



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

Richard D. Johnson, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

Warren G. Jenkins, CPA
Chief Deputy Auditor of State

NEWS RELEASE

FOR RELEASE

November 13, 2002

**Contact: Andy Nielsen
515/281-5515**

Auditor of State Richard Johnson today released an audit report on the Community Colleges for International Development, Inc., Cedar Rapids, Iowa for the year ended June 30, 2002.

The Community Colleges for International Development, Inc. (CCID) is a consortium of seventy-seven United States and Canadian Community Colleges 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.

Johnson reported that CCID had revenues of \$296,910 for the year ended June 30, 2002, an increase of 4% from the prior year, which was due primarily to a contract to provide training to higher education officials from Pakistan. The expenditures for the year ended June 30, 2002 totaled \$293,561, a decrease of 9% from the prior year, due primarily to a decrease in payroll and travel costs.

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

###

COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.

**INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS**

JUNE 30, 2002

Table of Contents

	Page
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	10-12
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>Title</u>	<u>Position/Representing</u>
Executive Committee		
Dr. V. Clyde Muse	Chairperson	President, Hinds Community College
Dr. Eddie Hernandez	Chair Elect	Chancellor, Rancho Santiago Community College District
Dr. Norm Nielsen	Secretary/Treasurer	President, Kirkwood Community College
Dr. Joyce S. Tsunoda	Past Chair	Chancellor, University of Hawaii Community College
Dr. Robert J. Kopecek	Member at Large	President, Northampton 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. Orlando J. George, Jr.	Member	President, Delaware Technical & 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. Mary Ellen Duncan	Member	President, Howard Community College
Dr. Robert A. Gordon	Member	President, Humber College
Dr. Robert D. Jensen	Member	Chancellor, Pima County Community College District
Dr. Madeleine Reeve	Member	Vice Chancellor, Royal Melbourne Institute of Technology
Dr. John Strasser	Member	President, St. Clair College of Applied Arts & Technology
Dr. Henry Shannon	Member	Chancellor, St. Louis Community College
Dr. Ned Sifferlen	Member	President, Sinclair Community College
Dr. Judith Redwine	Member	Chancellor, State Center Community College District
Dr. Richard T. Anderson	Member	President, Waukesha County Technical College

Community Colleges for International Development, Inc.



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

Richard D. Johnson, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

Warren G. Jenkins, CPA
Chief Deputy Auditor of State

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, 2002. 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. at June 30, 2002, 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 September 27, 2002 on our consideration of the 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.

RICHARD D. JOHNSON, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

September 27, 2002

Exhibit A

Community Colleges for International Development, Inc.

Statement of Financial Position

June 30, 2002

Assets

Current assets:	
Cash and pooled investments	\$ 115,167
Office equipment, net of accumulated depreciation of \$6,226	<u>1,890</u>
Total assets	<u><u>\$ 117,057</u></u>

Liabilities and Net Assets

Current liabilities:	
Accounts payable	\$ 400
Deferred revenue	63,725
Compensated absences	<u>11,951</u>
Total current liabilities	<u>76,076</u>
Net assets:	
Unrestricted	37,943
Temporarily restricted	<u>3,038</u>
Total net assets	<u>40,981</u>
Total liabilities and net assets	<u><u>\$ 117,057</u></u>

See notes to financial statements.

Community Colleges for International Development, Inc.

Statement of Activities and Changes in Net Assets

Year ended June 30, 2002

	Temporarily		Total
	Unrestricted	Restricted	
Revenue, grants and other support:			
Membership dues	\$ 194,042	-	194,042
Conference fees	57,290	-	57,290
Institute income	12,046	-	12,046
Professional development fees	1,200	-	1,200
Contract for training of Pakistan higher education officials	25,500	-	25,500
Miscellaneous	6,832	-	6,832
Total revenue, grants and other support	296,910	-	296,910
Expenses:			
Program services	25,233	-	25,233
Support services	268,328	-	268,328
Total expenses	293,561	-	293,561
Change in net assets	3,349	-	3,349
Net assets, beginning of year	34,594	3,038	37,632
Net assets, end of year	\$ 37,943	3,038	40,981

See notes to financial statements.

Exhibit C

Community Colleges for International Development, Inc.

Statement of Functional Expenses

Year ended June 30, 2002

	<u>Program</u> <u>Services</u>	<u>Support</u> <u>Services</u>	<u>Total</u>
Administration	\$ -	118,969	118,969
Professional services	5,941	7,256	13,197
Communications	-	1,167	1,167
Annual conference	-	45,879	45,879
Summer institute	-	13,916	13,916
Other services	10,447	55,809	66,256
Materials and supplies	-	8,782	8,782
Travel	8,845	15,605	24,450
Depreciation	-	945	945
Total	<u>\$ 25,233</u>	<u>268,328</u>	<u>293,561</u>

See notes to financial statements.

Community Colleges for International Development, Inc.

Statement of Cash Flows

Year ended June 30, 2002

Cash flows from operating activities:	
Change in net assets	\$ 3,349
Adjustments to reconcile change in net assets to cash provided by operating activity:	
Depreciation	945
Increase in accounts payable	175
Increase in deferred revenue	54,884
Increase in compensated absences	1,391
	<hr/>
Net cash provided by operations	60,744
Beginning cash and cash equivalents	<hr/> 54,423
Ending cash and cash equivalents	<hr/> <hr/> \$ 115,167

See notes to financial statements.

Community Colleges for International Development, Inc.

Notes to Financial Statements

June 30, 2002

(1) Summary of Significant Accounting Policies

Organization

Community Colleges for International Development, Inc. (CCID) is a consortium of seventy-seven United States and Canadian community, junior, and technical colleges. 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 are 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.

Equipment

Equipment in excess of \$1,000 is capitalized. Assets are depreciated over the estimated useful lives of five years on a straight-line basis.

Compensated Absences

The CCID employee accumulates 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 the rate of pay in effect at June 30, 2002.

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, 2002 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 \$63,725 consists of membership dues of \$59,375 and summer institute registration fees of \$4,350 received prior to June 30, 2002.

(4) Iowa Public Employees Retirement System (IPERS)

CCID contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.7% of their annual covered salary and the College is required to contribute 5.75% of annual payroll. Contribution requirements are established by state statute. CCID's contribution to IPERS for the year ended June 30, 2002 was \$521, equal to the required contribution for the year.

(5) 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, 2002 CCID's required and actual contributions amounted to \$4,340. Employees required and actual contribution amounted to \$2,793.



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

Richard D. Johnson, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

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

Warren G. Jenkins, CPA
Chief Deputy Auditor of State

**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, 2002, and have issued our report thereon dated September 27, 2002. 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 the 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 the 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 the Community Colleges for International Development, Inc. and other parties to whom the 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 the 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.

RICHARD D. JOHNSON, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

September 27, 2002

Community Colleges for International Development, Inc.

Staff

This audit was performed by:

Tamera S. Kusian, CPA, Director
Jason R. Matter, Staff Auditor

Andrew E. Nielsen, CPA
Deputy Auditor of State