

**COMMUNITY COLLEGES FOR
INTERNATIONAL DEVELOPMENT, INC.**

FINANCIAL REPORT

**For The Fourteen Months Ended August 31, 2016
and Fiscal Year Ended June 30, 2015**

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COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.

OFFICIALS

August 31, 2016

Executive Committee

<u>Name</u>	<u>Position</u>	<u>Title</u>	<u>Representing</u>
Dr. H. Jeffrey Rafn	Chair	President	Northeast Wisconsin Technical College
Dr. Chris Whitaker	Chair Elect	President	Humber College
Dr. Jack Bermingham	Immediate Past Chair	President	Highline College
Dr. Tom Ramage	Treasurer	President	Parkland College
Dr. Stephen Head	Host College CEO	Chancellor	Lone Star College
Dr. Mary Rittling	Member at Large	President	Davidson County Community College
Ms. Mara Andersen	Ex Officio	Executive Director	Community College for International Development

Board of Directors

Dr. Rebecca Cory	Board Member	Associate Dean of Instruction	Bellevue College
Mr. Norman Gray	Board Member	CEO	Box Hill Institute
Dr. Jerry Weber	Board Member	President	College of Lake County
Dr. Donald Doucette	Board Member	Chancellor	Eastern Iowa Comm College District
Dr. Wendy Stewart	Board Member	President	Green River Community College
Dr. Kenneth Ender	Board Member	President	Harper College
Dr. Jack Bermingham	Board Member	President	Highline College
Dr. Ken Atwater	Board Member	President	Hillsborough Community College
Dr. Kathleen B. Hetherington	Board Member	President	Howard Community College
Dr. Kunihiko Ukifune	Board Member	CEO	Jikei Group of Colleges
Dr. Mick Starcevich	Board Member	President	Kirkwood Community College
Mr. Jens Mejer Pedersen	Board Member	President	Lillebaelt Academy of Prof. Higher Education
Dr. Jack E. Daniels III	Board Member	President	Madison Area Technical College
Dr. Sylvia M. Jenkins	Board Member	President	Moraine Valley Community College
Dr. Mark Erickson	Board Member	President	Northampton Community College
Dr. Lori Weyers	Board Member	President	Northcentral Technical College
Dr. William Stewart	Board Member	Chancellor	State Center Community College District
Dr. Sheila Ruhland	Board Member	President	Tacoma Community College
Dr. Carl E. Haynes	Board Member	President	Tompkins Cortland Community College
Dr. John F. Morton	Board Member	Vice President CC	University of Hawai'i Community Colleges
Ms. Kaylen Betzig	Board Member	President	Waukesha County Technical College

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REPORT OF INDEPENDENT AUDITORS

To the Executive Committee of
Community Colleges for International Development, Inc.
The Woodlands, Texas

We have audited the accompanying financial statements of Community Colleges for International Development, Inc. (CCID), which comprise the statement of financial position as of August 31, 2016 and June 30, 2015, and the related statements of activities, cash flows and functional expenses for the fourteen months and the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CCID as of August 31, 2016 and June 30, 2015, and the results of its operations and its cash flows for the fourteen months and the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming CCID will continue as a going concern. As discussed in Note 10 to the financial statements, CCID has suffered losses in two of the last three fiscal years and reports a deficit in unrestricted net assets as of August 31, 2016 that raises doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 10. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Whitley Penn LLP

Houston, Texas
April 13, 2017

COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.
STATEMENTS OF FINANCIAL POSITION
August 31, 2016 and June 30, 2015

Assets	<u>2016</u>	<u>2015</u>
Assets:		
Cash	\$ 296,114	\$
Prepaid expenses		1,706
Total assets	<u><u>\$ 296,114</u></u>	<u><u>\$ 1,706</u></u>
Liabilities and Net Assets (Deficit)		
Liabilities:		
Accounts payable	\$	\$ 31,114
Due to Kirkwood Community College	191,488	216,488
Due to Lone Star College	41,597	
Due to Others	19,314	
Deferred revenue	174,824	114,325
Accrued expenses		24,195
Compensated absences		14,411
Total liabilities	<u><u>\$ 427,223</u></u>	<u><u>\$ 400,533</u></u>
Net Assets (Deficit):		
Unrestricted	(131,109)	(398,827)
Total net assets (deficit)	<u><u>(131,109)</u></u>	<u><u>(398,827)</u></u>
Total liabilities and net assets	<u><u>\$ 296,114</u></u>	<u><u>\$ 1,706</u></u>

See Notes to Financial Statements.

COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.
STATEMENTS OF ACTIVITIES
Fourteen Months Ended August 31, 2016 and Year Ended June 30, 2015

	2016		
	Unrestricted	Temporarily Restricted	Total
Revenue, grants and other support:			
Membership dues	\$ 405,904	\$	\$ 405,904
Study abroad programs			
Conference fees	113,888		113,888
Professional development	18,240		18,240
Summer advance income	140,558		140,558
Grants			
Contributed facilities, Lone Star College	22,035		22,035
Miscellaneous revenue	117,713		117,713
	<u>818,338</u>		<u>818,338</u>
Net assets released from restrictions			
Total revenue, grants and other support	<u>818,338</u>		<u>818,338</u>
Expenses:			
Program and grant services, international student programs	169,017		169,017
Administration/office support	381,603		381,603
Total expenses	<u>550,620</u>		<u>550,620</u>
Change in net assets	267,718		267,718
Net assets (deficit):			
Beginning	<u>(398,827)</u>		<u>(398,827)</u>
Ending	<u>\$ (131,109)</u>	<u>\$</u>	<u>\$ (131,109)</u>

See Notes to Financial Statements.

2015		
Unrestricted	Temporarily Restricted	Total
\$ 284,229	\$	\$ 284,229
535		535
167,613		167,613
28,670		28,670
53,148		53,148
40,000		40,000
23,246		23,246
597,441		597,441
2,933	(2,933)	
600,374	(2,933)	597,441
122,884		122,884
689,537		689,537
812,421		812,421
(212,047)	(2,933)	(214,980)
(186,780)	2,933	(183,847)
<u>\$ (398,827)</u>	<u>\$</u>	<u>\$ (398,827)</u>

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COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.
STATEMENTS OF CASH FLOWS
Fourteen Months Ended August 31, 2016 and Year Ended June 30, 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 267,718	\$ (214,980)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Disposal of software		15,730
(Increase) decrease in due from other governments and others		10,098
(Increase) decrease in prepaid expense	1,706	9,463
Increase (Decrease) in accounts payable	(31,114)	(97)
(Decrease) increase in due to/from Kirkwood Community College	(25,000)	199,496
(Decrease) increase in due to/from Lone Star College	41,597	
(Decrease) increase in due to/from Others	19,314	
(Decrease) increase in deferred revenue	60,499	34,800
(Decrease) increase in accrued expenses	(24,195)	(30,688)
Increase in compensated absences	(14,411)	(58,128)
Net cash provided by operating activities	<u>296,114</u>	<u>(34,306)</u>
Cash and cash equivalents:		
Beginning		<u>34,306</u>
Ending	<u>\$ 296,114</u>	<u>\$</u>

See Notes to Financial Statements.

COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Fourteen Months Ended August 31, 2016 and Year Ended June 30, 2015

	2016		
	Program and Grant Services		
	International Student Programs	Administration/ Office Support	Total
Administration	\$	303,628	\$ 303,628
Professional services	34,644	28,811	63,455
Conferences and events			
Grants and other assistance to organizations in the U.S.			
Other services	130,035	14,417	144,452
Travel	4,338	12,712	17,050
Rent		22,035	22,035
Miscellaneous			
	\$ 169,017	\$ 381,603	\$ 550,620

See Notes to Financial Statements.

2015

Program and Grant Services		
International		
Student Programs	Administration/ Office Support	Total
\$	\$ 413,315	\$ 413,315
	6,300	6,300
106,530		106,530
2,769		2,769
4,010	182,626	186,636
9,575	31,427	41,002
	40,000	40,000
	15,869	15,869
<hr/>	<hr/>	<hr/>
\$ 122,884	\$ 689,537	\$ 812,421

**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 were located at a Kirkwood Community College facility from 1998 through June 30, 2015. The administrative operations of CCID have been located at a Lone Star College facility in The Woodlands, Texas since July 1, 2015.

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. There were no temporarily restricted net assets for the fourteen months ended August 31, 2016 and fiscal year ended June 30, 2015.

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 fourteen months ended August 31, 2016 and fiscal year June 30, 2015.

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 Lone Star College. The value of donated facilities is computed using the square footage used and an estimated fair value rental rate.

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

COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS (continued)

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. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

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.

Software: CCID has a capitalization policy of \$5,000. Software purchased above policy is capitalized. Depreciation on the software is computed using the straight-line method over the estimated useful lives of the assets of five years.

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 August 31, 2016 and June 30, 2015, 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, 2010 and prior.

Subsequent events: Management has evaluated subsequent events through April 13, 2017, the date the financial statements were available to be issued.

**COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS (continued)**

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

Kirkwood Community College was the fiscal agent of CCID during fiscal year 2015. As its fiscal agent, Kirkwood Community College paid all expenses, including salaries, for CCID. Kirkwood Community College allocated these expenses to CCID, which resulted in direct costs. Included in these expenses was a provision for sharing in the Kirkwood Community College's risk management program.

The net effect of the allocations above results in an amount due to Kirkwood Community College. At August 31, 2016, CCID owed Kirkwood Community College \$191,488. At June 30, 2015 CCID owed Kirkwood Community College \$216,488.

Note 3. Lone Star College Allocations, Due from/to Lone Star College

Lone Star College was the fiscal agent of CCID during fiscal year 2016. As its fiscal agent, Lone Star College paid all expenses, including salaries, for CCID. Lone Star College allocated these expenses to CCID, which resulted in direct costs. Included in these expenses was a provision for sharing in the Lone Star College's risk management program.

The net effect of the allocations above results in an amount due to Lone Star College. At August 31, 2016, CCID owed Lone Star College \$41,597.

Note 4. 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, 2015. 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. 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 \$2,144 for the years ended June 30, 2015. This amount is included in grant revenue and the related program service expense in the statement of activities.

Revenue from these grants represented approximately 9% of CCID's total revenue, grants and other support for the year ended June 30, 2015.

No grant revenue was received in fiscal year 2016.

Note 5. Deferred Revenue

The following is a summary of CCID's deferred revenue at August 31, 2016 and June 30, 2015:

	<u>2016</u>	<u>2015</u>
Membership dues	\$ 174,824	\$ 59,825
Summer institute		54,500
	<u>\$ 174,824</u>	<u>\$ 114,325</u>

**COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS (continued)**

**Note 6. Teachers Insurance and Annuity Association -College Retirement Equities Fund
(TIAA-CREF)**

CCID, through Kirkwood Community College, contributed 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 year ended June 30, 2015, each employee was required to contribute 5.95% of their annual covered salary and CCID was required to contribute 8.93% 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, 2015 were \$20,164 and \$13,435, respectively.

Note 7. Iowa Public Employees Retirement System (IPERS)

CCID, through Kirkwood Community College, contributed 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.

IPERS federal tax identification number is 42-615070. The plan is underfunded by \$5.5 billion as of June 30, 2015, the most recent actuarial valuation date, which includes actuarial value of assets totaling \$27.9 billion and accrued actuarial liabilities totaling \$33.8 billion.

For the year ended June 30, 2015, plan members were required to contribute 5.95% of their annual covered salary and CCID is required to contribute 8.93% of annual covered payroll. Contribution requirements are established by state statute. CCID's contributions to IPERS for the year ended June 30, 2015 was \$11,469, equal to the required contributions for the year.

Note 8. Texas Retirement System of Texas (TRS)

Plan Description

CCID participates in a cost-sharing multi-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

**COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS (continued)**

Note 8. Texas Retirement System of Texas (TRS) (continued)

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR> ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal year 2016.

	2016
	<u>Contribution Rates</u>
Member	7.2%
Non-employer contributing entity (State)	6.8%
Employer	6.8%

CCID's TRS contributions for the fiscal period ended August 31, 2016 were \$3,965, equal to the required contributions for the year.

**COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS (continued)**

Note 8. Texas Retirement System of Texas (TRS) (continued)

Contributions (continued)

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Note 9. Optional Retirement Plan (ORP)

Plan Description

The Optional Retirement Plan (ORP) is a defined contribution plan that is available as an alternative to TRS for full-time faculty, librarians, and certain administrators and professionals employed by Texas public institutions of higher education. ORP-eligible employees have 90 days from their first day of employment in an ORP-eligible position to make a one-time irrevocable election of ORP in lieu of TRS. The ORP provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. Benefits fully vest after one year plus one day of employment. Since these are individual annuity contracts, the state has no additional or unfunded liability for this program.

	2016 Contribution Rates
Member contribution	6.65%
State contribution	6.60%

**COMMUNITY COLLEGES FOR INTERNATIONAL DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS (continued)**

Note 9. Optional Retirement Plan (ORP) (continued)

Funding Policy (continued)

CCID's ORP contributions for the fiscal period ended August 31, 2016 were \$8,680, equal to the required contributions for the year.

Note 10. Going Concern and Management's Plans

The accompanying financial statements have been prepared assuming that CCID will continue as a going concern. Through August 31, 2016, CCID has generated net losses in two of the last three fiscal years and reports an accumulated net deficit in unrestricted net assets of \$131,109. CCID and Kirkwood Community College have agreed to the following debt repayment plan:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 38,500
2018	51,000
2019	51,000
2020	50,988
	<u>\$ 191,488</u>

Beginning in fiscal year 2016 Board member dues were increased to generate additional revenue, and in subsequent years a portion of operating revenues will augment the increased Board member dues. In addition management took the following actions:

- New Executive Director started in Spring 2016
- Reduced staff (from 6 FTE in December 2014 to 2.5 FTE for fiscal year 2016)
- Created a 3 year strategic plan to be updated annually (completed in June 2015, now in implementation)
- Tightened financial controls, creating greater checks and balances, and revised bylaws to institutionalize the changes in governance (completed June 2015)
- Moved to a new host institution with greater autonomy to monitor CCID's funds and maintain a separate bank account (initiated shift to Lone Star College, July 1, 2015)

Note 11. Change of Fiscal Year End

CCID's fiscal year end was changed from June 30 to August 31. Accordingly, the comparative figures for the statement of financial position, statement of activities, statement of cash flows, statement of functional expenses and the related notes are for the fourteen months from July 1, 2015 to August 31, 2016.