



**THE INTERNATIONAL COUNCIL FOR COMMONALITY  
IN BLOOD BANKING AUTOMATION  
FINANCIAL REPORT  
DECEMBER 31, 2021**

**THE INTERNATIONAL COUNCIL FOR COMMONALITY  
IN BLOOD BANKING AUTOMATION  
CONTENTS**

---

	<u>Page</u>
<b>INDEPENDENT AUDITOR’S REPORT</b>	1 – 2
<b>FINANCIAL STATEMENTS</b>	
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis	3
Statement of Revenues and Expenses - Modified Cash Basis	4
Statement of Functional Expenses - Modified Cash Basis	5
Statement of Cash Flows - Modified Cash Basis	6
Notes to Financial Statements	7 - 10



## 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. (ICCBBA), (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2021, 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 financial position of ICCBBA as of December 31, 2021, and the changes in its net assets 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 ICCBBA 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.

### **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, for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ICCBBA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

### **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 ICCBBA'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 ICCBBA'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*

October 6, 2022

**THE INTERNATIONAL COUNCIL FOR COMMONAILTY  
IN BLOOD BANKING AUTOMATION**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS**  
**December 31, 2021**

---

**ASSETS**

**Current assets**

Cash	\$ 891,771
Investments	<u>3,294,591</u>

**Total current assets** 4,186,362

**Equipment**

Office furniture and equipment	80,828
Computer hardware and software	<u>67,608</u>
	148,436
Less accumulated depreciation	<u>(116,425)</u>

**Net equipment** 32,011

**Deposits** 6,254

**Total assets** \$ 4,224,627

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Credit card liability	\$ 9,360
Accrued retirement plan contributions	<u>27,769</u>

**Total liabilities** 37,129

**Net assets**

Without donor restrictions	
Undesignated	2,442,850
Designated	<u>1,744,648</u>

**Total net assets** 4,187,498

**Total liabilities and net assets** \$ 4,224,627

**THE INTERNATIONAL COUNCIL FOR COMMONAILTY  
IN BLOOD BANKING AUTOMATION  
STATEMENT OF REVENUES AND EXPENSES - MODIFIED CASH BASIS  
Year Ended December 31, 2021**

---

**CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS**

<b>Revenue</b>	
Registration and license fees	<u>\$ 2,010,160</u>
<b>Expenses</b>	
Program services	1,231,610
General and administrative	<u>513,038</u>
<b>Total expenses</b>	<u>1,744,648</u>
<b>Net income from operations</b>	265,512
<b>Investment income</b>	<u>210,021</u>
<b>Change in net assets without donor restrictions</b>	475,533
<b>Net assets without donor restrictions, beginning of year</b>	<u>3,711,965</u>
<b>Net assets without donor restrictions, end of year</b>	<u><u>\$ 4,187,498</u></u>

**THE INTERNATIONAL COUNCIL FOR COMMONAILTY  
IN BLOOD BANKING AUTOMATION  
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
Year Ended December 31, 2021**

	Program Services	General and Administrative	Total
Salaries and benefits	\$ 824,149	\$ 274,716	\$ 1,098,865
Management consultant	155,644	51,881	207,525
Trade shows and congress participation	16,361	-	16,361
Program, conferences, and meetings	15,662	-	15,662
Rent	73,980	24,660	98,640
Professional fees	53,522	17,841	71,363
Insurance	-	21,249	21,249
Bank and credit card fees	-	38,004	38,004
Donations	40,000	-	40,000
Depreciation	-	10,098	10,098
Staff business travel	8,296	2,765	11,061
Office supplies	-	30,565	30,565
Dues and subscriptions	-	9,858	9,858
Telephone	7,409	2,470	9,879
Internet services	7,645	2,549	10,194
Postage	3,280	820	4,100
Other	19,363	19,364	38,727
Staff training	6,197	6,198	12,395
Printing	102	-	102
	<b><u>\$ 1,231,610</u></b>	<b><u>\$ 513,038</u></b>	<b><u>\$ 1,744,648</u></b>

**THE INTERNATIONAL COUNCIL FOR COMMONAILTY  
IN BLOOD BANKING AUTOMATION  
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
Year Ended December 31, 2021**

---

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 475,533
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	10,098
Net unrealized gain on investments	(47,463)
Change in operating assets and liabilities:	
Credit card liability	9,206
Accrued retirement plan contributions	(4,920)
Other liabilities	<u>(950)</u>
<b>Net cash provided by operating activities</b>	<u>441,504</u>
<b>Cash flows from investing activities</b>	
Purchase of equipment	(21,978)
Proceeds from sale of investments	447,110
Purchase of investments	<u>(768,950)</u>
<b>Net cash provided used in investing activities</b>	<u>(343,818)</u>
<b>Net change in cash</b>	97,686
<b>Cash, beginning of year</b>	<u>794,085</u>
<b>Cash, end of year</b>	<u><u>\$ 891,771</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 (ICCBBA), 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. ICCBBA’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.

ICCBBA 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 represents the resources available for general operations and not subject to donor (or certain grantor) restrictions.

ICCBBA does not have any net assets with donor restrictions.

Cash and Cash Equivalents

ICCBBA 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, ICCBBA 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 ICCBBA. ICCBBA 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. ICCBBA’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

ICCBBA 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 benefitted. 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 ICCBBA’s financial assets as of December 31, 2021, 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	\$ 4,186,362
Less amounts designated by the board of directors	<u>(1,744,648)</u>
<b>Financial assets available to meet general expenditures over the next twelve months</b>	<b><u>\$ 2,441,714</u></b>

To manage liquidity, ICCBBA 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. ICCBBA 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 MEASUREMENTS**

ICCBBA accounts for its investments in accordance with U.S. GAAP. Under U.S. GAAP, the fair value of an investment is the exchange price that would be received for the investment in the principal or most advantageous market for the investment in an orderly transaction between market participants on the measurement date. U.S. GAAP requires that investments be classified into one of the following three categories:

Level 1      Inputs to the valuation methodology are unadjusted quoted priced for identical assets or liabilities in active markets that ICCBBA has the ability to access.

Level 2      Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable input and minimize the use of unobservable inputs.

The methods used to determine fair value may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair value. Furthermore, while ICCBBA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of December 31, 2021, ICCBBA's investments are all considered Level 1 and consist of the following: \$2,847,644 of mutual funds and closed ended funds, \$273,782 of preferred stocks, and \$173,165 of corporate bonds

**NOTE 5 – OPERATING LEASE**

ICCBBA 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, 2021 are as follows:

2022	89,187
2023	<u>89,187</u>
<b>Total</b>	<b><u>\$ 178,374</u></b>

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

---

**NOTE 6 – RETIREMENT PLAN**

ICCBBA 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, 2021, ICCBBA elected to make a Safe Harbor contribution of three percent of eligible compensation and an additional discretionary contribution of one percent of eligible compensation. 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**

ICCBBA has a consultancy contract for executive director services with a management firm. The executive director is also a director of the management firm. Fees paid under this contract are represented by the management consultant line item on the statement of functional expenses.

**NOTE 8 – RISK AND UNCERTAINTIES**

ICCBBA holds various investments which 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, 2021 could have a significant effect on ICCBBA's investments. See Note 9 for additional information.

**NOTE 9 – SUBSEQUENT EVENTS**

ICCBBA evaluated subsequent events through October 6, 2022, the issuance date of these financial statements, and has not identified any additional significant subsequent events that would require recognition or disclosure.