



**THE INTERNATIONAL COUNCIL FOR COMMONALITY
IN BLOOD BANKING AUTOMATION
FINANCIAL REPORT
DECEMBER 31, 2020**

**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.

Report on the Financial Statements

We have audited the financial statements of The International Council for Commonality in Blood Banking Automation, Inc. (ICCBBA) which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2020, 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.

Management's Responsibility 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. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances and 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 audit. We conducted our audit 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 of 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 auditors' 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 auditors consider internal control relevant to the ICCBBA'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 ICCBBA'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.

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

info@hallidaycpas.com | 951.542.3705 | 1706 Plum Lane, Suite 124, Redlands, CA 92374

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 The International Council for Commonality in Blood Banking Automation, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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.

Halliday & Co, CPAs

November 16, 2021

**THE INTERNATIONAL COUNCIL FOR COMMONALTY
IN BLOOD BANKING AUTOMATION**
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
December 31, 2020

ASSETS

Current assets

Cash	\$ 794,085
Investments	<u>2,925,288</u>
Total current assets	3,719,373

Equipment

Office furniture and equipment	58,850
Computer hardware and software	<u>67,608</u>
	126,458
Less accumulated depreciation	<u>(106,327)</u>
Net equipment	<u>20,131</u>

Deposits

6,254

Total assets

\$ 3,745,758

LIABILITIES AND NET ASSETS

Current liabilities

Credit card liability	\$ 154
Accrued retirement plan contributions	32,689
Other	<u>950</u>
Total liabilities	<u>33,793</u>

Net assets

Without donor restrictions	
Undesignated	2,069,270
Designated	<u>1,642,695</u>
Total net assets	<u>3,711,965</u>

Total liabilities and net assets

\$ 3,745,758

See notes to financial statements

**THE INTERNATIONAL COUNCIL FOR COMMONAILTY
IN BLOOD BANKING AUTOMATION
STATEMENT OF REVENUES AND EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2020**

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenue	
Registration and license fees	<u>\$ 1,776,518</u>
Expenses	
Program services	1,141,105
General and administrative	<u>501,590</u>
Total expenses	<u>1,642,695</u>
Net income from operations	133,823
Investment income	<u>269,902</u>
Change in net assets without donor restrictions	403,725
Net assets without donor restrictions, beginning of year	<u>3,308,240</u>
Net assets without donor restrictions, end of year	<u><u>\$ 3,711,965</u></u>

See notes to financial statements

**THE INTERNATIONAL COUNCIL FOR COMMONAILTY
IN BLOOD BANKING AUTOMATION
STATEMENT OF FUNTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2020**

	Program Services	General and Administrative	Total
Salaries and benefits	\$ 792,081	\$ 264,027	\$ 1,056,108
Management consultant	163,958	54,653	218,611
Trade shows and congress participation	29,008	-	29,008
Program, conferences, and meetings	4,287	-	4,287
Rent	69,637	23,212	92,849
Professional fees	-	65,712	65,712
Insurance	-	22,111	22,111
Bank and credit card fees	-	29,685	29,685
Donations	60,000	-	60,000
Depreciation	-	8,092	8,092
Education and promotion	595	-	595
Staff business travel	-	6,112	6,112
Office supplies	-	7,787	7,787
Dues and subscriptions	-	11,309	11,309
Telephone	6,852	2,284	9,136
Internet services	7,088	2,363	9,451
Postage	3,661	915	4,576
Other	1,221	1,221	2,442
Staff training	2,106	2,107	4,213
Printing	611	-	611
	<u>\$ 1,141,105</u>	<u>\$ 501,590</u>	<u>\$ 1,642,695</u>

See notes to financial statements

**THE INTERNATIONAL COUNCIL FOR COMMONALTY
IN BLOOD BANKING AUTOMATION
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
Year Ended December 31, 2020**

Cash flows from operating activities	
Change in net assets	\$ 403,725
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	8,092
Net realized and unrealized gain on investments	(148,045)
Change in operating assets and liabilities:	
Credit card liability	(13,181)
Accrued retirement plan contributions	4,832
Other liabilities	<u>(1,386)</u>
Net cash provided by operating activities	<u>254,037</u>
Cash flows from investing activities	
Purchase of equipment	(12,550)
Proceeds from sale of investments	2,014,929
Purchase of investments	<u>(1,816,621)</u>
Net cash provided by investing activities	<u>185,758</u>
Net change in cash	439,795
Cash, beginning of year	<u>354,290</u>
Cash, end of year	<u><u>\$ 794,085</u></u>

See notes to financial statements

**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, 2020, 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	\$ 3,719,373
Less amounts designated by the board of directors	<u>(1,642,695)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,076,678</u>

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 prices 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: \$2,010,328 of mutual funds and closed ended funds, \$689,950 of corporate bonds, and \$225,010 of certificates of deposit.

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

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, 2020 are as follows:

2021	\$	89,187
2022		89,187
2023		<u>89,187</u>
Total	\$	<u>267,561</u>

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, 2020, 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, 2020 could have a significant effect on ICCBBA's investments.

NOTE 9 – SUBSEQUENT EVENTS

ICCBBA evaluated subsequent events through November 16, 2021, the issuance date of these financial statements, and has not identified any significant subsequent events that would require recognition or disclosure.