



**THE INTERNATIONAL COUNCIL FOR COMMONALITY  
IN BLOOD BANKING AUTOMATION  
FINANCIAL REPORT  
DECEMBER 31, 2019**

**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  
Redlands, California

### Report on the Financial Statements

We have audited the accompanying financial statements of The International Council for Commonality in Blood Banking Automation ("ICCBBA") which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2019 and 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 these 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. 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.

### 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 from 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 auditor's 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 entity'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 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 financial statements.

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 assets, liabilities, and net assets of The International Council for Commonality in Blood Banking Automation as of December 31, 2019, and its revenues 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 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.

*Singer Lewak LLP*

September 16, 2020

**THE INTERNATIONAL COUNCIL FOR COMMONALITY  
IN BLOOD BANKING AUTOMATION**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS**  
**December 31, 2019**

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**ASSETS**

**Current assets**

Cash	\$ 354,290
Interest receivable	1,533
Investments	<u>2,974,018</u>
Total current assets	<u>3,329,841</u>

**Equipment**

Office furniture and equipment	58,850
Computer hardware and software	<u>58,246</u>
	117,096

Less accumulated depreciation	<u>(101,423)</u>
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Net equipment	<u>15,673</u>
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**Deposits**

6,254

**Total assets** **\$ 3,351,768**

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Credit card liability	\$ 13,335
Accrued retirement plan contributions	27,857
Other	<u>2,336</u>

Total liabilities	<u>43,528</u>
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**Net assets**

Without donor restrictions	
Undesignated	1,506,122
Designated	<u>1,802,118</u>

Total net assets	<u>3,308,240</u>
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**Total liabilities and net assets** **\$ 3,351,768**

See notes to financial statements.

**THE INTERNATIONAL COUNCIL FOR COMMONALITY  
IN BLOOD BANKING AUTOMATION**  
**STATEMENT OF REVENUES AND EXPENSES - MODIFIED CASH BASIS**  
**Year Ended December 31, 2019**

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**CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS**

**Revenues**

Registration and license fees \$ 1,889,942

**Expenses**

Program services 1,354,507

General and administrative 447,611

Total expenses 1,802,118

Net income from operations 87,824

Investment income 412,891

**Change in net assets without donor restrictions** 500,715

**Net assets without donor restrictions, beginning of year** 2,807,525

**Net assets without donor restrictions, end of year** **\$ 3,308,240**

See notes to financial statements.

**THE INTERNATIONAL COUNCIL FOR COMMONALITY  
IN BLOOD BANKING AUTOMATION  
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
Year Ended December 31, 2019**

	Program Services	General and Administrative	Total
Salaries and benefits	\$ 667,785	\$ 222,595	\$ 890,380
Management consultant	132,539	44,179	176,718
Trade shows and congress participation	89,225	-	89,225
Program, conferences, and meetings	342,238	6,661	348,899
Rent	70,447	23,482	93,929
Professional fees	-	47,710	47,710
Insurance	-	20,964	20,964
Bank and credit card fees	-	25,595	25,595
Donations	20,000	-	20,000
Depreciation	-	6,311	6,311
Education and promotion	2,318	-	2,318
Staff business travel	-	7,726	7,726
Office supplies	-	12,380	12,380
Dues and subscriptions	-	12,129	12,129
Telephone	3,856	1,286	5,142
Internet services	7,937	2,646	10,583
Postage	3,069	767	3,836
Other	11,412	9,578	20,990
Staff training	3,602	3,602	7,204
Printing	79	-	79
<b>Total expenses by function</b>	<b><u>\$ 1,354,507</u></b>	<b><u>\$ 447,611</u></b>	<b><u>\$ 1,802,118</u></b>

See notes to financial statements.

**THE INTERNATIONAL COUNCIL FOR COMMONALITY  
IN BLOOD BANKING AUTOMATION**  
**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS**  
**Year Ended December 31, 2019**

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**Cash flows from operating activities**

Change in net assets	\$ 500,715
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	6,311
Net unrealized gain on marketable securities	(286,014)
Realized gain on marketable securities	(640)
Changes in operating assets and liabilities:	
Interest receivable	385
Credit card liability	(96)
Accrued retirement plan contributions	(3,288)
Other	2,336
	219,709

**Cash flows from investing activities**

Purchase of equipment	(8,865)
Proceeds from sale of marketable securities	1,110,107
Purchase of marketable securities	(1,232,250)
	(131,008)

Net cash used in investing activities

Change in cash 88,701

**Cash, beginning of year** 265,589

**Cash, end of year** \$ 354,290

See notes to financial statements.



**THE INTERNATIONAL COUNCIL FOR COMMONALITY  
IN BLOOD BANKING AUTOMATION  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019**

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**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 – SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements of ICCBBA 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 Asset Without Donor Restrictions

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

ICCBBA does not have any net assets with donor restrictions.

**THE INTERNATIONAL COUNCIL FOR COMMONALITY  
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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

ICCBBA has cash in financial institutions which is 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 financial institutions which exceed the FDIC insurance limit. Management reviews the financial condition of these financial institutions on a periodic basis and does not believe this concentration 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.

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, are expensed 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 provision 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.

**THE INTERNATIONAL COUNCIL FOR COMMONALITY  
IN BLOOD BANKING AUTOMATION  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019**

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**NOTE 3 – AVAILABILITY AND LIQUIDITY**

The following represents ICCBBA's financial assets at December 31, 2019:

Financial assets at year end:	
Cash	\$ 354,290
Interest receivable	1,533
Investments	<u>2,974,018</u>
 Total financial assets	 3,329,841
 Less amounts designated by the Board of Directors	 <u>(1,802,118)</u>
 <b>Financial assets available to meet general expenditures over the next twelve months</b>	 <b><u>\$ 1,527,723</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 as short-term or long-term (reserves) investments. ICCBBA does not intend to spend board designated funds, but these could be drawn upon through board resolution.

**NOTE 4 – FAIR VALUE MEASUREMENTS**

ICCBBA accounts for its investments in accordance with U.S. GAAP. As defined by U.S. GAAP, fair value is the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. In determining fair value, ICCBBA uses the market approach. Based on this approach, ICCBBA utilizes certain assumptions about the risk or risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated or generally unobservable inputs. Based on the observability of the inputs used in the valuation techniques, ICCBBA is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and the reliability of the information used to determine fair values.

**THE INTERNATIONAL COUNCIL FOR COMMONALITY  
IN BLOOD BANKING AUTOMATION  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2019**

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**NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)**

As a basis for considering such assumptions, U.S. GAAP establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2 – Include other inputs that are directly or indirectly observable in the marketplace

Level 3 – Unobservable inputs that are supported by little or no market activity

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, which is ICCBBA's policy. For the year ended December 31, 2019, the application of valuation techniques applied to similar assets and liabilities has been consistent.

Following is a description of the valuation methodologies used for instruments measured at fair value:

Corporate bonds

Valued at the closing price at year end reported in the active market on which the individual bonds are traded.

Mutual funds

Valued at the net asset value ("NAV") of shares held by ICCBBA at year-end as reported on the active market on which they are traded.

The methods described above may produce a fair value calculation that may not be 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.

ICCBBA investments are all considered Level 1. At December 31, 2019, investments consisted of corporate bonds and mutual funds and amounted to \$829,620 and \$2,144,398, respectively.

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**NOTE 5 – OPERATING LEASE**

ICCBBA leases office space under a noncancelable lease which expires in December 2023. Rent expense associated with this lease amounted to \$89,581 for the year ended December 31, 2019.

Future minimum payments required under this lease at December 31, 2019 are as follows:

2020	\$ 89,187
2021	89,187
2022	89,187
2023	<u>89,187</u>
<b>Total</b>	<b><u>\$ 356,748</u></b>

**NOTE 6 – DESIGNATED NET ASSETS**

The board of directors maintains a standing policy to designate net assets for operating expenses. The policy also requires management to maintain an amount equivalent to one year of operating expenses in cash and investments. Designated net assets totaled \$1,802,118 at December 31, 2019.

**NOTE 7 – RETIREMENT PLAN**

ICCBBA has a defined contribution 403(b) annuity contract plan, which was established in 2004 and restated in 2009, and covered substantially all employees meeting certain requirements for age and length of employment. Participants may, subject to prescribed limits, contribute to the plan. ICCBBA elected to make a Safe Harbor contribution of three percent and an additional discretionary contribution. The plan was restated again effective January 1, 2018, at which time requirements for length of employment were lifted and employees became eligible to participate in the plan and receive employer contributions immediately upon hire. For the year ended December 31, 2019, ICCBBA chose to make an additional discretionary contribution of one percent for a total contribution of four percent of eligible employee compensation. The total employer contribution for the year ended December 31, 2019 was \$27,857.

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**NOTE 8 – 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. Management consultant fees paid under this contract during the year ended December 31, 2019 totaled \$176,718.

**NOTE 9 – RISK AND UNCERTAINTIES**

ICCBBA invests in various investments. 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, 2019 could have a significant, negative effect on ICCBBA's investments.

**NOTE 10 – SUBSEQUENT EVENTS**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the ICCBBA operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the ICCBBA, to date, the ICCBBA has experienced no significant delays in operations, and no reductions in staff. ICCBBA has taken measures that allow all staff to work remotely while maintaining their normal schedule and work week. Due to the structure of ICCBBA's invoicing system, any financial impacts from licensing income will not be accurately forecast until the second quarter of 2021, with payments being received in the first quarter of 2022. Experts in ICCBBA's industry have reported declines in the number of medical products of human origin used during the pandemic, signaling there may be a decrease in licensing income.

In preparation of these financial statements, ICCBBA considered subsequent events through September 16, 2020 which is the date these financial statements were available for issuance.