



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

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

**NEWS RELEASE**

FOR RELEASE January 17, 2007

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, 2006.

Community Colleges for International Development, Inc. (CCID) is a consortium of 114 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 \$664,626 for the year ended June 30, 2006, an increase of 42% over the prior year, which was primarily due to a professional development trip to Japan being made during fiscal year 2006. Expenditures for the year ended June 30, 2006 totaled \$689,651, an increase of 51% over the prior year, due in part to the professional development trip and an additional study abroad trip taken during fiscal year 2006.

A copy of the audit report is available for review in the Board Secretary's office of Kirkwood Community College, in the Office of Auditor of State 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, 2006**

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

**Officials**

| <u>Name</u>                | <u>Position</u>     | <u>Title</u>    | <u>Position/Representing</u>              |
|----------------------------|---------------------|-----------------|---|
| <b>Executive Committee</b> |                     |                 |   |
| Dr. Kent Sharples          | Chair               | President       | Daytona Beach Community College           |
| Dr. Gwendolyn Stephenson   | Chair Elect         | President       | Hillsborough Community college            |
| Dr. Priscilla Bell         | Member-at-large     | President       | Highline Community College                |
| Dr. Mary Ellen Duncan      | Past Chair          | President       | Howard Community College                  |
| Dr. Mick Starceovich       | Secretary/Treasurer | President       | Kirkwood Community College                |
| John Halder                |                     | President       | CCID                                      |
| <b>Board of Directors</b>  |                     |                 |   |
| Dr. Mary Rittling          | Member              | President       | Davidson County Community College         |
| Dr. Jerome Parker          | Member              | President       | Delaware County Community College         |
| Dr. Orlando George Jr.     | Member              | President       | Delaware Technical and Community College  |
| Dr. Patricia Keir          | Member              | Chancellor      | Eastern Iowa Community College District   |
| Mr. Richard Rutkowski      | Member              | President       | Green River Community College             |
| Dr. V. Clyde Muse          | Member              | President       | Hinds Community College                   |
| Dr. Robert A. Gordon       | Member              | President       | Humber College                            |
| Dr. Kunihiko Ukifune       | Member              | CEO             | Jikei Group of Colleges                   |
| Dr. Vernon Crawley         | Member              | President       | Moraine Valley Community College          |
| 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. John Morton            | Member              | Vice-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, 2006. 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, 2006, 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 10, 2006 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 10, 2006

**Exhibit A**

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## Community Colleges for International Development, Inc.

## Statement of Financial Position

June 30, 2006

**Assets**

|                             |                   |
|-----------------------------|-------------------|
| Current assets:             |                   |
| Cash and pooled investments | \$ 114,347        |
| Accounts receivable         | 9,016             |
| Prepaid expense             | 54,124            |
|                             | <hr/>             |
| <b>Total assets</b>         | <b>\$ 177,487</b> |
|                             | <hr/> <hr/>       |

**Liabilities and Net Assets**

|   |                   |
|---|-------------------|
| Current liabilities:                    |                   |
| Accounts payable                        | \$ 1,563          |
| Deferred revenue                        | 84,570            |
| Compensated absences                    | 8,809             |
| Total current liabilities               | <hr/> 94,942      |
| Noncurrent liabilities:                 |                   |
| Compensated absences                    | 10,998            |
| Total liabilities                       | <hr/> 105,940     |
| Net assets:                             |                   |
| Unrestricted                            | 66,193            |
| Temporarily restricted                  | 5,354             |
| Total net assets                        | <hr/> 71,547      |
|   | <hr/> <hr/>       |
| <b>Total liabilities and net assets</b> | <b>\$ 177,487</b> |

See notes to financial statements.

## Community Colleges for International Development, Inc.

## Statement of Activities and Changes in Net Assets

Year ended June 30, 2006

|   | Temporarily      |              | Total          |
|---|------------------|--------------|----------------|
|   | Unrestricted     | Restricted   |                |
| Revenue, grants and other support:      |                  |              |                |
| Membership dues                         | \$ 250,778       | -            | 250,778        |
| Study abroad programs                   | 225,676          | -            | 225,676        |
| Conference fees                         | 53,765           | -            | 53,765         |
| Professional development                | 96,358           | -            | 96,358         |
| Institute income                        | 9,125            | -            | 9,125          |
| Grants                                  | 28,924           | -            | 28,924         |
| Total revenue, grants and other support | <u>664,626</u>   | <u>-</u>     | <u>664,626</u> |
| Expenses:                               |                  |              |                |
| Program services                        | 176,048          | 690          | 176,738        |
| Support services                        | 512,913          | -            | 512,913        |
| Total expenses                          | <u>688,961</u>   | <u>690</u>   | <u>689,651</u> |
| Change in net assets                    | (24,335)         | (690)        | (25,025)       |
| Net assets beginning of year            | <u>90,528</u>    | <u>6,044</u> | <u>96,572</u>  |
| Net assets end of year                  | <u>\$ 66,193</u> | <u>5,354</u> | <u>71,547</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, 2006

|                        | <u>Program</u><br><u>Services</u> | <u>Support</u><br><u>Services</u> | <u>Total</u>   |
|------------------------|-----------------------------------|-----------------------------------|----------------|
| Administration         | \$ 1,680                          | 159,648                           | 161,328        |
| Professional services  | 5,291                             | 5,491                             | 10,782         |
| Communications         | -                                 | 1,190                             | 1,190          |
| Annual conference      | -                                 | 25,591                            | 25,591         |
| Summer institute       | -                                 | 10,091                            | 10,091         |
| Other services         | 12,422                            | 30,392                            | 42,814         |
| Materials and supplies | 1,039                             | 11,551                            | 12,590         |
| Travel                 | 155,616                           | 268,959                           | 424,575        |
| Total                  | <u>\$ 176,048</u>                 | <u>512,913</u>                    | <u>688,961</u> |

See notes to financial statements.

## Community Colleges for International Development, Inc.

## Statement of Cash Flows

Year ended June 30, 2006

|  |                        |
|--|------------------------|
| Cash flows used by operating activities:   |                        |
| Change in net assets   | \$ (25,025)            |
| Adjustments to reconcile change in net<br>assets to net cash used by operating activities: |                        |
| Decrease in accounts receivable  | 21,250                 |
| Decrease in prepaid expense  | 58,380                 |
| (Decrease) in accounts payable   | (806)                  |
| (Decrease) in deferred revenue   | (15,624)               |
| Increase in compensated absences   | 2,287                  |
|  | <hr/>                  |
| Net cash used by operating activities  | 40,462                 |
| Beginning cash and cash equivalents  | <hr/> 73,885           |
| Ending cash and cash equivalents   | <hr/> <hr/> \$ 114,347 |

See notes to financial statements.

Community Colleges for International Development, Inc.

Notes to Financial Statements

June 30, 2006

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

Organization

Community Colleges for International Development, Inc. (CCID) is a consortium of 114 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 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, 2006.

### 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, 2006 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 \$84,570 consists of membership dues of \$16,018 for the year ending June 30, 2007, registration fees of \$3,290 for the 2006 summer institute received prior to June 30, 2006 and professional development fees of \$65,262 for the 2006 summer professional development trip received prior to June 30, 2006.

#### **(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, 2006 were \$6,972 and \$4,486, 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, 2006, so there is no liability. However, at June 30, 2006, the potential liability, if the eligible employee accepted early retirement, was approximately \$123,000.

**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  
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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, 2006, and have issued our report thereon dated October 10, 2006. 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

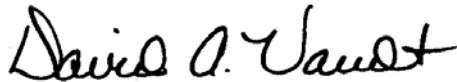
In planning and performing our audit, we considered Community Colleges for International Development, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the 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. 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 10, 2006

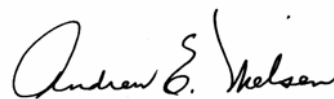
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Community Colleges for International Development, Inc.

Staff

This audit was performed by:

Michelle B. Meyer, CPA, Manager  
Bradley A. Meisterling, 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'.

Andrew E. Nielsen, CPA  
Deputy Auditor of State