

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Affiliated Organization Reports  
**Date:** June 10, 2002

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**Recommended Action:**

Receive the following affiliated organization reports:

- Committee for Agricultural Development (associated with ISU)
  - Iowa School for the Deaf Foundation
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**Executive Summary:**

**Purpose** Affiliated organizations are independent entities that provide financial resources for students, programs, facilities, and research; extend outreach services; enrich campus experiences; and comprise a wide variety of special activities and interests.

Periodically, the Board receives reports from the Regent institutions on these affiliated organizations that support the mission of the Regent institutions. Any irregularities or significant issues identified are to be brought to the Board's attention immediately.

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**Report Information** The annual reports, financial data, and/or audit information for the identified organizations are summarized in this memorandum. Copies of detailed reports are retained in the Board Office.

The independent auditor reports on the financial statements of the affiliated organizations noted that they were presented fairly in all material respects. No irregularities were reported.

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**Strategic Plan** The Board's Strategic Plan identifies four key result areas: quality, access, diversity, and accountability. Affiliated organizations support various aspects of the Board's key result areas at the Regent institutions.

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**Background:**

Iowa Code §262.9 allows the Board to authorize nonprofit foundations acting solely for the support of institutions governed by the Board to accept and administer trusts deemed by the Board to be beneficial for its institutions.

The Regent Policy Manual §1.10 directs the Regent institutions to report on activities with affiliated organizations.

Copies of detailed reports are retained in the Board Office.

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**Analysis:**

**Committee for Agricultural Development (CAD)**

Background CAD, an organization affiliated with Iowa State University, was organized in 1943 as a non-profit corporation and is governed by a Board of Directors.

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Purpose CAD exists for scientific and educational purposes to promote the general welfare of agriculture through the production and distribution of superior germ plasm and other products of research. The organization also owns and leases farmland to benefit ISU agricultural research.

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2001 Highlights CAD's gross assets for 2001 totaled \$8.0 million, of which \$6.0 million is land.

CAD owns over 3,000 acres of farmland with an estimated market value of \$9.2 million dollars.

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Financial Information The financial audit reported total operating revenue of \$372,000 and operating expenses of \$404,000. The December 31, 2001, net assets of \$6.1 million represent a 2.3% decrease from calendar year 2000.

The independent auditor reported that the financial statements of the Committee for Agricultural Development for the two fiscal years ended December 31, 2001, were presented fairly in all material respects. No findings were reported.

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## Iowa School for the Deaf Foundation

**Background**                      The Iowa School for the Deaf Foundation was organized in 1994 as a nonprofit corporation. It is governed by a volunteer Board of Directors composed of up to nine voting members and three non-voting ex-officio members.

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**Purpose**                                It was organized primarily to provide financial support to ISD through the acquisition of gifts, grants, bequests, and other available funding.

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**FY 2001 Highlights**                Mailings during FY 2001 resulted in a 5% response, more than double the percentage considered to be the standard for a successful acquisition mailing.

The foundation was notified of two bequests totaling over \$110,000 that will be received in 2002 resulting from planned giving and relationship building.

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**Financial Information**              In July 2001, the Board was informed that the new foundation president requested the first audit of the Foundation, which began in May 2001. The audit was for the fiscal year that ended December 31, 2000, and reported that the Foundation:

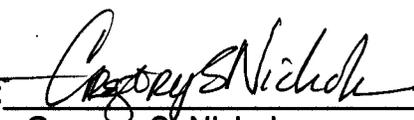
- Collected receipts totaling over \$1.1 million, including \$1.1 million in contributions and \$28,000 in interest income;
- Disbursed just over \$12,000; and
- Reported a fund balance of nearly \$1.5 million.

A second audit for the fiscal year ended December 31, 2001, was completed in April 2002 and reported that the Foundation:

- Collected receipts totaling \$1.8 million, including \$1.7 million for the Capital Campaign and \$87,000 in interest income;
- Disbursed nearly \$2.3 million for the new multipurpose complex; and
- Reported a fund balance of \$978,000.

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Approved:   
Gregory S. Nichols