

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Consolidated Financial Statements
With Independent Auditors' Report

June 30, 2023 and 2022

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Christian Blind Mission International, Inc., which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Christian Blind Mission International, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Christian Blind Mission International, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 Christian Blind Mission International, Inc.'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian Blind Mission International, Inc.'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.

Capin Crouse LLP

Naperville, Illinois
March 13, 2024

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Consolidated Statements of Financial Position

	June 30,	
	2023	2022
ASSETS:		
Cash and cash equivalents	\$ 440,394	\$ 162,361
Investments	5,637,187	5,170,963
Accounts receivable	203,254	324,677
Cash surrender value of life insurance	511,603	486,346
Total Assets	\$ 6,792,438	\$ 6,144,347
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 21,062	\$ 3,915
Irrevocable trusts	86,286	89,987
Total liabilities	107,348	93,902
Net assets:		
Net assets without donor restrictions	945,586	685,155
Net assets with donor restrictions	5,739,504	5,365,290
Total net assets	6,685,090	6,050,445
Total Liabilities and Net Assets	\$ 6,792,438	\$ 6,144,347

See notes to consolidated financial statements

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Consolidated Statements of Activities

	Year Ended June 30,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without donor restriction	With donor restriction	Total
SUPPORT AND REVENUE:						
Contributions	\$ 966,960	\$ -	\$ 966,960	\$ 750,575	\$ -	\$ 750,575
Grants	1,915	-	1,915	272,842	194,327	467,169
Gifts-in-kind	3,083,007	-	3,083,007	2,453,651	-	2,453,651
Investment income (loss)	33,446	676,935	710,381	24,581	(887,659)	(863,078)
Gain on sale	-	-	-	18,447	-	18,447
Other income	-	-	-	54	-	54
	4,085,328	676,935	4,762,263	3,520,150	(693,332)	2,826,818
RECLASSIFICATION:						
Satisfaction of purpose restrictions	302,721	(302,721)	-	258,182	(258,182)	-
Total Support, Revenue and Reclassifications	4,388,049	374,214	4,762,263	3,778,332	(951,514)	2,826,818
EXPENSES:						
International program services	3,864,807	-	3,864,807	3,458,302	-	3,458,302
General and administrative	181,551	-	181,551	170,825	-	170,825
Fundraising	81,260	-	81,260	160,810	-	160,810
Total Expenses	4,127,618	-	4,127,618	3,789,937	-	3,789,937
Change in Net Assets	260,431	374,214	634,645	(11,605)	(951,514)	(963,119)
Net Assets, Beginning of Year	685,155	5,365,290	6,050,445	696,760	6,316,804	7,013,564
Net Assets, End of Year	\$ 945,586	\$ 5,739,504	\$ 6,685,090	\$ 685,155	\$ 5,365,290	\$ 6,050,445

See notes to consolidated financial statements

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Consolidated Statements of Functional Expenses

Year Ended June 30, 2023

	International Program Services	General and Administrative	Fundraising	Total
Personnel costs	\$ -	\$ -	\$ 36,302	\$ 36,302
Grants	781,800	-	-	781,800
Gifts in kind	3,083,007	-	-	3,083,007
Printing	-	2,210	34,995	37,205
Professional services	-	94,964	2,250	97,214
Postage and shipping	-	6,469	3,325	9,794
Travel	-	4,754	85	4,839
Telephone	-	903	-	903
Office expenses	-	72,251	4,303	76,554
Total expenses	\$ 3,864,807	\$ 181,551	\$ 81,260	\$ 4,127,618

Year Ended June 30, 2022

	International Program Services	General and Administrative	Fundraising	Total
Personnel costs	\$ -	\$ -	\$ 104,286	\$ 104,286
Grants	1,004,651	-	-	1,004,651
Gifts in kind	2,453,651	-	-	2,453,651
Printing	-	834	38,602	39,436
Professional services	-	82,721	-	82,721
Postage and shipping	-	6,885	7,911	14,796
Telephone	-	2,437	-	2,437
Office expenses	-	59,498	10,011	69,509
Other	-	18,450	-	18,450
Total expenses	\$ 3,458,302	\$ 170,825	\$ 160,810	\$ 3,789,937

See notes to consolidated financial statements

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 634,645	\$ (963,119)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized (gains) loss on investments	(577,884)	1,004,466
Gain on sale of land	-	(18,447)
Change in:		
Grants receivable	121,423	(252,957)
Cash surrender value of life insurance	(25,257)	(24,572)
Other assets	-	5,539
Accounts payable and accrued expenses	17,147	(2,392)
Irrevocable trust	(3,701)	14,448
Net Cash Provided (Used) by Operating Activities	166,373	(237,034)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of land	-	69,421
Proceeds from sales of investments	222,192	263,502
Purchases of investments	(110,532)	(122,127)
Net Cash Provided by Investing Activities	111,660	210,796
Net Change in Cash and Cash Equivalents	278,033	(26,238)
Cash and Cash Equivalents, Beginning of Year	162,361	188,599
Cash and Cash Equivalents, End of Year	\$ 440,394	\$ 162,361

See notes to consolidated financial statements

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

1. NATURE OF ORGANIZATION:

The consolidated financial statements of Christian Blind Mission International, Inc. (CBM US) include the consolidated financial statements of Christian Blind Mission International (CBMI), Christian Blind Mission - Ending Tropical Diseases (CBM-ETD), 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 consolidated financial statements have been prepared on the accrual basis of accounting. The preparation of consolidated 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, 2023 and 2022, CBM's accounts exceeded federally insured limits by \$179,687 and \$0, respectively.

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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Gains and losses reported on investments are reported with investment income in the consolidated 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, 2023 and 2022, management assessed all receivables as collectible and therefore, recognized no allowance for uncollectible receivables.

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

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 \$511,603 and \$486,346 at June 30, 2023 and 2022, respectively. The sum of all benefits will be added to the endowment assets after the death of the insured.

CLASSES OF NET ASSETS

The consolidated 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 consolidated statements 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 consolidated statements 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 Consolidated Financial Statements

June 30, 2023 and 2022

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.

CBM US receives donations of pharmaceuticals and other supplies that are used in accordance with the programs of the ministry, which are reported on the consolidated statements of activities as gifts-in-kind. Such gifts are recorded at their fair market value at the date of donation based on market prices in the country of use and expensed when utilized.

During the years ended June 30, 2023 and 2022, gifts-in-kind recognized within the consolidated statements of activities consist of the following:

	June 30,	
	2023	2022
Pharmaceuticals	\$ 3,024,500	\$ 2,453,651
Eyeglasses and other supplies	58,507	-
	<u>\$ 3,083,007</u>	<u>\$ 2,453,651</u>

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 consolidated statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited on the consolidated statements of activities.

3. INVESTMENTS:

Investments consist of the following as of:

	June 30,	
	2023	2022
At fair value:		
Mutual funds and equities	\$ 4,509,250	\$ 4,035,907
Bonds	1,127,937	1,135,056
	<u>\$ 5,637,187</u>	<u>\$ 5,170,963</u>

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

4. FAIR VALUE MEASUREMENTS:

The 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 consolidated statements 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, 2023	
		Level 1	Level 2
Investments:			
Mutual funds and equities	\$ 4,509,250	\$ 4,509,250	\$ -
Bonds	1,127,937	1,127,937	-
	\$ 5,637,187	\$ 5,637,187	\$ -
	Fair Value	June 30, 2022	
		Level 1	Level 2
Investments:			
Mutual funds and equities	\$ 4,035,907	\$ 4,035,907	\$ -
Bonds	1,135,056	1,135,056	-
	\$ 5,170,963	\$ 5,170,963	\$ -

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	June 30,	
	2023	2022
Endowment training fund	\$ 5,637,187	\$ 5,170,963
Lavelle fund grant	102,317	194,327
	<u>\$ 5,739,504</u>	<u>\$ 5,365,290</u>

6. RELATED PARTY TRANSACTIONS:

For the years ended June 30, 2023 and 2022, CBM US donated non cash medical supplies of \$3,024,500 and \$2,453,651, respectively, and entered into program grants of \$781,800 and \$3,103,611 to its affiliates overseas, respectively.

For the years ended June 30, 2023 and 2022, CBM US paid fees to Christoffel-Blindenmission Christian Blind Mission e.V. (CBM Germany) of \$40,000 for both years, respectively.

7. CONCENTRATIONS:

For the year ended June 30, 2023, approximately 27%, of total contributions were provided by four donors, there were no such concentrations for the year ended June 30, 2022.

CHRISTIAN BLIND MISSION INTERNATIONAL, INC.

Notes to Consolidated Financial Statements

June 30, 2023 and 2022

8. 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,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 440,394	\$ 162,361
Investments	5,637,187	5,170,963
Accounts receivable	203,254	324,677
Cash surrender value of life insurance	511,603	486,346
Financial assets, at year end	<u>6,792,438</u>	<u>6,144,347</u>
Less those unavailable for general expenditures within one year		
Net assets with donor restrictions	<u>(5,739,504)</u>	<u>(5,365,290)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,052,934</u>	<u>\$ 779,057</u>

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 13, 2024, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.