



**THE INTERNATIONAL COUNCIL FOR COMMONALITY
IN BLOOD BANKING AUTOMATION
FINANCIAL REPORT
DECEMBER 31, 2022**

**THE INTERNATIONAL COUNCIL FOR COMMONALITY
IN BLOOD BANKING AUTOMATION
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The International Council for Commonality in Blood Banking Automation, Inc.

Opinion

We have audited the accompanying financial statements of The International Council for Commonality in Blood Banking Automation, Inc. (the Entity), a nonprofit organization, which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2022, the related statements of revenues and expenses – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Entity as of December 31, 2022, and the revenue and expenses and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 of the financial statements which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in Note 2 and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

**H A L L I D A Y
& C O M P A N Y**

info@hallidaycpas.com | 909.499.3802 | PO Box 246, Redlands, CA 92373

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Halliday & Co, CPAs

September 8, 2023

**THE INTERNATIONAL COUNCIL FOR COMMONAILTY
IN BLOOD BANKING AUTOMATION**
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
December 31, 2022

ASSETS

Current assets

Cash	\$ 749,860
Investments	<u>3,243,619</u>

Total current assets 3,993,479

Equipment

Office furniture and equipment	72,827
Computer hardware and software	<u>37,513</u>
	110,340
Less accumulated depreciation	<u>(90,144)</u>

Net equipment 20,196

Deposits 6,254

Total assets \$ 4,019,929

LIABILITIES AND NET ASSETS

Current liabilities

Credit card liability	\$ 7,097
Accrued retirement plan contributions	<u>29,632</u>

Total liabilities 36,729

Net assets

Without donor restrictions	
Undesignated	2,219,365
Designated	<u>1,763,835</u>

Total net assets 3,983,200

Total liabilities and net assets \$ 4,019,929

**THE INTERNATIONAL COUNCIL FOR COMMONAILTY
IN BLOOD BANKING AUTOMATION
STATEMENT OF REVENUES AND EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2022**

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenue	
Registration and license fees	<u>\$ 2,033,359</u>
Expenses	
Program services	1,178,043
General and administrative	<u>585,792</u>
Total expenses	<u>1,763,835</u>
Net income from operations	269,524
Investment income (loss)	<u>(473,822)</u>
Change in net assets without donor restrictions	(204,298)
Net assets without donor restrictions, beginning of year	<u>4,187,498</u>
Net assets without donor restrictions, end of year	<u><u>\$ 3,983,200</u></u>

**THE INTERNATIONAL COUNCIL FOR COMMONAILTY
IN BLOOD BANKING AUTOMATION
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2022**

	Program Services	General and Administrative	Total
Salaries and benefits	\$ 895,032	\$ 287,814	\$ 1,182,846
Management consultant	86,836	28,945	115,781
Trade shows and congress participation	34,780	-	34,780
Program, conferences, and meetings	32,230	4,145	36,375
Rent	67,850	22,617	90,467
Professional fees	14,050	74,927	88,977
Insurance	-	22,649	22,649
Bank and credit card fees	-	42,693	42,693
Donations	20,000	-	20,000
Depreciation	-	11,815	11,815
Education and promotion	2,223	138	2,361
Staff business travel	230	25,526	25,756
Office supplies	138	31,650	31,788
Dues and subscriptions	-	10,295	10,295
Telephone	6,387	1,597	7,984
Internet services	5,237	1,309	6,546
Postage	3,398	849	4,247
Other	2,849	12,270	15,119
Staff training	6,553	6,553	13,106
Printing	250	-	250
	<u>\$ 1,178,043</u>	<u>\$ 585,792</u>	<u>\$ 1,763,835</u>

**THE INTERNATIONAL COUNCIL FOR COMMONALTY
IN BLOOD BANKING AUTOMATION
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
Year Ended December 31, 2022**

Cash flows from operating activities	
Change in net assets	\$ (204,298)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	11,815
Net realized and unrealized loss on investments	545,208
Change in operating assets and liabilities:	
Credit card liability	(2,263)
Accrued retirement plan contributions	<u>1,863</u>
Net cash provided by (used in) operating activities	<u>352,325</u>
Cash flows from investing activities	
Proceeds from sale of investments	3,237,577
Purchase of investments	<u>(3,731,813)</u>
Net cash provided by (used in) investing activities	<u>(494,236)</u>
Net change in cash	(141,911)
Cash, beginning of year	<u>891,771</u>
Cash, end of year	<u><u>\$ 749,860</u></u>

**THE INTERNATIONAL COUNCIL FOR COMMONALITY
IN BLOOD BANKING AUTOMATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – REPORTING ENTITY

The International Council for Commonality in Blood Banking Automation (the Entity), incorporated in 1995, is organized as a nonprofit organization without capital stock under the laws of the Commonwealth of Virginia and is operating in Redlands, California. The Entity's purpose is to enhance patient safety by promoting and managing the ISBT 128 international information standard for use with medical products of human origin.

The Entity is the developer of ISBT 128, the global standard for the identification, labeling, and information transfer of medical products of human origin, including blood, cells, tissues, milk, and organ products, across international borders and disparate health care systems. ISBT 128 provides international consistency to support the transfer, transportation, or transplantation of medical products of human origin. Revenues are derived from registration and licensing fees.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the cash-basis of accounting, modified to include recording of investments measured at fair value and the related unrealized gains and losses, accrued interest on investments, depreciation on long-lived assets, liabilities for the acquisition of long-lived assets, credit card liabilities, payroll withholdings and accrual of payroll taxes, and profit-sharing contributions. This method of accounting represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). This basis of accounting differs from U.S. GAAP primarily because certain revenue and related assets (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) have been recognized when received rather than when earned and certain expenses and related liabilities (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued liabilities and expenses) have been recognized when paid rather than when the obligations were incurred.

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent the resources available for general operations and not subject to donor (or certain grantor) restrictions.

The Entity does not have any net assets with donor restrictions.

Cash and Cash Equivalents

The Entity has cash in financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. At various times throughout the year, the Entity may have cash balances in these financial institutions which exceed the FDIC insurance limit. Management reviews the financial conditions of these financial institutions on periodic basis and does not believe these concentrations of cash results in a high level of risk for the Entity. The Entity considers all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents.

**THE INTERNATIONAL COUNCIL FOR COMMONALITY
IN BLOOD BANKING AUTOMATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment

Computer hardware, software, office furniture, and equipment are recorded at cost. The Entity’s current policy is to capitalize all purchased equipment in excess of \$5,000. Depreciation is recorded using the straight-line depreciation method over the estimated useful lives of the assets which range from three to five years. Repairs and maintenance costs, which do not extend the useful life of an asset or increase its usefulness, are expenses as incurred.

Income Taxes

The Entity is qualified as a nonprofit tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code and applicable provisions of the California Revenue and Taxation Code.

Allocation of Functional Expenses

The statement of functional expenses – modified cash basis presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. These expenses include, but are not limited to, salaries and benefits, management consultant, and rent. Such allocations are determined by management using a variety of cost allocation techniques, such as square footage and estimates of time and effort.

Use of Estimates

The preparation of financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures made in the accompanying notes to financial statements. While management believes these estimates are adequate, actual results could differ from those estimates.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The table below represents the Entity’s financial assets as of December 31, 2022, reduced by amounts not considered available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Financial assets available within one year	\$ 3,993,479
Less amounts designated by the board of directors	<u>(1,763,835)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,229,644</u>

To manage liquidity, the Entity aims to maintain cash assets at a minimum of 30 days operating expenses, but not more than FDIC coverage limits. Financial assets in excess of daily cash requirements are invested depending on liquidity needs. The board of directors maintains a standing policy to designate net assets for operating expenses. The policy requires management to maintain at least an amount equivalent to one year of operating expenses in cash and investments. The Entity does not intend to spend board designated funds, but these could be drawn upon through board resolution.

**THE INTERNATIONAL COUNCIL FOR COMMONALITY
IN BLOOD BANKING AUTOMATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 – FAIR VALUE MEASUREMENT OF INVESTMENTS

The Entity accounts for its investments in accordance with U.S. GAAP. Investments are reported at their fair values based on quoted prices in active markets (all Level 1 measurements). Unrealized gains and losses are included in the change in net assets.

U.S. GAAP establishes a framework for measuring fair value that provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). As of December 31, 2022, the Entity's investments are all considered Level 1 and consisted of the following: \$963,799 of equity securities, \$1,230,097 of corporate bonds, and \$1,049,723 of government bonds.

The Entity's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term. The volatility of the market and credit institutions after December 31, 2022 could have a significant effect on the Entity's investments.

NOTE 5 – OPERATING LEASE

The Entity leases office space under a noncancelable lease which expires in December 2023. Expense associated with this lease is represented by the rent line item on the statement of functional expenses. Future minimum payments required under this lease at December 31, 2022 were \$84,456.

NOTE 6 – RETIREMENT PLAN

The Entity maintains a defined contribution 403(b) annuity contract plan, which was established in 2004 and restated in 2009 and 2018. The plan covered substantially all employees meeting certain age requirements. Participants may, subject to prescribed limits, contribute to the plan. For the year ended December 31, 2022, the Entity made a Safe Harbor contribution of three percent of eligible compensation and no additional discretionary contributions. The total amount of this contribution is represented by the accrued retirement plan contributions line item on the statement of assets, liabilities, and net assets.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Entity has a consultancy contract with an individual to provide executive director services. The management consultant line item on the statement of functional expenses represents the fees paid under this contract to the Entity's executive director.

**THE INTERNATIONAL COUNCIL FOR COMMONALITY
IN BLOOD BANKING AUTOMATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – SUBSEQUENT EVENTS

In February of 2023, the Entity extended its office space lease for an additional 36 months through December 31, 2026. The average monthly payment and total payments during the 36 month term of the extension are \$7,469 and \$268,884, respectively.

The Entity evaluated subsequent events through September 8, 2023, the issuance date of these financial statements, and has not identified any additional significant subsequent events that would require recognition or disclosure.