

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

Financial Report  
June 30, 2012

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## Community Colleges for International Development, Inc.

### Officials

June 30, 2012

Name	Position	Title	Representing
<b>Executive Committee</b>			
Dr. Richard Carpenter	Chair	Chancellor	Lone Star College System
Dr. Steven Johnson	Chair Elect	President	Sinclair Community College
Dr. Jack Bermingham	Past Chair	President	Highline Community College
Dr. Barbara Prindiville	Member at Large	President	Waukesha County Technical College
Dr. Mick Starceвич	Secretary/Treasurer	President	Kirkwood Community College
Dr. Carol Stax Brown	Executive Director	President	Community College for International Development
<b>Board of Directors</b>			
Dr. Jerry Weber	Board Member	President	College of Lake County
Dr. Mary Rittling	Board Member	President	Davidson County Community College
Mr. Frank Lombardo	Board Member	President	Daytona State College
Dr. Orlando George Jr.	Board Member	President	Delaware Technical and Community College
Dr. Donald Doucette	Board Member	Chancellor	Eastern Iowa Community College District
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. Kunihiko Ukifune	Board Member	CEO	Jikei Group of Colleges
Mr. Bruno Lindskjold	Board Member	President	Lillebaelt Academy of Prof. Higher Education
Dr. Bettsey Barhorst	Board Member	President	Madison Area Technical College
Dr. Vernon Crawley	Board Member	President	Moraine Valley Community College
Dr. Lori Weyers	Board Member	President	Northcentral Technical 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	Chancellor	St. Louis Community College District
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-Chancellor	University of Hawaii Community Colleges



## 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, 2012 and 2011 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, 2012 and 2011 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 LLP*

Davenport, Iowa  
February 1, 2013

Community Colleges for International Development, Inc.

Statements of Financial Position  
June 30, 2012 and 2011

<b>Assets</b>	<b>2012</b>	<b>2011</b>
Current Assets:		
Prepaid expenses	\$ 75,271	\$ 92,110
Grants receivable from other governments	2,357,054	2,512,969
Other receivables	53,435	46,517
<b>Total assets</b>	<b>\$ 2,485,760</b>	<b>\$ 2,651,596</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 677,832	\$ 1,253,159
Due to Kirkwood Community College	1,143,073	888,840
Deferred revenue	80,669	70,385
Accrued expenses	13,556	-
Compensated absences	68,027	38,419
<b>Total liabilities</b>	<b>1,983,157</b>	<b>2,250,803</b>
Net Assets:		
Unrestricted	498,890	396,881
Temporarily restricted	3,713	3,912
<b>Total net assets</b>	<b>502,603</b>	<b>400,793</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,485,760</b>	<b>\$ 2,651,596</b>

See Notes to Financial Statements.

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

**Statements of Activities  
Years Ended June 30, 2012 and 2011**

	2012		
	Unrestricted	Temporarily Restricted	Total
Revenue, grants and other support:			
Membership dues	\$ 273,633	\$ -	\$ 273,633
Study abroad programs	217,779	-	217,779
Conference fees	140,799	-	140,799
Professional development	-	-	-
Institute income	17,220	-	17,220
Grants	6,802,337	-	6,802,337
Contributed facilities, Kirkwood Facilities Foundation	39,000	-	39,000
Miscellaneous revenue	27,845	500	28,345
	<u>7,518,613</u>	<u>500</u>	<u>7,519,113</u>
Net assets released from restrictions	699	(699)	-
<b>Total revenue, grants and other support</b>	<u>7,519,312</u>	<u>(199)</u>	<u>7,519,113</u>
Expenses:			
Program and grant services, international student programs	6,953,650	-	6,953,650
Administration/office support	463,653	-	463,653
<b>Total expenses</b>	<u>7,417,303</u>	<u>-</u>	<u>7,417,303</u>
<b>Change in net assets</b>	<b>102,009</b>	<b>(199)</b>	<b>101,810</b>
Net assets:			
Beginning	396,881	3,912	400,793
Ending	<u>\$ 498,890</u>	<u>\$ 3,713</u>	<u>\$ 502,603</u>

See Notes to Financial Statements.

2011

Unrestricted		Temporarily Restricted		Total
\$	257,408	\$	-	\$ 257,408
	250,846		-	250,846
	96,124		-	96,124
	32,366		-	32,366
	5,590		-	5,590
	10,243,662		-	10,243,662
	39,000		-	39,000
	13,281		1,000	14,281
	10,938,277		1,000	10,939,277
	653		(653)	-
	10,938,930		347	10,939,277
	10,503,624		-	10,503,624
	374,268		-	374,268
	10,877,892		-	10,877,892
	61,038		347	61,385
	335,843		3,565	339,408
\$	396,881	\$	3,912	\$ 400,793

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

**Statements of Cash Flows**  
**Years Ended June 30, 2012 and 2011**

	2012	2011
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 101,810	\$ 61,385
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease in due from other governments and others	148,997	334,973
(Increase) decrease in prepaid expense	16,839	(92,110)
(Decrease) in accounts payable	(575,327)	(662,821)
Increase in due to Kirkwood Community College	254,233	304,481
Increase in deferred revenue	10,284	42,058
Increase in accrued expenses	13,556	-
Increase in compensated absences	29,608	12,034
<b>Net cash provided by operating activities</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents:</b>		
Beginning	-	-
Ending	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.



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

**Statements of Functional Expenses  
Years Ended June 30, 2012 and 2011**

	<b>2012</b>		
	<b>Program and Grant Services</b>		<b>Total</b>
	<b>International Student Programs</b>	<b>Administration/ Office Support</b>	
Administration	\$ -	\$ 267,575	\$ 267,575
Professional services	1,000	36,191	37,191
Conferences and events	101,634	-	101,634
Grants and other assistance to organizations in the U.S.	6,445,569	-	6,445,569
Other services	139,670	78,136	217,806
Travel	265,777	32,672	298,449
Rent	-	39,000	39,000
Miscellaneous	-	10,079	10,079
	<b>\$ 6,953,650</b>	<b>\$ 463,653</b>	<b>\$ 7,417,303</b>

See Notes to Financial Statements.

2011

Program and Grant Services		
International Student Programs	Administration/Office Support	Total
\$ -	\$ 187,019	\$ 187,019
1,000	47,251	48,251
86,868	-	86,868
10,054,777	-	10,054,777
50,066	68,742	118,808
299,735	32,256	331,991
-	39,000	39,000
11,178	-	11,178
<u>\$ 10,503,624</u>	<u>\$ 374,268</u>	<u>\$ 10,877,892</u>

## Community Colleges for International Development, Inc.

### Notes to Financial Statements

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#### 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 CCID and/or the passage of time. The only temporarily restricted net assets as of June 30, 2012 and 2011 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 CCID. There were no permanently restricted net assets for the fiscal years ended June 30, 2012 and 2011.

##### 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

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#### **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, 2012 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, 2012 and 2011, there were no uncertain tax benefits identified and recorded as a liability. 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, 2008 and prior.

Subsequent events: Management has evaluated subsequent events through February 1, 2013, the date the financial statements were available to be issued. Through this date, there were no subsequent events requiring disclosure.

#### **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, 2012 and 2011, CCID owed the College \$1,143,073 and \$888,840, respectively.

## Community Colleges for International Development, Inc.

### Notes to Financial Statements

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#### 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 years ended June 30, 2012 and 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. Kirkwood Community 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 Kirkwood Community College were \$658,192 and \$595,576 for the years ended June 30, 2012 and 2011, 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 \$6,523,130 and \$10,049,708 for the years ended June 30, 2012 and 2011, respectively. Amounts received for administrative costs totaled \$103,277 and \$75,000 for the years ended June 30, 2012 and 2011, 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 90.5% and 93.6% of CCID's total revenue, grants and other support for the years ended June 30, 2012 and 2011, respectively.

#### Note 4. Deferred Revenue

The following is a summary of CCID's deferred revenue at June 30, 2012 and 2011:

	2012	2011
Membership dues	\$ 30,610	\$ 61,405
Summer institute	21,111	8,980
Ecuador program	25,434	-
Community College Faculty and Administrator program revenue	3,514	-
	<u>\$ 80,669</u>	<u>\$ 70,385</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. TIAA-CREF administers the retirement plan for Kirkwood Community 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. For the years ended June 30, 2012 and 2011, each employee was required to contribute 5.38% and 4.50%, respectively, of their annual covered salary and CCID was required to contribute 8.07% and 6.95%, respectively, of annual covered payroll. Contribution requirements are specified by the contract with TIAA-CREF and in accordance with the Code of Iowa. CCID's and the employees contributions to TIAA-CREF for the year ended June 30, 2012 were \$28,644 and \$18,535, respectively. CCID's and the employees' contributions to TIAA-CREF for the year ended June 30, 2011 were \$26,573 and \$17,183, respectively.

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

### **Notes to Financial Statements**

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#### **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 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.

For the years ended June 30, 2012 and 2011, plan members were required to contribute 5.38% and 4.50%, respectively, of their annual covered salary and CCID is required to contribute 8.07% and 6.95%, respectively, of annual covered payroll. Contribution requirements are established by state statute. CCID's contributions to IPERS for the years ended June 30, 2012 and 2011 were \$27,714 and \$25,651, respectively, equal to the required contributions for the year.