

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 2009, 2010, 2011 AND 2012 CAMPAIGNS**

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN ❖ ROBERT M. WARD

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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May 14, 2015

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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, 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 2009, 2010, 2011 and 2012, 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 Campaign Committee Meetings and Minutes:

We have obtained and reviewed the minutes of the campaign 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 deduction information from transmittals generated by the Office of the State Comptroller 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 employee cash contributions and fundraisers supporting the total receipts reported. We noted no reportable variances.

As noted in our previous report, net overpayments of \$1,964 occurred in campaign years 2007-2008 and 2008-2009. At the time of our prior report, CHC was seeking committee approval to reduce payments to the federations in campaign year 2009-2010, and on September 21, 2010, the committee provided unanimous approval. The reduction of payments is reflected on the *Schedule of Net Distribution after Expenses* for the 2009 campaign year.

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 2009, 2010, 2011, and 2012 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 2009, 2010, 2011 and 2012 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 receipt dates of payroll deductions with the distribution dates to determine whether 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 makes only one distribution every month. We noted a total of twenty-seven instances (six in campaign year 2009, ten in campaign year 2010, five in campaign year 2011, and six in campaign year 2012) in which the payroll deductions received from the Office of the State Comptroller were not distributed by the campaign to the charitable organizations in a timely manner. In those twenty-seven instances, the amount of the first payroll deduction in each of the monthly distributions was late twenty-three times, and the amount of the second payroll deduction in each of the monthly distributions was late four times, totaling \$1,346,434 out of the total distribution amount of \$5,293,111. The number of days late ranged from one to twenty-four days.

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.



John Harrison
Auditor II

Approved:



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts

**Connecticut State Employees' Campaign for Charitable Giving
Summary of Collections Distributed to Federations
Campaign Years 2009, 2010, 2011, and 2012**

	Campaign			
	2012	2011	2010	2009
Receipts:				
Cash Contributions	\$ 179,455	\$ 185,867	\$ 248,547	\$ 256,253
State Payroll Deductions	1,164,409	1,246,804	1,395,216	1,506,442
Interest and Adjustments	2	257	11,608	810
Total Receipts	<u>\$1,343,866</u>	<u>\$1,432,928</u>	<u>\$1,655,371</u>	<u>\$1,763,505</u>
Total Distributable Collections	<u>1,343,866</u>	<u>1,432,928</u>	<u>1,655,371</u>	<u>1,763,505</u>
Expenses, Per Schedule 1	<u>228,826</u>	<u>222,891</u>	<u>222,314</u>	<u>228,524</u>
Net Distributions After Expenses, Per Report to State Comptroller	<u>\$1,115,039</u>	<u>\$1,210,037</u>	<u>\$1,433,057</u>	<u>\$1,534,981</u>
Net Distributions After Expenses, Per Schedule 1	<u>\$1,115,039</u>	<u>\$1,210,037</u>	<u>\$1,433,057</u>	<u>1,533,018</u>
Adjust Prior Year Overpayment	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 1,963</u>

CT STATE EMPLOYEES' CAMPAIGN

Schedule 1

NET DISTRIBUTIONS AFTER EXPENSES

FOR THE 2012 AND 2011 CAMPAIGNS

<u>Federations</u>	<u>2012 Campaign</u>			<u>2011 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	\$ 113,987	\$ (19,423)	\$ 94,564	\$ 116,194	\$ (18,070)	\$ 98,124
Community Health Charities CT (NE)	153,039	(25,892)	127,147	178,668	(27,781)	150,887
Earth Share of New England	45,181	(7,703)	37,478	55,327	(8,624)	46,703
Global Impact	97,954	(16,700)	81,254	112,291	(17,467)	94,824
Greater Hartford Arts Council	25,332	(4,331)	21,001	25,445	(3,955)	21,490
Independent Charities of America	400,754	(68,313)	332,441	389,162	(60,506)	328,656
Neighbor to Nation	43,205	(7,288)	35,917	43,306	(6,736)	36,570
Partners for a Better World	16,086	(2,741)	13,345	11,896	(1,848)	10,048
United Ways:						
Middlesex United Way	40,853	(6,961)	33,892	47,027	(7,312)	39,715
UW Central and Northeastern CT	230,043	(39,232)	190,811	261,175	(40,648)	220,527
UW Central Naugatuck Valley	31,487	(5,368)	26,119	38,920	(6,078)	32,842
UW Coastal Fairfield County	5,281	(900)	4,381	5,694	(885)	4,809
UW Greater New Haven, Inc.	22,967	(3,916)	19,051	30,504	(4,740)	25,764
UW Greenwich	3,387	(577)	2,810	4,208	(654)	3,554
UW Meriden and Wallingford	9,434	(1,609)	7,825	10,267	(1,597)	8,670
UW Milford	8,306	(1,415)	6,891	8,411	(1,310)	7,101
UW Northwest Connecticut, Inc.	17,215	(2,935)	14,280	17,036	(2,647)	14,389
UW Naugatuck and Beacon Falls	2,177	(371)	1,806	4,762	(740)	4,022
UW of Western Connecticut	5,832	(994)	4,838	3,516	(546)	2,970
UW Southeastern Connecticut - Gales Ferry	48,016	(8,181)	39,835	44,595	(6,936)	37,659
UW Southington	5,564	(948)	4,616	6,976	(1,084)	5,892
UW West Central CT- Bristol	17,766	(3,029)	14,737	17,548	(2,727)	14,821
Grand Totals	<u>\$ 1,343,866</u>	<u>\$ (228,827)</u>	<u>\$ 1,115,039</u>	<u>\$ 1,432,928</u>	<u>\$ (222,891)</u>	<u>\$ 1,210,037</u>

CT STATE EMPLOYEES' CAMPAIGN

Schedule 1

NET DISTRIBUTIONS AFTER EXPENSES

FOR THE 2010 AND 2009 CAMPAIGNS

	<u>2010 Campaign</u>			<u>2009 Campaign</u>			
<u>Federations</u>	<u>Collection Distributed to Federations</u>	<u>Administrative Expense</u>	<u>Net Distribution after Expenses</u>	<u>Collection Distributed to Federations</u>	<u>Administrative Expense</u>	<u>Over/Under Payment</u>	<u>Net Distribution after Expenses</u>
America's Charities	\$ 145,275	\$ (19,509)	\$ 125,766	\$ 165,511	\$ (21,293)	\$ (118)	\$ 144,101
Community Health Charities CT (NE)	202,385	(27,180)	175,205	234,143	(30,245)	(233)	203,665
Community Works of Connecticut				48,953	(6,881)	(97)	41,975
Earth Share of New England	75,435	(10,078)	65,357	72,891	(9,410)	(73)	63,408
Global Impact	127,927	(17,194)	110,733	135,980	(17,569)	(148)	118,263
Greater Hartford Arts Council	33,720	(4,532)	29,188	37,557	(4,858)	(35)	32,664
Independent Charities of America	408,347	(54,858)	353,489	382,744	(49,395)	(384)	332,965
Neighbor to Nation	60,438	(8,121)	52,317	71,214	(9,216)	(91)	61,906
Partners for a Better World	5,281	(710)	4,571				
United Ways:							
Middlesex United Way	53,849	(7,233)	46,616	56,133	(7,249)	(47)	48,837
UW Coastal Fairfield County	5,728	(770)	4,958	6,974	(902)	(6)	6,066
UW Greater New Haven, Inc.	33,836	(4,548)	29,288	32,887	(4,220)	(57)	28,609
UW Greenwich	6,125	(823)	5,302	4,532	(586)	(4)	3,942
UW Meriden and Wallingford	14,170	(1,904)	12,266	13,702	(1,756)	(18)	11,927
UW Milford	10,396	(1,398)	8,998	11,317	(1,464)	(8)	9,845
UW Naugatuck and Beacon Falls	2,119	(285)	1,834	3,123	(404)	(3)	2,717
UW Northwest Connecticut, Inc.	22,281	(2,995)	19,286	5,247	(679)	1	4,569
UW Norwalk & Wilton				23,567	(3,049)	(26)	20,493
UW of Western Connecticut	4,983	(670)	4,313				
UW Southeastern Connecticut - Gales Ferry	59,014	(7,899)	51,115	59,600	(7,709)	(75)	51,816
UW Southington	11,654	(1,567)	10,087	11,901	(1,540)	(21)	10,341
UW Central and Northeastern CT	311,209	(41,816)	269,393	313,851	(40,577)	(447)	272,827
UW Central Naugatuck Valley	44,397	(5,968)	38,429	46,575	(6,024)	(49)	40,502
UW West Central CT- Bristol	16,802	(2,256)	14,546	27,066	(3,498)	(26)	23,543
Grand Totals	\$ 1,655,371	\$ (222,314)	\$ 1,433,057	\$ 1,765,467	\$ (228,524)	\$ (1,963)	\$ 1,534,980