

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

Financial Report
June 30, 2011

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Community Colleges for International Development, Inc.

Officials

June 30, 2011

Name	Position	Title	Representing
Executive Committee			
Dr. Jack Bermingham	Chair	President	Highline Community College
Dr. Richard Carpenter	Chair Elect	Chancellor	Lone Star College System
Dr. Patricia Keir	Past Chair	President	Eastern Iowa Comm College District
Dr. Lori Weyers	Member at Large	President	Northcentral Technical College
Dr. Mick Starcevich	Secretary/Treasurer	President	Kirkwood Community College
Mr. Ed Stoessel	Interim CEO	Interim President	Community College for International Development
Board of Directors			
Dr. Jerry Weber	Board Member	President	College of Lake County
Dr. Mary Rittling	Board Member	President	Davidson County Community College
Dr. Kent Sharples	Board Member	President	Daytona State College
Dr. Orlando George Jr.	Board Member	President	Delaware Technical and Community College
Dr. Susan May	Board Member	President	Fox Valley Technical College
Dr. Eileen Ely	Board Member	President	Green River Community College
Dr. Ken Atwater	Board Member	President	Hillsborough Community College
Dr. V. Clyde Muse	Board Member	President	Hinds Community College
Dr. Kathleen B. Hetherington	Board Member	President	Howard Community College
Mr. John Davies	Board Member	President	Humber College
Dr. Kunihiro Ukifune	Board Member	CEO	Jikei Group of Colleges
Mr. Bruno Lindskjold	Board Member	President	Lillebaelt Academy of Prof. Higher Education
Dr. Vernon Crawley	Board Member	President	Moraine Valley Community College
Dr. Arthur Scott	Board Member	President	Northampton Community College
Dr. Tom Ramage	Board Member	President	Parkland College
Dr. Raul Rodriguez	Board Member	Chancellor	Rancho Santiago Community College District
Dr. Zelema Harris	Board Member	President	St. Louis Community College
Dr. Steven Johnson	Board Member	President	Sinclair Community College
Dr. Deborah Blue	Board Member	Chancellor	State Center Community College District
Dr. Carl Haynes	Board Member	President	Tompkins Cortland Community College
Dr. John Morton	Board Member	Vice President	University of Hawaii Community Colleges
Dr. Barbara Prindiville	Board Member	President	Waukesha County Technical College



Independent Auditor's Report

To the Executive Committee
Community Colleges for International Development, Inc.
Cedar Rapids, Iowa

We have audited the accompanying statements of financial position of Community Colleges for International Development, Inc. (CCID) as of June 30, 2011 and 2010 and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of CCID's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits provide 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, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Davenport, Iowa
March 22, 2012

Community Colleges for International Development, Inc.

Statements of Financial Position
June 30, 2011 and 2010

Assets	2011	2010
Current Asset		
Prepaid expenses	\$ 92,110	\$ -
Grants receivable from other governments	2,512,969	2,894,459
Other receivables	46,517	-
Total assets	\$ 2,651,596	\$ 2,894,459
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 1,253,159	\$ 1,915,980
Due to Kirkwood Community College (Note 2)	888,840	584,359
Deferred revenue (Note 4)	70,385	28,327
Compensated absences	38,419	26,385
Total liabilities	2,250,803	2,555,051
Net Assets:		
Unrestricted	396,881	335,843
Temporarily restricted	3,912	3,565
Total net assets	400,793	339,408
Total liabilities and net assets	\$ 2,651,596	\$ 2,894,459

See Notes to Financial Statements.

Community Colleges for International Development, Inc.

**Statements of Activities
Years Ended June 30, 2011 and 2010**

	2011		
	Unrestricted	Temporarily Restricted	Total
Revenue, grants and other support:			
Membership dues	\$ 257,408	\$ -	\$ 257,408
Study abroad programs	250,846	-	250,846
Conference fees	96,124	-	96,124
Presidents visits	-	-	-
Professional development	32,366	-	32,366
Institute income	5,590	-	5,590
Grants (Note 3)	10,243,662	-	10,243,662
Contributed facilities, Kirkwood Facilities Foundation	39,000	-	39,000
Miscellaneous revenue	13,281	1,000	14,281
	<u>10,938,277</u>	<u>1,000</u>	<u>10,939,277</u>
Net assets released from restrictions	653	(653)	-
Total revenue, grants and other support	<u>10,938,930</u>	<u>347</u>	<u>10,939,277</u>
Expenses:			
Program and grant services, international student programs	10,503,624	-	10,503,624
Administration/office support	374,268	-	374,268
Total expenses	<u>10,877,892</u>	<u>-</u>	<u>10,877,892</u>
Change in net assets	61,038	347	61,385
Net assets:			
Beginning	335,843	3,565	339,408
Ending	<u>\$ 396,881</u>	<u>\$ 3,912</u>	<u>\$ 400,793</u>

See Notes to Financial Statements.

2010

Unrestricted		Temporarily Restricted		Total
\$	260,835	\$	-	\$ 260,835
	390,164		-	390,164
	90,430		-	90,430
	21,250		-	21,250
	21,875		-	21,875
	12,595		-	12,595
	14,268,137		-	14,268,137
	39,000		-	39,000
	22,745		-	22,745
	15,127,031		-	15,127,031
	166		(166)	-
	15,127,197		(166)	15,127,031
	14,487,274		-	14,487,274
	354,539		-	354,539
	14,841,813		-	14,841,813
	285,384		(166)	285,218
	50,459		3,731	54,190
\$	335,843	\$	3,565	\$ 339,408

Community Colleges for International Development, Inc.

Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities:		
Change in net assets	\$ 61,385	\$ 285,218
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease in due from other governments and others	334,973	128,049
(Increase) decrease in prepaid expense	(92,110)	3,868
(Decrease) increase in accounts payable	(662,821)	1,448,159
Increase (decrease) in due to Kirkwood Community College	304,481	(1,770,399)
Increase (decrease) in deferred revenue	42,058	(78,296)
Increase (decrease) in compensated absences	12,034	(16,599)
Net cash provided by operating activities	-	-
Cash and cash equivalents:		
Beginning	-	-
Ending	\$ -	\$ -

See Notes to Financial Statements.

Community Colleges for International Development, Inc.

**Statements of Functional Expenses
Years Ended June 30, 2011 and 2010**

	2011		
	Program and Grant Services		Total
	International Student Programs	Administration/ Office Support	
Administration	\$ -	\$ 187,019	\$ 187,019
Professional services	1,000	47,251	48,251
Conferences and events	86,868	-	86,868
Community College Summit Initiative Program	10,054,777	-	10,054,777
Office services and supplies	50,066	68,742	118,808
Travel	299,735	32,256	331,991
Rent	-	39,000	39,000
Miscellaneous	11,178	-	11,178
	\$ 10,503,624	\$ 374,268	\$ 10,877,892

See Notes to Financial Statements.

2010

Program and Grant Services		
International Student Programs	Administration/Office Support	Total
\$ -	\$ 235,008	\$ 235,008
79	24,998	25,077
74,347	-	74,347
14,036,640	-	14,036,640
20,248	23,118	43,366
355,294	29,587	384,881
-	39,000	39,000
666	2,828	3,494
<u>\$ 14,487,274</u>	<u>\$ 354,539</u>	<u>\$ 14,841,813</u>

Community Colleges for International Development, Inc.

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies

Organization:

Community Colleges for International Development, Inc. (CCID) is a consortium of 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 a Kirkwood Community College facility in Cedar Rapids, Iowa since 1998.

Significant Accounting Policies:

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, revenues, expenses and related disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Basis of presentation: CCID is required to report information regarding financial position and activities according to three classes of net assets. Assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of CCID and changes therein are classified and reported 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 may or will be met either by actions of the Organization and/or the passage of time. The only temporarily restricted net assets as of June 30, 2011 and 2010 relate to one scholarship award.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that neither expire by the passage of time and/or are otherwise removed by actions of the Organization. There were no permanently restricted net assets for the fiscal years ended June 30, 2011 and 2010.

Revenue recognition:

Program and grant revenue: Revenue for programs is recognized when services are performed. Revenue from grants is recognized when CCID has met the grant's eligibility requirements.

Membership dues: Membership dues are recognized for the fiscal year in effect. Dues are prorated if an institution joins CCID during the fiscal year.

Contributed facilities: CCID receives the use of facilities from Kirkwood Facilities Foundation. The value of donated facilities is computed using the square footage used and an estimated fair value rental rate.

Community Colleges for International Development, Inc.

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies (Continued)

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.

CCID has commingled its cash with Kirkwood Community College to obtain greater flexibility, efficiency and return. The amounts held by the College are included in due to/from Kirkwood Community College on the statement of financial position.

Kirkwood Community College's deposits as of June 30, 2011 were 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.

Grants receivable from other governments: Grants receivable from other governments represent grant funds due from governmental agencies for eligible expenses incurred. Management believes these amounts are collectible.

Deferred revenue: Monies received by CCID for program services that have not yet been provided are recorded as deferred revenue.

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 accumulated compensated absences is recorded as a liability. This liability has been computed based on rates of pay in effect as of fiscal year-end.

Income taxes: CCID is recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. CCID may be subject to federal and state income taxes on any net income from unrelated business activities. CCID files a Form 990 (Return of Organization Exempt from Income Tax) annually and unrelated business taxable income (UBIT) is reported on Form 990-T, as appropriate. Management has evaluated their material tax positions, which include such matters as the tax exempt status and various positions relative to potential sources of UBIT. As of June 30, 2011 and 2010, there were no uncertain tax benefits identified and recorded as a liability. Generally, Forms 990 and 990-T filed by CCID are no longer subject to examination by the Internal Revenue Service for the fiscal years ended June 30, 2007 and prior.

Reclassifications: Certain amounts on the June 30, 2010 statements of activities were reclassified to conform to June 30, 2011 presentation with no effect on change in net assets or net assets.

Subsequent events: Management has considered subsequent events through March 22, 2012, the date the financial statements were available to be issued, in preparing these financial statements and the notes thereto.

Note 2. Kirkwood Community College Allocations and Due from/to Kirkwood Community College

Kirkwood Community College is the fiscal agent of CCID. As its fiscal agent, the College pays all expenses, including salaries, for CCID. The College allocates these expenses to CCID, which results in direct costs. Included in these expenses is a provision for sharing in the College's risk management program.

The net effect of the allocations above results in an amount due to or due from the College. At June 30, 2011 and 2010, CCID owed the College \$888,840 and \$584,359, respectively.

Community Colleges for International Development, Inc.

Notes to Financial Statements

Note 3. Grant Income and Concentration

CCID received funding under the Community College Summit Initiative Program passed through Kirkwood Community College from the Department of State for the year ended June 30, 2011. This funding is designed to bring students in vocational and technical fields in selected countries for study at community college campuses across the United States, to increase their employment-related skills and knowledge of English, contribute to the economic development of their countries and promote mutual understanding. Kirkwood Community College is the grantee. The College retains amounts for its international program and administrative costs and passes the remainder of the grant to CCID as a subrecipient. Amounts retained by the College were \$595,576 and \$1,063,411 for the years ended June 30, 2011 and 2010, respectively. CCID funding under these grants is passed through to subrecipients, used for direct costs and travel, paid to beneficiaries and used to fund certain administrative costs. Amounts recognized as grant revenue and passed through to subrecipients, used for direct costs and travel, or paid directly to beneficiaries totaled \$10,049,708 and \$14,053,078 for the years ended June 30, 2011 and 2010, respectively. Amounts received for administrative costs totaled \$75,000 and \$170,023 for the years ended June 30, 2011 and 2010, respectively. This amount is included in grant revenue and the related program service expense in the statement of activities.

Revenue from these grants represented approximately 93.7% and 94.4% of CCID's total revenue, grants and other support for the years ended June 30, 2011 and 2010, respectively.

Note 4. Deferred Revenue

The following is a summary of CCID's deferred revenue at June 30, 2011 and 2010:

	2011	2010
Membership dues	\$ 61,405	\$ 1,382
Summer institute	8,980	10,495
Study abroad fees	-	16,450
	<u>\$ 70,385</u>	<u>\$ 28,327</u>

Note 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 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 4.30% and CCID is required to contribute 6.65%. CCID's and the employees' contributions to TIAA-CREF for the year ended June 30, 2011 were \$26,573 and \$17,183, respectively. CCID's and the employees' contributions to TIAA-CREF for the year ended June 30, 2010 were \$30,308 and \$19,598, respectively.

Community Colleges for International Development, Inc.

Notes to Financial Statements

Note 6. Iowa Public Employees Retirement System (IPERS)

CCID, through Kirkwood Community College, 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 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 4.30% of their annual covered salary and CCID is required to contribute 6.65% of annual covered salary. Contribution requirements are established by state statute. CCID's contributions to IPERS for the years ended June 30, 2011 and 2010 were \$25,651 and \$17,509, respectively, equal to the required contributions for the year.