



**OFFICE OF AUDITOR OF STATE  
STATE OF IOWA**

David A. Vaudt, CPA  
Auditor of State

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Des Moines, Iowa 50319-0004

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NEWS RELEASE

FOR RELEASE November 10, 2003

Contact: Andy Nielsen  
515/281-5515

Auditor of State David A. Vaudt today released an audit report on Community Colleges for International Development, Inc., Cedar Rapids, Iowa for the year ended June 30, 2003.

Community Colleges for International Development, Inc. (CCID) is a consortium of ninety-two United States Community Colleges and foreign educational partners concerned with implementing international projects and programs. Kirkwood Community College provides administrative and financial services to CCID. The employees of CCID are employees of Kirkwood Community College.

Vaudt reported CCID had revenues of \$257,652 for the year ended June 30, 2003, a decrease of 13% from the prior year, which was due to a decrease in conference and contract training fees. The expenditures for the year ended June 30, 2003 totaled \$243,704, a decrease of 17% from the prior year, due primarily to a decrease in conference costs and other services.

A copy of the audit report is available for review in the Office of Auditor of State.

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**COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.**

**INDEPENDENT AUDITOR'S REPORT  
FINANCIAL STATEMENTS**

**JUNE 30, 2003**

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## Community College for International Development, Inc.

### Officials

<u>Name</u>	<u>Title</u>	<u>Position/Representing</u>
<b>Executive Committee</b>		
Dr. Eddie Hernandez	Chairperson	Chancellor, Rancho Santiago Community College District
Dr. Orlando J. George, Jr.	Chair Elect	President, Delaware Technical & Community College
Dr. Norm Nielsen	Secretary/Treasurer	President, Kirkwood Community College
Dr. V. Clyde Muse	Past Chair	President, Hinds Community College
Dr. Mary Ellen Duncan	Member at Large	President, Howard Community College
John Halder	President	Community Colleges for International Development, Inc.

### Board of Directors

Dr. Philip R. Day, Jr.	Member	Chancellor, City College of San Francisco
Dr. William M. Vega	Member	Chancellor, Coast Community College District
Dr. Roy Flores	Member	President, Community College of Allegheny County
Dr. Kent Sharples	Member	President, Daytona Beach Community College
Dr. Richard DeCosmo	Member	President, Delaware County Community College
Dr. John T. Blong	Member	Chancellor, Eastern Iowa Community College District
Richard Rutkowski	Member	President, Green River Community College
Dr. Gwendolyn W. Stephenson	Member	President, Hillsborough Community College
Dr. Priscilla Bell	Member	President, Highline Community College
Dr. Robert A. Gordon	Member	President, Humber College
Dr. Robert Kopecek	Member	President, Northampton College
Dr. Robert D. Jensen	Member	Chancellor, Pima County Community College District
Dr. Madeleine Reeve	Member	Vice Chancellor, Royal Melbourne Institute of Technology
Dr. Ned Sifferlen	Member	President, Sinclair Community College
Dr. Henry Shannon	Member	Chancellor, St. Louis Community College
Dr. Judith Redwine	Member	Chancellor, State Center Community College District
Dr. Joyce S. Tsunoda	Member	Chancellor, University of Hawaii Community Colleges
Dr. Carol Brown	Member	President, Waukesha County Technical College

**Community Colleges for International Development, Inc.**



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Independent Auditor's Report

To the Board of Directors of Community  
Colleges for International Development, Inc.:

We have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of Community Colleges for International Development, Inc., Cedar Rapids, Iowa, as of and for the year ended June 30, 2003. These financial statements are the responsibility of Community Colleges for International Development, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Colleges for International Development, Inc. as of June 30, 2003, and its activities and changes in net assets and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 5 to the financial statements, during the year ended June 30, 2003, Community Colleges for International Development, Inc. changed its capital asset capitalization threshold.

In accordance with Government Auditing Standards, we have also issued our report dated October 1, 2003 on our consideration of Community Colleges for International Development, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

DAVID A. VAUDT, CPA  
Auditor of State

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

October 1, 2003

**Exhibit A**

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## Community Colleges for International Development, Inc.

## Statement of Financial Position

June 30, 2003

**Assets**

## Current assets:

Cash and pooled investments	<u>\$ 102,201</u>
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<b>Total assets</b>	<u><u>\$ 102,201</u></u>
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**Liabilities and Net Assets**

## Current liabilities:

Accounts payable	\$ 2,927
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Deferred revenue	36,350
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Compensated absences	<u>9,885</u>
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Total current liabilities	<u>49,162</u>
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## Net assets:

Unrestricted	50,619
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Temporarily restricted	<u>2,420</u>
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Total net assets	<u>53,039</u>
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<b>Total liabilities and net assets</b>	<u><u>\$ 102,201</u></u>
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See notes to financial statements.

Community Colleges for International Development, Inc.

Statement of Activities and Changes in Net Assets

Year ended June 30, 2003

	Unrestricted	Temporarily Restricted	Total
Revenue, grants and other support:			
Membership dues	\$ 188,500	-	188,500
Conference fees	41,264	-	41,264
Institute income	10,630	-	10,630
Guyana project	10,533	-	10,533
Contract for training of Pakistan higher education officials	6,375	-	6,375
Miscellaneous	350	-	350
Total revenue, grants and other support	<u>257,652</u>	<u>-</u>	<u>257,652</u>
Expenses:			
Program services	3,362	618	3,980
Support services	239,724	-	239,724
Total expenses	<u>243,086</u>	<u>618</u>	<u>243,704</u>
Change in net assets	14,566	(618)	13,948
Net assets, beginning of year, as restated (note 5)	<u>36,053</u>	<u>3,038</u>	<u>39,091</u>
Net assets, end of year	<u>\$ 50,619</u>	<u>2,420</u>	<u>53,039</u>

See notes to financial statements.



**Exhibit C**

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## Community Colleges for International Development, Inc.

## Statement of Functional Expenses

Year ended June 30, 2003

	<u>Program</u> <u>Services</u>	<u>Support</u> <u>Services</u>	<u>Total</u>
Administration	\$ -	119,912	119,912
Professional services	1,100	4,271	5,371
Communications	-	965	965
Annual conference	-	26,592	26,592
Summer institute	-	19,025	19,025
Other services	792	37,234	38,026
Materials and supplies	118	4,695	4,813
Travel	1,970	27,030	29,000
Total	<u>\$ 3,980</u>	<u>239,724</u>	<u>243,704</u>

See notes to financial statements.

## Community Colleges for International Development, Inc.

## Statement of Cash Flows

Year ended June 30, 2003

Cash flows from operating activity:	
Change in net assets	\$ 13,948
Adjustments to reconcile change in net assets to net cash provided by operating activity:	
Increase in accounts payable	2,527
Decrease in deferred revenue	(27,375)
Decrease in compensated absences	<u>(2,066)</u>
Net cash provided by operating activity	(12,966)
Beginning cash and cash equivalents	<u>115,167</u>
Ending cash and cash equivalents	<u>\$ 102,201</u>

See notes to financial statements.

Community Colleges for International Development, Inc.

Notes to Financial Statements

June 30, 2003

**(1) Summary of Significant Accounting Policies**

Organization

Community Colleges for International Development, Inc. (CCID) is a consortium of ninety-two United States community, junior, and technical colleges and foreign educational partners. From its inception in 1976 it has been concerned with implementing international projects and programs which benefit other countries as well as its own member institutions and other community colleges. CCID is incorporated in the state of Florida as a non-profit organization administered by a Board of Directors consisting of the presidents or equivalents of the member colleges.

The administrative operations of CCID have been located at the Kirkwood Community College campus in Cedar Rapids, Iowa since September 1998. The employees of CCID are employees of Kirkwood Community College.

Method of Accounting

The financial statements of Community Colleges for International Development, Inc. have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that can be fulfilled by actions of CCID pursuant to those stipulations or that expire by the passage of time.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

### Compensated Absences

CCID employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. The amount representing the cost of compensated absences is recorded as a liability. This liability has been computed based on rates of pay in effect at June 30, 2003.

### Tax Status

The organization is an exempt organization for federal income tax purposes under section 501(c)(3) of the Internal Revenue Code. The organization is considered a public charity under the Internal Revenue Code.

#### **(2) Cash and Pooled Investments**

CCID has commingled its cash with Kirkwood Community College to obtain greater flexibility and efficiency. The Community College's deposits at June 30, 2003 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

#### **(3) Deferred Revenue**

Deferred revenue of \$36,350 consists of membership dues of \$30,500 for the year ending June 30, 2004 and registration fees of \$5,850 for the 2003 summer institute received prior to June 30, 2003.

#### **(4) Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF)**

CCID, through Kirkwood Community College, contributes to the TIAA-CREF retirement program, which is a defined contribution plan. TIAA-CREF administers the retirement plan. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible CCID employees must participate in one of the retirement plans from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, each employee contributes 3.7% of earnings and CCID is required to contribute 5.75% of earnings. During the year ended June 30, 2003, CCID's required and actual contributions amounted to \$5,759. The employees' required and actual contributions amounted to \$3,706.

#### **(5) Accounting Change**

For the year ended June 30, 2003, CCID revised its capital asset capitalization policy. The threshold for capitalizing equipment and vehicles increased to \$5,000 from \$1,000. The policy applies the threshold to individual items and not items in the aggregate. These result in a restatement of the beginning balance for capital assets, as follows:

Unrestricted net assets at June 30, 2002	\$	37,943
Elimination of capital assets under the new capitalization threshold		(8,116)
Elimination of related accumulated depreciation		<u>6,226</u>
Unrestricted net assets at July 1, 2002	\$	<u><u>36,053</u></u>

**Independent Auditor's Report on Compliance  
and on Internal Control over Financial Reporting**



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Independent Auditor's Report on Compliance  
and on Internal Control over Financial Reporting

To the Board of Directors of Community  
Colleges for International Development, Inc.

We have audited the accompanying financial statements of Community Colleges for International Development, Inc., Cedar Rapids, Iowa, as of and for the year ended June 30, 2003, and have issued our report thereon dated October 1, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Community Colleges for International Development, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Colleges for International Development, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Community Colleges for International Development, Inc. and other parties to whom Community Colleges for International Development, Inc. may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Community Colleges for International Development, Inc. and Kirkwood Community College during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

October 1, 2003

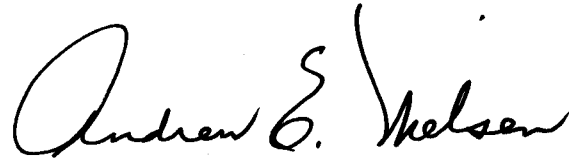
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Community Colleges for International Development, Inc.

Staff

This audit was performed by:

Pamela J. Bormann, CPA, Manager  
Jason R. Matter, Staff Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial 'A' and a distinct 'E'.

Andrew E. Nielsen, CPA  
Deputy Auditor of State