

CHRISTIAN BLIND MISSION
INTERNATIONAL, INC.

Combined Financial Statements
With Independent Auditors' Report

June 30, 2020 and 2021

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Christian Blind Mission International, Inc.
Wheaton, Illinois

We have audited the accompanying combined financial statements of Christian Blind Mission International, Inc. which comprise the combined statements of financial position as of June 30, 2021 and 2020, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

Board of Directors
Christian Blind Mission International, Inc.
Wheaton, Illinois

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Christian Blind Mission International, Inc. as of June 30, 2021 and 2020, and the changes in its combined net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Naperville, Illinois
April 28, 2022

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Combined Statements of Financial Position

	June 30,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 188,599	\$ 217,624
Investments	6,316,804	5,009,810
Accounts receivable	71,720	-
Cash surrender value of life insurance	461,774	437,653
Other assets	5,539	5,539
Land held for sale	50,974	50,974
Total Assets	\$ 7,095,410	\$ 5,721,600
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 6,307	\$ 25,925
Irrevocable trusts	75,539	105,803
Total Liabilities	81,846	131,728
Net assets:		
Net assets without donor restrictions	696,760	580,062
Net assets with donor restrictions	6,316,804	5,009,810
Total Net Assets	7,013,564	5,589,872
Total Liabilities and Net Assets	\$ 7,095,410	\$ 5,721,600

See notes to combined financial statements

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Combined Statements of Activities

	Year Ended June 30,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without donor restriction	With donor restriction	Total
SUPPORT AND REVENUE:						
Contributions	\$ 674,045	\$ -	\$ 674,045	\$ 949,509	\$ -	\$ 949,509
Grants	2,566,298	-	2,566,298	3,416,596	-	3,416,596
Gifts-in-kind	4,410,172	-	4,410,172	3,622,050	-	3,622,050
Investment income	24,130	1,567,174	1,591,304	57,546	226,168	283,714
	<u>7,674,645</u>	<u>1,567,174</u>	<u>9,241,819</u>	<u>8,045,701</u>	<u>226,168</u>	<u>8,271,869</u>
RECLASSIFICATION:						
Satisfaction of purpose restrictions	260,180	(260,180)	-	203,662	(203,662)	-
	<u>7,934,825</u>	<u>1,306,994</u>	<u>9,241,819</u>	<u>8,249,363</u>	<u>22,506</u>	<u>8,271,869</u>
EXPENSES:						
Program services:						
International	7,513,783	-	7,513,783	7,983,421	-	7,983,421
Supporting activities:						
General and administrative	160,536	-	160,536	249,963	-	249,963
Fundraising	143,808	-	143,808	150,624	-	150,624
	<u>7,818,127</u>	<u>-</u>	<u>7,818,127</u>	<u>8,384,008</u>	<u>-</u>	<u>8,384,008</u>
Change in Net Assets	116,698	1,306,994	1,423,692	(134,645)	22,506	(112,139)
Net Assets, Beginning of Year	<u>580,062</u>	<u>5,009,810</u>	<u>5,589,872</u>	<u>714,707</u>	<u>4,987,304</u>	<u>5,702,011</u>
Net Assets, End of Year	<u>\$ 696,760</u>	<u>\$ 6,316,804</u>	<u>\$ 7,013,564</u>	<u>\$ 580,062</u>	<u>\$ 5,009,810</u>	<u>\$ 5,589,872</u>

See notes to combined financial statements

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Combined Statements of Functional Expenses

Year Ended June 30, 2021

	Program Services	General and Administrative	Fundraising	Total
Personnel costs	\$ -	\$ -	\$ 100,472	\$ 100,472
Grants	3,103,611	-	-	3,103,611
Gifts in kind	4,410,172	-	-	4,410,172
Printing	-	1,282	36,277	37,559
Professional services	-	81,631	-	81,631
Postage and shipping	-	12,283	5,663	17,946
Travel	-	-	-	-
Telephone	-	2,284	-	2,284
Office expenses	-	61,672	1,396	63,068
Occupancy	-	1,384	-	1,384
Other	-	-	-	-
Total expenses	\$ 7,513,783	\$ 160,536	\$ 143,808	\$ 7,818,127

Year Ended June 30, 2020

	Program Services	General and Administrative	Fundraising	Total
Personnel costs	\$ -	\$ -	\$ 95,947	\$ 95,947
Grants	4,347,972	-	-	4,347,972
Gifts in kind	3,622,050	-	-	3,622,050
Printing	-	1,722	41,036	42,758
Professional services	-	113,103	-	113,103
Postage and shipping	-	6,064	4,333	10,397
Travel	-	-	3,706	3,706
Telephone	-	2,527	-	2,527
Office expenses	-	125,269	5,602	130,871
Occupancy	-	1,278	-	1,278
Other	13,399	-	-	13,399
Total expenses	\$ 7,983,421	\$ 249,963	\$ 150,624	\$ 8,384,008

See notes to combined financial statements

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Combined Statement of Cash Flows

	Year Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,423,692	\$ (112,139)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized gains on investments	(1,440,407)	(114,910)
Change in:		
Grants receivable	(71,720)	353,939
Cash surrender value of life insurance	(24,121)	(55,817)
Accounts payable and accrued expenses	(19,618)	2,835
Deferred grant revenue	-	(565,523)
Payables to affiliates	-	(145,023)
Irrevocable trust	(30,264)	(3,976)
Net Cash Used by Operating Activities	(162,438)	(640,614)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	235,621	215,734
Purchases of investments	(102,208)	(111,260)
Net Cash Provided by Investing Activities	133,413	104,474
Net Change in Cash and Cash Equivalents	(29,025)	(536,140)
Cash and Cash Equivalents, Beginning of Year	217,624	753,764
Cash and Cash Equivalents, End of Year	\$ 188,599	\$ 217,624

See notes to combined financial statements

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Notes to Combined Financial Statements

June 30, 2021 and 2020

1. NATURE OF ORGANIZATION:

The combined financial statements of Christian Blind Mission International, Inc. (CBM US) include the combined financial statements of Christian Blind Mission International (CBMI) and CBM Deferred Giving Trust (the Trust). CBMI is an international Christian development organization, committed to improving the quality of life of persons with disabilities in the poorest countries of the world.

The Trust is administered by an independent third party and was established to allow donors to contribute assets to the Trust which would guarantee them an income stream until their death or some other specified time. At the specified time, the remaining trust assets and earnings thereon are to revert to CBMI. The Trust contains both revocable and irrevocable trusts. Revocable trust assets are not recorded as assets of CBM US because CBM US has no control, custody of, or claim on those assets.

CBM US is operated as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), and is not a private foundation under Section 509(a)(2) of the Code.

2. SIGNIFICANT ACCOUNTING POLICIES:

The combined financial statements have been prepared on the accrual basis of accounting. The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual amounts could differ from these estimates. The significant accounting policies followed are described below.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking, money market accounts and investments with original maturities of three months or less. CBM US maintains cash and cash equivalents in financial institutions which may, at times, exceed federally insured limits. At June 30, 2021 and 2020, no accounts exceeded federally insured limits. CBM US has not experienced any losses on such accounts.

INVESTMENTS

Investments consist of equities and bonds and are reported at fair value based on quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy established under *Fair Value Measurement and Disclosure* topic of the FASB Accounting Standards Codification. Gains and losses reported on investments are reported with investment income in the combined statements of activities. Donated investments are recorded at market value at the date of donation and thereafter carried in accordance with the above policies.

ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of amounts due from miscellaneous receivables. Accounts receivable are stated at the amounts management expects to collect from outstanding balances. As of June 30, 2021 and 2020, management assessed all receivables as collectible and therefore, recognized no allowance for uncollectible receivables.

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Notes to Combined Financial Statements

June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH SURRENDER VALUE OF LIFE INSURANCE

CBM US is a named beneficiary in one life insurance policy covering two individuals. The cash surrender value of this policy was \$461,774 and \$437,653 at June 30, 2021 and 2020, respectively. The sum of all benefits will be added to the endowment assets after the death of the insured.

LAND

Land consists of one plot of property in Hawaii, that was donated to CBM US in a prior year. Subsequent to year end, CBM US sold the property in Hawaii on July 28, 2021.

CLASSES OF NET ASSETS

The combined financial statements report amounts separately by classes of net assets:

Net assets without donor restrictions are those currently available for ministry purposes under the direction of the Board of Directors and those designated by the Board for a specific use.

Net assets with donor restrictions are those contributed with donor stipulations for specific operating purposes or programs. They are not currently available for use in CBM US's ministries until commitments regarding their use have been fulfilled. When a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as satisfaction of purpose restrictions.

REVENUES

Contributions and grants are recognized when made, which may be when cash is received, an unconditional promise to give is made, a condition is met, or when ownership of donated assets is transferred.

All contributions and grants are considered without donor restrictions, unless specifically restricted by the donor or subject to legal restrictions. Contributions and grants without donor restrictions are recognized when received or receivable.

Contributions and grants with donor restrictions but designated for future periods or restricted by the donor for a specific purpose are recognized as revenue in net assets with donor restrictions until funds have been expended for the purpose specified. When a restriction is satisfied, either through the expiry of a time restriction or the accomplishment of the purpose of the restriction, these contributions or grants are released to net assets without donor restrictions and reported in the combined statement of activities and changes in net assets as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution or grants are received, the organization reports the contributions and grants as revenue without donor restrictions.

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Notes to Combined Financial Statements

June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

REVENUES, continued

Conditional promises to give are recorded as contributions or grants in the period the condition is met. If funds are received in advance of the condition being met, they are recorded as deferred revenue. Once the condition has been met, the contributions or grants are recognized as either without donor restrictions or with donor restrictions in accordance with the underlying agreement.

Gifts-in-kind contributions are recorded at fair-market value at the time of delivery to the recipient and consist of medical supplies and equipment donated.

The principal amount in excess of the annuity liability of irrevocable trust life annuities, in which donors receive income for life or other stipulated period, is recorded as contributions in the period the gift is received.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the combined statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited on the combined statement of activities. These expenses include grants, professional fees, office expenses and personnel costs.

3. INVESTMENTS:

Investments consist of the following as of:

	June 30,	
	2021	2020
At fair value:		
Mutual funds and equities	\$ 5,051,080	\$ 3,740,088
Bonds	1,265,724	1,269,722
	<u>\$ 6,316,804</u>	<u>\$ 5,009,810</u>

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Notes to Combined Financial Statements

June 30, 2021 and 2020

4. FAIR VALUE MEASUREMENTS:

The Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) established a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

CBM US uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, CBM US measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying combined statement of financial position measured at fair value on a recurring basis and the level within the ASC fair value hierarchy in which the fair value measurements fall:

	Fair Value	June 30, 2021	
		Level 1	Level 2
Investments:			
Mutual funds and equities	\$ 5,051,080	\$ 5,051,080	\$ -
Bonds	1,265,724	1,265,724	-
	\$ 6,316,804	\$ 6,316,804	\$ -
	Fair Value	June 30, 2020	
		Level 1	Level 2
Investments:			
Mutual funds and equities	\$ 3,740,088	\$ 3,740,088	\$ -
Bonds	1,269,722	1,269,722	-
	\$ 5,009,810	\$ 5,009,810	\$ -

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Notes to Combined Financial Statements

June 30, 2021 and 2020

5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	June 30,	
	2021	2020
Endowment training fund	\$ 6,316,804	\$ 5,009,810

6. RELATED PARTY TRANSACTIONS:

For the years ended June 30, 2020 and 2021, CBM US donated non cash medical supplies of \$4,410,172 and \$3,622,050, respectively and entered into program grants of \$3,103,611 and \$4,347,972 to its affiliates overseas, respectively.

For the years ended June 30, 2021 and 2020, CBM US paid fees to Christoffel-Blindenmission Christian Blind Mission e.V.” (CBM Germany) of \$40,000 and \$30,000, respectively.

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Notes to Combined Financial Statements

June 30, 2021 and 2020

7. LIQUIDITY AND AVAILABILITY OF RESOURCES:

CBM US regularly monitors the availability of resources required to meet its operating needs, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12 month period, CBM US considers all expenditures related to ongoing operations.

In addition to financial assets available to meet general expenditures over the next 12 months, CBM US operates with a balanced budget and anticipates collecting sufficient contributions to cover general expenditures not covered by donor-restricted resources.

The following table shows the total financial assets held by the CBM US and the amounts of those financial assets could readily be made available within one year of the balance sheet date to meet general expenditures.

	June 30,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 188,599	\$ 217,624
Investments	6,316,804	5,009,810
Accounts receivable	71,720	-
Cash surrender value of life insurance	461,774	437,653
Financial assets, at year end	<u>7,038,897</u>	<u>5,665,087</u>
Less those unavailable for general expenditures within one year		
Net assets with donor restrictions	<u>(6,316,804)</u>	<u>(5,009,810)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 722,093</u>	<u>\$ 655,277</u>

8. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of CBM US for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through April 28, 2022, which represents the date the combined financial statements were available to be issued. Subsequent events after that date have not been evaluated.