



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 21, 2005

Contact: Andy Nielsen
515/281-5834

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, 2005.

Community Colleges for International Development, Inc. (CCID) is a consortium of ninety-three 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 \$467,008 for the year ended June 30, 2005, a decrease of 6% from the prior year, which was primarily due to the professional development trip not being made until July of 2005. The expenditures for the year ended June 30, 2005 totaled \$455,818, a decrease of 2% from the prior year.

A copy of the audit report is available for review in the Office of Auditor of State, the Board Secretary's office of Kirkwood Community College and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.

**INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS**

JUNE 30, 2005

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Community Colleges for International Development, Inc.

Officials

<u>Name</u>	<u>Position</u>	<u>Title</u>	<u>Position/Representing</u>
Executive Committee			
Dr. Mary Ellen Duncan	Chair	President	Howard Community College
Dr. Kent Sharples	Chair Elect	President	Daytona Beach Community College
Dr. Priscilla Bell	Member-at-large	President	Highline Community College
Dr. Orlando J. George, Jr.	Past Chair	President	Delaware Technical & Community College
Dr. Norm Nielsen (retired Jan 2005)	Secretary/Treasurer	President	Kirkwood Community College
Dr. Mick Starcevich	Secretary/Treasurer	President	Kirkwood Community College
John Halder		President	CCID

Board of Directors

Dr. Mary Rittling	Member	President	Davidson County Community College
Dr. Jerome Parker	Member	President	Delaware County Community College
Dr. Patricia Keir	Member	Chancellor	Eastern Iowa Community College District
Mr. Richard Rutkowski	Member	President	Green River Community College
Dr. Gwendolyn W. Stephenson	Member	President	Hillsborough Community College
Dr. V. Clyde Muse	Member	President	Hinds Community College
Dr. Robert A. Gordon	Member	President	Humber College
Dr. Kunihiro Ukifune	Member	CEO	Jikei Group
Dr. John E. Pickelman	Member	Chancellor	North Harris Montgomery Community College
Dr. Arthur Scott	Member	President	Northampton Community College
Ms. Zelema Harris	Member	President	Parkland College
Dr. Roy Flores	Member	Chancellor	Pima County Community College District
Dr. Eddie Hernandez	Member	Chancellor	Rancho Santiago Community College
Dr. Steven Johnson	Member	President	Sinclair Community College
Dr. Henry Shannon	Member	Chancellor	St. Louis Community College
Dr. Thomas Crow	Member	Chancellor	State Center Community College District
Dr. Carl Haynes	Member	President	Tompkins Cortland Community College
Dr. Mark Silliman	Member	Vice-President	University of Hawaii Community College
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, 2005. 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 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, 2005, 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, 2005 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

October 11, 2005

Exhibit A

Community Colleges for International Development, Inc.

Statement of Financial Position

June 30, 2005

Assets

Current assets:

Cash and pooled investments	\$ 73,885
Accounts receivable	30,266
Prepaid expense	<u>112,504</u>

Total assets \$ 216,655

Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 2,369
Deferred revenue	100,194
Compensated absences	<u>13,079</u>
Total current liabilities	<u>115,642</u>

Noncurrent liabilities:

Compensated absences	<u>4,441</u>
Total liabilities	<u>120,083</u>

Net assets:

Unrestricted	90,528
Temporarily restricted	<u>6,044</u>
Total net assets	<u>96,572</u>

Total liabilities and net assets \$ 216,655

See notes to financial statements.

Community Colleges for International Development, Inc.

Statement of Activities and Changes in Net Assets

Year ended June 30, 2005

	Temporarily		
	Unrestricted	Restricted	Total
Revenue, grants and other support:			
Membership dues	\$ 188,371	-	188,371
Study abroad programs	137,369	-	137,369
Conference fees	70,107	-	70,107
Institute income	14,860	-	14,860
Grants	56,301	-	56,301
Total revenue, grants and other support	<u>467,008</u>	<u>-</u>	<u>467,008</u>
Expenses:			
Program services	79,984	818	80,802
Support services	375,016	-	375,016
Total expenses	<u>455,000</u>	<u>818</u>	<u>455,818</u>
Change in net assets	12,008	(818)	11,190
Net assets beginning of year	<u>78,520</u>	<u>6,862</u>	<u>85,382</u>
Net assets end of year	<u>\$ 90,528</u>	<u>6,044</u>	<u>96,572</u>

See notes to financial statements.

Exhibit C

Community Colleges for International Development, Inc.

Statement of Functional Expenses

Year ended June 30, 2005

	<u>Program</u>	<u>Support</u>	
	<u>Services</u>	<u>Services</u>	<u>Total</u>
Administration	\$ 11,113	133,592	144,705
Professional services	7,421	10,164	17,585
Communications	22	1,322	1,344
Annual conference	-	14,751	14,751
Summer institute	-	31,578	31,578
Other services	12,644	32,747	45,391
Materials and supplies	319	2,842	3,161
Travel	48,465	148,020	196,485
Total	<u>\$ 79,984</u>	<u>375,016</u>	<u>455,000</u>

See notes to financial statements.

Community Colleges for International Development, Inc.

Statement of Cash Flows

Year ended June 30, 2005

Cash flows used by operating activities:	
Change in net assets	\$ 11,190
Adjustments to reconcile change in net assets to net cash used by operating activities:	
(Increase) in accounts receivable	(28,949)
(Increase) in prepaid expense	(78,118)
Increase in accounts payable	81
Increase in deferred revenue	74,874
Increase in compensated absences	<u>2,665</u>
Net cash used by operating activities	(18,257)
Beginning cash and cash equivalents	<u>92,142</u>
Ending cash and cash equivalents	<u><u>\$ 73,885</u></u>

See notes to financial statements.

Community Colleges for International Development, Inc.

Notes to Financial Statements

June 30, 2005

(1) Summary of Significant Accounting Policies

Organization

Community Colleges for International Development, Inc. (CCID) is a consortium of ninety-three 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, 2005.

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, 2005 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 \$100,194 consists of membership dues of \$750 for the year ending June 30, 2005, registration fees of \$3,460 for the 2005 summer institute received prior to June 30, 2005 and professional development fees of \$95,984 for the 2005 summer professional development trip received prior to June 30, 2005.

(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, 2005 were \$6,618 and \$4,259, 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, 2005, so there is no liability. However, at June 30, 2005, the potential liability, if the eligible employee accepted early retirement, was approximately \$125,000.

**Independent Auditor's Report on
Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**



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Government Auditing Standards

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, 2005, and have issued our report thereon dated October 11, 2005. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

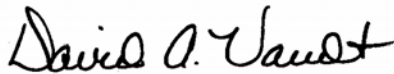
In planning and performing our audit, we considered Community Colleges for International Development, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the 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 caused by error or fraud 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 internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

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, including federal awarding agencies and pass-through entities. 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

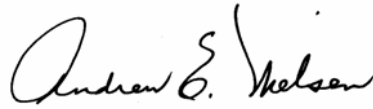
October 11, 2005

Community Colleges for International Development, Inc.

Staff

This audit was performed by:

Pamela J. Bormann, CPA, Manager
Ryan J. Johnson, 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 a distinct 'E'.

Andrew E. Nielsen, CPA
Deputy Auditor of State