



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 11, 2004

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, 2004.

Community Colleges for International Development, Inc. (CCID) is a consortium of ninety 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 \$495,410 for the year ended June 30, 2004, an increase of 92% from the prior year, which was primarily due to an increase in fees collected from participants for study abroad programs. The expenditures for the year ended June 30, 2004 totaled \$463,067, an increase of 90% from the prior year, due primarily to an increase in travel costs associated with study abroad programs and professional development trips to foreign countries.

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, 2004

Table of Contents

	<u>Page</u>
Officials	3
Independent Auditor's Report	5
Financial Statements:	<u>Exhibit</u>
Statement of Financial Position	A 6
Statement of Activities and Changes in Net Assets	B 7
Statement of Functional Expenses	C 8
Statement of Cash Flows	D 9
Notes to Financial Statements	10-11
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting	13-14
Staff	15

Community College for International Development, Inc.

Officials

<u>Name</u>	<u>Position</u>	<u>Title</u>	<u>Position/Representing</u>
Executive Committee			
Dr. Orlando J. George, Jr.	Chair	President	Delaware Technical & Community College
Dr. Mary Ellen Duncan	Chair Elect	President	Howard Community College
Dr. Eddie Hernandez	Past Chair	Chancellor	Rancho Santiago Community College
Dr. Kent Sharples	Member-at-Large	President	Daytona Beach Community College
Dr. Norm Nielsen	Secretary/Treasurer	President	Kirkwood Community College
John Halder		President	CCID

Board of Directors

Dr. Stewart Sutin	Member	President	Community College of Allegheny County
Dr. Jerome Parker	Member	President	Delaware County Community College
Dr. John Blong	Member	Chancellor	Eastern Iowa Community College District
Dr. 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. V. Clyde Muse	Member	President	Hinds Community College
Dr. Robert A. Gordon	Member	President	Humber College
Dr. Tatsuo Iwahara	Member	Director, Int'l Affairs	Jikei Group
Dr. Arthur Scott	Member	President	Northampton Community College
Dr. Roy Flores	Member	Chancellor	Pima County Community College District
Dr. Madeleine Reeve	Member	Vice Chancellor	Royal Melbourne Institute of Technology
Dr. Steven Johnson	Member	President	Sinclair Community College
Dr. Henry Shannon	Member	Chancellor	St. Louis Community College
Dr. Thomas Crow	Member	Interim Chancellor	State Center Community College District
Dr. Joyce S. Tsunoda	Member	Vice-President	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, 2004. 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 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, 2004, 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.

In accordance with Government Auditing Standards, we have also issued our report dated October 11, 2004 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 11, 2004

Exhibit A

Community Colleges for International Development, Inc.

Statement of Financial Position

June 30, 2004

Assets

Current assets:	
Cash and pooled investments	\$ 92,142
Accounts receivable	1,317
Prepaid expense	<u>34,386</u>
Total assets	<u>\$ 127,845</u>

Liabilities and Net Assets

Current liabilities:	
Accounts payable	\$ 2,288
Deferred revenue	25,320
Compensated absences	<u>12,980</u>
Total current liabilities	40,588
Noncurrent liabilities:	
Compensated absences	<u>1,875</u>
Total liabilities	<u>42,463</u>
Net assets:	
Unrestricted	78,520
Temporarily restricted	<u>6,862</u>
Total net assets	<u>85,382</u>
Total liabilities and net assets	<u>\$ 127,845</u>

See notes to financial statements.

Community Colleges for International Development, Inc.

Statement of Activities and Changes in Net Assets

Year ended June 30, 2004

	Unrestricted	Temporarily Restricted	Total
Revenue, grants and other support:			
Membership dues	\$ 183,791	-	183,791
Professional development	115,760	-	115,760
Study abroad programs	113,248	-	113,248
Conference fees	46,800	-	46,800
Reimbursements for Presidents to Japan trip	14,318	-	14,318
Institute income	12,205	-	12,205
Donations	-	5,188	5,188
Grants	3,900	-	3,900
Miscellaneous	200	-	200
Total revenue, grants and other support	490,222	5,188	495,410
Expenses:			
Program services	132,892	746	133,638
Support services	329,429	-	329,429
Total expenses	462,321	746	463,067
Change in net assets	27,901	4,442	32,343
Net assets beginning of year	50,619	2,420	53,039
Net assets end of year	\$ 78,520	6,862	85,382

See notes to financial statements.

Exhibit C

Community Colleges for International Development, Inc.

Statement of Functional Expenses

Year ended June 30, 2004

	<u>Program</u> <u>Services</u>	<u>Support</u> <u>Services</u>	<u>Total</u>
Administration	\$ -	133,085	133,085
Professional services	1,800	6,367	8,167
Communications	-	875	875
Annual conference	-	23,844	23,844
Summer institute	-	13,066	13,066
Other services	9,992	33,748	43,740
Materials and supplies	95	3,754	3,849
Travel	121,005	114,690	235,695
Total	<u>\$ 132,892</u>	<u>329,429</u>	<u>462,321</u>

See notes to financial statements.

Community Colleges for International Development, Inc.

Statement of Cash Flows

Year ended June 30, 2004

Cash flows used by operating activities:	
Change in net assets	\$ 32,343
Adjustments to reconcile change in net assets to net cash used by operating activities:	
(Increase) in accounts receivable	(1,317)
(Increase) in prepaid expense	(34,386)
(Decrease) in accounts payable	(639)
(Decrease) in deferred revenue	(11,030)
Increase in compensated absences	<u>4,970</u>
Net cash used by operating activities	(10,059)
Beginning cash and cash equivalents	<u>102,201</u>
Ending cash and cash equivalents	<u><u>\$ 92,142</u></u>

See notes to financial statements.

Community Colleges for International Development, Inc.

Notes to Financial Statements

June 30, 2004

(1) Summary of Significant Accounting Policies

Organization

Community Colleges for International Development, Inc. (CCID) is a consortium of ninety 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 requirements 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 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, 2004.

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, 2004 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 \$25,320 consists of membership dues of \$18,250 for the year ending June 30, 2005 and registration fees of \$7,070 for the 2004 summer institute received prior to June 30, 2004.

(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 for the college. TIAA administers the retirement plan for the College. 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 a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 3.70% and CCID is required to contribute 5.75%. CCID's and the employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2004 were \$5,983 and \$3,850, respectively.

(5) Early Retirement and Contingent Liability

CCID employees are considered employees of Kirkwood Community College. Full-time certified staff who will be at least 55 years of age and who have at least 10 years of service with Kirkwood Community College are eligible for early retirement. Retirement would begin at the end of the employee's contract.

No CCID employees have elected early retirement as of June 30, 2004, so there is no liability. However, at June 30, 2004, the potential liability, if the eligible employee accepted early retirement, was approximately \$114,000.

**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, 2004, and have issued our report thereon dated October 11, 2004. 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

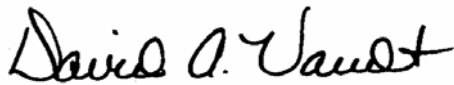
As part of obtaining reasonable assurance about whether Community Colleges for International Development, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could 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

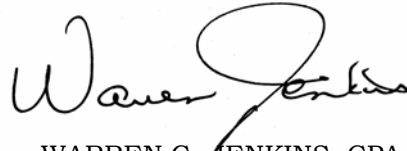
In planning and performing our audit, we considered Community Colleges for International Development, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the 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

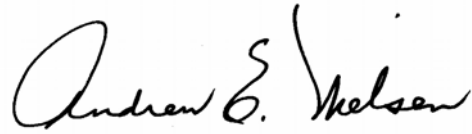
October 11, 2004

Community Colleges for International Development, Inc.

Staff

This audit was performed by:

Pamela J. Bormann, CPA, Manager
Kristen E. Harang, CPA, 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 "N".

Andrew E. Nielsen, CPA
Deputy Auditor of State