsection (b) (7), of the Regulations of Connecticut State Agencies. The campaign receives payroll deductions for biweekly pay periods and, as noted in our previous audit, made only one distribution every month. That procedure often resulted in distributions that were late. Effective May 2009, the Campaign changed its procedures to distribute the payroll deduction within 30 days of receipt. We noted no exceptions after that date.

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,

Cynthia Ostroske  
Associate Auditor

Approved:

Kevin P. Johnston  
Auditor of Public Accounts

Robert G. Jaekle  
Auditor of Public Accounts

January 31, 2011  
State Capitol  
Hartford, Connecticut

**Connecticut State Employees' Campaign for Charitable Giving  
 Summary of Collections Distributed to Federations  
 Campaign Years 2007 and 2008**

	<b>Campaign</b>	
	<b>2008</b>	<b>2007</b>
Receipts:		
Cash contributions	\$ 282,134	\$ 294,687
State payroll deductions	1,673,101	1,656,281
Total Receipts	<u>\$ 1,955,235</u>	<u>\$ 1,950,968</u>
Total Distributable Collections	<u>1,955,235</u>	<u>1,950,968</u>
Expenses, per Schedule 1	<u>235,342</u>	<u>228,752</u>
Net distributions after expenses, per report to State Comptroller	<u>\$ 1,719,893</u>	<u>\$ 1,722,216</u>
Net distributions after expenses, per Schedule 1	<u>1,723,498</u>	<u>1,722,216</u>
Variance	<u>\$ 3,605</u>	
Explanation of 2008 variance:		
Overpayment due to errors noted in report	-3,620	
Unexplained variance - not material	15	
	<u>\$ -3,605</u>	

CT STATE EMPLOYEES' CAMPAIGN  
NET DISTRIBUTIONS AFTER EXPENSES  
FOR THE 2008 AND 2007 CAMPAIGNS

Schedule 1

<u>Federations</u>	<u>2008 Campaign</u>			<u>2007 Campaign</u>		
	Collection Distributed to Federations	Administrative Expense	Net Distribution after Expenses	Collection Distributed to Federations	Administrative Expense	Net Distribution after Expenses
America's Charities	\$ 161,336	\$ (19,374)	\$ 141,962	\$ 211,516	\$ (24,643)	\$ 186,873
Community Health Charities of CT	230,091	(27,660)	202,431	227,988	(26,772)	201,216
Community Works of CT	75,577	(9,090)	66,487	53,238	(6,250)	46,988
Earth Share	79,455	(9,523)	69,932	86,447	(10,122)	76,325
Global Impact	163,041	(19,579)	143,462	179,579	(21,060)	158,519
Greater Harford Arts Council	33,617	(4,189)	29,428	35,008	(4,102)	30,906
Independent Charities of America	351,755	(42,218)	309,537	310,448	(36,453)	273,995
Neighbor to Nation	101,008	(12,128)	88,880	111,747	(13,094)	98,653
United Ways						
UW Middletown	41,291	(4,953)	36,338	33,674	(3,939)	29,735
UW Eastern Fairfield County (Bridgeport)	5,856	(703)	5,153	5,664	(666)	4,998
UW Greater New Haven, Inc.	52,849	(6,319)	46,530	42,609	(5,012)	37,597
UW Greenwich	2,936	(343)	2,593	2,017	(237)	1,780
UW Meriden and Wallingford	16,238	(1,942)	14,296	13,604	(1,599)	12,005
UW Milford	8,402	(1,001)	7,401	8,725	(1,027)	7,698
UW Naugatuck and Beacon Falls	2,539	(298)	2,241	2,515	(296)	2,219
UW Northern Fairfield County- Danbury	5,455	(678)	4,777	9,671	(1,138)	8,533
UW Northwest -Torrington	25,271	(3,016)	22,255	24,610	(2,895)	21,715
UW Norwalk & Wilton	1,586	(196)	1,390	1,900	(223)	1,677
UW Southeastern Connecticut - Gales Ferry	67,958	(8,122)	59,836	59,085	(6,883)	52,202
UW Southington	18,777	(2,262)	16,515	16,133	(1,898)	14,235
UW Stamford				2,942	(346)	2,596
UW Capital Area	436,643	(52,494)	384,149	432,100	(50,726)	381,374
UW Central Naugatuck Valley, Inc.	51,707	(6,198)	45,509	54,963	(6,465)	48,498
UW West Central CT- Bristol	25,452	(3,056)	22,396	24,785	(2,906)	21,879
<b>Totals</b>	<b>\$ 1,958,840</b>	<b>\$ (235,342)</b>	<b>\$ 1,723,498</b>	<b>\$ 1,950,968</b>	<b>\$ (228,752)</b>	<b>\$ 1,722,216</b>