



**Combat Blindness**  
INTERNATIONAL

FINANCIAL STATEMENTS

December 31, 2019 and 2018

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Combat Blindness International, Inc.  
Madison, Wisconsin

We have audited the accompanying financial statements of Combat Blindness International, Inc., which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 accounting principles generally accepted in the United States of America; this includes 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 audits. We conducted our audits 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 auditor considers 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.

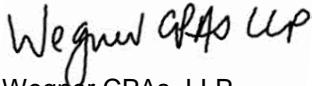
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Combat Blindness International, Inc. as of December 31, 2019 and 2018, 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.

**Adoption of New Accounting Guidance**

As discussed in Note 1 to the financial statements, Combat Blindness International, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of January 1, 2019. Our opinion is not modified with respect to this matter.



Wegner CPAs, LLP  
Madison, Wisconsin  
April 9, 2020

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
Cash	\$ 165,469	\$ 232,328
Unconditional promises to give	143,053	94,645
Investments	715,497	624,436
Prepaid expenses	3,155	5,724
Security deposits	750	750
Beneficial interest in assets held by MCF	15,374	13,402
<b>Total assets</b>	<b>\$ 1,043,298</b>	<b>\$ 971,285</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 761	\$ 2,847
Accrued expenses	2,354	-
Grants payable	53,737	63,737
<b>Total liabilities</b>	<b>56,852</b>	<b>66,584</b>
<b>NET ASSETS</b>		
Net assets without donor restrictions	644,792	576,136
Net assets with donor restrictions	341,654	328,565
<b>Total net assets</b>	<b>986,446</b>	<b>904,701</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,043,298</b>	<b>\$ 971,285</b>

See accompanying notes.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 295,150	\$ 291,100	\$ 586,250
Special events revenue	70,579	-	70,579
Costs of direct benefit to donors	(7,894)	-	(7,894)
Investment return, net	116,902	-	116,902
<b>Total revenue and support</b>	<b>474,737</b>	<b>291,100</b>	<b>765,837</b>
<b>EXPENSES</b>			
Program services			
Cataracts	105,051	-	105,051
Pediatric Eye Care	140,473	-	140,473
Eye Care - Infrastructure	39,644	-	39,644
Eye Care - Personnel Training	200,040	-	200,040
Management and general	73,133	-	73,133
Fundraising	125,751	-	125,751
<b>Total expenses</b>	<b>684,092</b>	<b>-</b>	<b>684,092</b>
Net assets released from donor restrictions	278,011	(278,011)	-
<b>Change in net assets</b>	<b>68,656</b>	<b>13,089</b>	<b>81,745</b>
Net assets at beginning of year	576,136	328,565	904,701
<b>Net assets at end of year</b>	<b>\$ 644,792</b>	<b>\$ 341,654</b>	<b>\$ 986,446</b>

See accompanying notes.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 234,396	\$ 327,775	\$ 562,171
Special events revenue	51,880	-	51,880
Costs of direct benefit to donors	(7,895)	-	(7,895)
Investment return, net	(35,752)	-	(35,752)
<b>Total revenue and support</b>	<b>242,629</b>	<b>327,775</b>	<b>570,404</b>
<b>EXPENSES</b>			
Program services			
Cataracts	128,910	-	128,910
Pediatric Eye Care	87,576	-	87,576
Eye Care - Infrastructure	111,520	-	111,520
Eye Care - Personnel Training	17,090	-	17,090
Management and general	87,422	-	87,422
Fundraising	69,686	-	69,686
<b>Total expenses</b>	<b>502,204</b>	<b>-</b>	<b>502,204</b>
Net assets released from donor restrictions	246,284	(246,284)	-
<b>Change in net assets</b>	<b>(13,291)</b>	<b>81,491</b>	<b>68,200</b>
Net assets at beginning of year	589,427	247,074	836,501
<b>Net assets at end of year</b>	<b>\$ 576,136</b>	<b>\$ 328,565</b>	<b>\$ 904,701</b>

See accompanying notes.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended December 31, 2019

	Program Services				Total Program Services
	Cataracts	Pediatric Eye Care	Eye Care Infrastructure	Eye Care Personnel Training	
Grants and contributions	\$ 85,445	\$ 114,686	\$ 22,573	\$ 176,101	\$ 398,805
Personnel	10,266	14,805	8,405	13,447	46,923
Occupancy	1,385	1,998	1,135	1,816	6,334
Bank and credit card fees	-	-	-	-	-
Insurance	187	270	153	245	855
Professional fees	-	-	-	-	-
Postage	196	282	160	257	895
Supplies	58	83	47	75	263
Telephone and internet	225	324	184	294	1,027
Memberships and affiliations	431	622	353	565	1,971
Meetings	-	-	-	-	-
Printing	860	1,240	704	1,126	3,930
Publicity	-	-	-	-	-
Computer and web	5,998	6,163	5,930	6,114	24,205
Food and beverage	-	-	-	-	-
Staff training	-	-	-	-	-
Travel	-	-	-	-	-
Other	-	-	-	-	-
<b>Total expenses</b>	<b>105,051</b>	<b>140,473</b>	<b>39,644</b>	<b>200,040</b>	<b>485,208</b>
Less expenses included with revenue and support on the statement of activities	-	-	-	-	-
<b>Total expenses included in the expenses section of the statement of activities</b>	<b>\$ 105,051</b>	<b>\$ 140,473</b>	<b>\$ 39,644</b>	<b>\$ 200,040</b>	<b>\$ 485,208</b>

See accompanying notes.



**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
Year ended December 31, 2019

	Supporting Activities			Cost of Direct Benefit to Donors	Total
	Management and General	Fundraising	Total Supporting Activities		
Grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ 398,805
Personnel	24,920	42,614	67,534	-	114,457
Occupancy	3,364	5,978	9,342	-	15,676
Bank and credit card fees	1,908	-	1,908	-	1,908
Insurance	456	778	1,234	-	2,089
Professional fees	20,751	-	20,751	-	20,751
Postage	476	1,450	1,926	-	2,821
Supplies	140	2,251	2,391	-	2,654
Telephone and internet	545	932	1,477	-	2,504
Memberships and affiliations	1,048	1,791	2,839	-	4,810
Meetings	309	-	309	-	309
Printing	2,690	10,633	13,323	-	17,253
Publicity	2,500	12,757	15,257	-	15,257
Computer and web	1,625	40,961	42,586	-	66,791
Food and beverage	57	-	57	7,894	7,951
Staff training	50	-	50	-	50
Travel	8,947	1,014	9,961	-	9,961
Other	3,347	4,592	7,939	-	7,939
<b>Total expenses</b>	<b>73,133</b>	<b>125,751</b>	<b>198,884</b>	<b>7,894</b>	<b>691,986</b>
Less expenses included with revenue and support on the statement of activities	-	-	-	(7,894)	(7,894)
<b>Total expenses included in the expenses section of the statement of activities</b>	<b>\$ 73,133</b>	<b>\$ 125,751</b>	<b>\$ 198,884</b>	<b>\$ -</b>	<b>\$ 684,092</b>

See accompanying notes.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended December 31, 2018

	Program Services				Total Program Services
	Cataracts	Pediatric Eye Care	Eye Care Infrastructure	Eye Care Personnel Training	
Grants and contributions	\$ 115,721	\$ 74,387	\$ 98,331	\$ 3,241	\$ 291,680
Personnel	5,935	5,935	5,935	5,935	23,740
Occupancy	1,652	1,652	1,652	1,652	6,608
Bank and credit card fees	-	-	-	-	-
Insurance	80	80	80	80	320
Professional fees	-	-	-	-	-
Postage	52	52	52	52	208
Supplies	71	71	71	71	284
Telephone and internet	265	265	265	265	1,060
Memberships and affiliations	1,015	1,015	1,015	1,015	4,060
Meetings	-	-	-	-	-
Printing	-	-	-	-	-
Publicity	-	-	-	-	-
Computer and web	4,119	4,119	4,119	4,119	16,476
Food and beverage	-	-	-	-	-
Staff training	-	-	-	-	-
Travel	-	-	-	-	-
Other	-	-	-	660	660
<b>Total expenses</b>	<b>128,910</b>	<b>87,576</b>	<b>111,520</b>	<b>17,090</b>	<b>345,096</b>
Less expenses included with revenue and support on the statement of activities	-	-	-	-	-
<b>Total expenses included in the expenses section of the statement of activities</b>	<b>\$ 128,910</b>	<b>\$ 87,576</b>	<b>\$ 111,520</b>	<b>\$ 17,090</b>	<b>\$ 345,096</b>

See accompanying notes.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
Year ended December 31, 2018

	Supporting Activities			Cost of Direct Benefit to Donors	Total
	Management and General	Fundraising	Total Supporting Activities		
Grants and contributions	\$ 4,476	\$ 1,002	\$ 5,478	\$ -	\$ 297,158
Personnel	21,631	7,386	29,017	-	52,757
Occupancy	6,024	2,556	8,580	-	15,188
Bank and credit card fees	2,189	-	2,189	-	2,189
Insurance	293	100	393	-	713
Professional fees	24,780	-	24,780	-	24,780
Postage	190	644	834	-	1,042
Supplies	255	2,231	2,486	-	2,770
Telephone and internet	964	329	1,293	-	2,353
Memberships and affiliations	-	-	-	-	4,060
Meetings	354	-	354	-	354
Printing	4,381	9,915	14,296	-	14,296
Publicity	-	8,190	8,190	-	8,190
Computer and web	15,009	34,893	49,902	-	66,378
Food and beverage	-	-	-	7,895	7,895
Staff training	75	-	75	-	75
Travel	1,150	-	1,150	-	1,150
Other	5,651	2,440	8,091	-	8,751
<b>Total expenses</b>	<b>87,422</b>	<b>69,686</b>	<b>157,108</b>	<b>7,895</b>	<b>510,099</b>
Less expenses included with revenue and support on the statement of activities	-	-	-	(7,895)	(7,895)
<b>Total expenses included in the expenses section of the statement of activities</b>	<b>\$ 87,422</b>	<b>\$ 69,686</b>	<b>\$ 157,108</b>	<b>\$ -</b>	<b>\$ 502,204</b>

See accompanying notes.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 81,745	\$ 68,200
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Agency endowment return	(1,972)	284
Net realized and unrealized (gains)/losses on investments	(95,409)	52,052
Change in assets and liabilities		
Promises to give	(48,408)	(94,645)
Prepaid expenses	2,569	(4,779)
Accounts payable	(2,086)	494
Accrued expenses	2,354	(1,284)
Grants payable	(10,000)	(10,000)
<b>Net cash flows from operating activities</b>	<u>(71,207)</u>	<u>10,322</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	79,851	-
Interest and dividends retained in investments	(17,944)	(15,386)
Purchase of investments	(57,559)	-
<b>Net cash flows from investing activities</b>	<u>4,348</u>	<u>(15,386)</u>
Net change in cash	(66,859)	(5,064)
Cash at beginning of year	<u>232,328</u>	<u>237,392</u>
<b>Cash at end of year</b>	<u><u>\$ 165,469</u></u>	<u><u>\$ 232,328</u></u>

See accompanying notes.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Operations**

Combat Blindness International, Inc. (CBI) is a non-profit health organization dedicated to relieving human suffering by preventing and curing blindness among the most vulnerable sectors of society, the young and the old, in the most-needy parts of the world, developing countries.

**Promises to Give**

Unconditional promises to give are recognized as support or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Uncollectible promises are written-off after management has used reasonable collection efforts and determine the promises will not be collected. At December 31, 2019, promises to give of \$93,053 are due within one year and \$50,000 are due within one to five years. At December 31, 2018, promises to give of \$50,000 were due within one year and \$44,645 was due within one to five years.

**Investments**

Investments in marketable securities with readily determinable fair values are carried at their fair value in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

CBI also has investments held in an agency endowment by the Madison Community Foundation (MCF). CBI may receive income earned from the agency endowment of the MCF. These funds are recorded as board-designated net assets and are carried at fair value.

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Donated Materials, Services, and Facilities**

Donated materials and facilities are reflected as contributions in the accompanying financial statements at their estimated fair values at the date of receipt.

Donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Income Tax Status**

CBI is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, CBI qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: personnel, occupancy, insurance, postage, supplies, telephone and internet, printing, and computer and web, which are allocated based on estimated time and effort.

The following program services are included in the accompanying financial statements:

*Cataracts*

CBI supports free cataract operations for the poor in India, Botswana, and the United States of America. CBI also provides equipment, medical consumables, and Intraocular Lenses (IOLs) for free eye operations for the poor in areas of India.

*Pediatric Eye Care*

CBI supports programs in India and Gambia to screen children and provide free pediatric eye surgeries and glasses free of cost. In addition, CBI funds a school screening program in Madison, Wisconsin for all 4K and 5K students.

*Eye Care Infrastructure*

CBI supports the building of Eye Care Centers to bring high-quality, sight-restoring eye care to rural India.

*Eye Care Personnel Training*

CBI supports the training of doctors, nurses, and medical personnel to increase eye care capacity.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Reclassification**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation of the current year financial statements.

**Adoption of New Accounting Guidance**

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs supersedes the revenue recognition requirements and most industry-specific guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also includes a cohesive set of disclosure requirements that will provide users of the financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

CBI adopted the requirements of the new guidance as of January 1, 2019, using the modified retrospective method of transition. In applying the new guidance, CBI elected to use the practical expedient that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019.

The majority of CBI's revenue is recognized at a point in time based on the transfer of control. Revenue recognized over time primarily consists of performance obligations that are satisfied within one year or less. In addition, the majority of CBI's contracts do not contain variable consideration and contract modifications are generally minimal.

The adoption of the new guidance did not have a significant impact on CBI's financial statements. The majority of CBI's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on CBI's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new guidance.

Also, on June 21, 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides a more robust framework for evaluating whether transactions such as grants and similar contracts with government agencies and others should be accounted for as exchange transactions or contributions. The ASU also assists entities in determining whether a contribution is conditional. CBI adopted the requirements of the ASU as of January 1, 2019. The changes in the ASU have been applied on a modified prospective basis, that is, the changes have been applied to agreements that are either not completed as of January 1, 2019, or entered into after that date. The adoption of the new guidance did not have a significant impact on the Combat Blindness International, Inc.'s financial statements.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Date of Management’s Review**

Management has evaluated subsequent events through April 9, 2020, the date which the financial statements were available to be issued.

NOTE 2 – LEASE COMMITMENT

CBI has an agreement to lease office space effective from March 1, 2018 through February 28, 2020. The lease called for monthly payments of \$794 increasing annually. CBI entered into an agreement to extend its leased office space effective from March 1, 2020 through February 28, 2022. The updated lease has monthly payments of \$1,100 increasing annually. Lease expense for 2019 and 2018 was \$15,451 and \$14,688. Future minimum lease payments for 2020, 2021, and 2022 total \$12,634, \$13,350, and \$2,266, respectively.

NOTE 3 – INVESTMENTS

Investments are comprised of the following:

	2019	2018
Money market account	\$ 11,495	\$ 8,921
Exchange traded funds	498,250	444,323
Mutual funds	205,752	171,192
Investments	\$ 715,497	\$ 624,436

NOTE 4 – GRANTS PAYABLE

CBI had previously issued a grant of \$73,737 to Right-to-Sight to build a clinic. Because the clinic was not completed during the grant period and has yet to be completed, the full amount of the grant was returned to CBI during 2017. CBI and Right-to-Sight are both committed to the project and CBI will pay out \$10,000 annually to Right-to-Sight until the full grant is returned. The remaining balance as of December 31, 2019 is \$53,737.



**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

**NOTE 5 – NET ASSETS**

Net assets without donor restrictions are available for the following:

	<u>2019</u>	<u>2018</u>
Undesignated	\$ 599,566	\$ 537,988
Designated for endowment	29,852	24,746
Designated for agency endowment	<u>15,374</u>	<u>13,402</u>
Net assets without donor restrictions	<u>\$ 644,792</u>	<u>\$ 576,136</u>

Net assets with donor restrictions are available for the following:

	<u>2019</u>	<u>2018</u>
Lebanon project	\$ 122,806	\$ 122,806
Keonjhar project	44,269	44,269
PEEK/Botswana project	5,343	47,704
COPS project	153,546	105,138
MMSD project	7,750	2,750
Travel	<u>7,940</u>	<u>5,898</u>
Net assets with donor restrictions	<u>\$ 341,654</u>	<u>\$ 328,565</u>

**NOTE 6 – ENDOWMENTS**

The Board of Directors established two endowments to ensure the continued existence of CBI. Use of endowment principal requires approval by a majority of the Board.

One of CBI's funds was established as an agency endowment fund at Madison Community Foundation (MCF). When CBI transfers the funds to MCF, it recognizes the transfer as a decrease in cash and an increase in the asset beneficial interest in assets held by MCF. CBI acknowledges that, by virtue of the governing instrument of MCF, the Board of Governors of MCF has the authority to modify any restriction or condition on the distribution of assets from the Funds if, in the reasonable judgment of the Board of Governors, such restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by MCF. MCF maintains legal ownership of the Funds.

CBI has adopted a statement of investment policy to ensure that all involved parties have a clear understanding of the investment guidelines, goals and objectives for the assets of CBI. Further, the policy establishes the investment horizon for CBI's portfolio, defines and assigns the responsibilities of all involved parties, and clearly defines the parameters and limitations regarding the investment CBI's assets.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

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NOTE 6 – ENDOWMENTS (continued)

The investment objective of CBI's portfolio is to maximize potential return consistent with minimizing overall volatility. Further, while the Board understands the inherent risk associated with an investment portfolio, unnecessary levels of risk should be avoided, and sound asset allocation policies and investment diversification are required to reduce the overall risk profile of the portfolio.

CBI's endowment consists of funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition by type of fund as of December 31 were as follows:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment	\$ 29,852	\$ -	\$ 29,852
Agency endowment - MCF	15,374	-	15,374
Board designated endowment funds	\$ 45,226	\$ -	\$ 45,226
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment	\$ 24,746	\$ -	\$ 24,746
Agency endowment - MCF	13,402	-	13,402
Board designated endowment funds	\$ 38,148	\$ -	\$ 38,148

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

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NOTE 6 – ENDOWMENTS (continued)

Changes in endowment net assets for the years ended December 31 were as follows:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 38,148	\$ -	\$ 38,148
Investment return			
Interest and dividends	684	-	684
Net realized and unrealized gain	6,394	-	6,394
Endowment net assets at end of year	\$ 45,226	\$ -	\$ 45,226
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 40,211	\$ -	\$ 40,211
Investment return			
Interest and dividends	589	-	589
Net realized and unrealized loss	(2,652)	-	(2,652)
Endowment net assets at end of year	\$ 38,148	\$ -	\$ 38,148

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

NOTE 7 – FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows:

Assets at Fair Value as of December 31, 2019			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 3)
Exchange traded funds	\$ 498,250	\$ 498,250	\$ -
Mutual funds	205,752	205,752	-
Beneficial interest in assets held by MCF	15,374	-	15,374
	\$ 719,376	\$ 704,002	\$ 15,374
Assets at Fair Value as of December 31, 2018			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 3)
Exchange traded funds	\$ 444,323	\$ 444,323	\$ -
Mutual funds	171,192	171,192	-
Beneficial interest in assets held by MCF	13,402	-	13,402
	\$ 628,917	\$ 615,515	\$ 13,402

Fair values for exchange traded funds and mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

CBI's beneficial interest in assets held by the Foundation represents an agreement between CBI and the Foundation in which CBI transfers assets to the Foundation in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available. Thus, the fair value of the beneficial interest is measured at the proportional share of the underlying assets as reported to CBI by the Foundation. Little information about those assets is released publicly. The estimated value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

NOTE 7 – FAIR VALUE MEASUREMENTS (continued)

The following table presents additional information about assets measured at fair value on a recurring basis using significant unobservable inputs:

	<u>Beneficial Interest in Assets Held by Madison Community Foundation</u>	
	2019	2018
Balance at beginning of year	\$ 13,402	\$ 13,686
Change in value of beneficial interest included in change in net assets	1,972	(284)
Balance at end of year	\$ 15,374	\$ 13,402

The change in value of beneficial interest included in change in net assets is reported as agency endowment return in investment return on the statements of activities.

NOTE 8 – DONATED MATERIALS, SERVICES, AND FACILITIES

Donated materials, services, and facilities consisted of the following for 2019:

	Program Services	Management and General	Fundraising	2019 Total
Medical services	\$ 37,591	\$ -	\$ -	\$ 37,591
Medical supplies	15,484	-	-	15,484
School screenings	3,714	-	-	3,714
Financial services	-	3,428	-	3,428
Management services	-	6,094	-	6,094
Publicity	-	2,500	5,195	8,642
Printing	-	604	6,421	12,261
Supplies	-	-	1,352	2,412
Computer and web	22,500	720	22,590	45,900
Occupancy	2,333	1,239	2,119	5,691
Other	-	57	1,352	2,761
Total	\$ 81,622	\$ 14,642	\$ 39,029	\$ 143,978

Donated medical services of \$30,870, financial services of \$900, and project management services of \$6,500 for 2019 are considered related party transactions as those services were provided by CBI board members.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2019 and 2018

**NOTE 8 – DONATED MATERIALS, SERVICES, AND FACILITIES (continued)**

Donated materials, services, and facilities consisted of the following for 2018:

	Program Services	Management and General	Fundraising	2018 Total
Medical services	\$ 30,209	\$ -	\$ -	\$ 30,209
School screenings	3,620	-	-	3,620
Legal services	-	2,200	-	2,200
Financial services	-	1,200	-	1,200
Management services	2,925	-	600	3,525
Printing	-	158	7,237	7,395
Supplies	-	651	1,262	1,913
Computer and web	22,500	-	22,500	45,000
Occupancy	2,325	2,118	723	5,166
Other	4,475	-	-	4,475
	<u>\$ 66,054</u>	<u>\$ 6,327</u>	<u>\$ 32,322</u>	<u>\$ 104,703</u>

Donated medical services of \$22,750, legal services of \$2,200, financial services of \$1,200, project management services of \$2,925, and fundraising services of \$600 for 2018 are considered related party transactions as those services were provided by CBI board members.

**NOTE 9 – LIQUIDITY AND AVAILABILITY**

The following table reflects CBI's financial assets at December 31, 2019 and 2018, reduced by amounts that are not available to meet general expenditures within one year of the dates of the statements of financial position because of contractual restrictions, internal board designations, or donor restrictions.

	<u>2019</u>	<u>2018</u>
Financial assets, at year-end	\$ 1,039,393	\$ 964,811
Less those unavailable for general expenditures with one year, due to:		
Board designations	(45,226)	(38,148)
Restricted by donor with purpose restrictions	<u>(341,654)</u>	<u>(328,565)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 652,513</u>	<u>\$ 598,098</u>

Financial assets at year-end consist of cash, promises to give, investments, and beneficial interest in assets held by MCF. As part of CBI's liquidity management, it has a policy to structure its financial assets to be available for general expenditures, liabilities, and other obligations that come due.

**COMBAT BLINDNESS INTERNATIONAL, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019 and 2018

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NOTE 10 – SUBSEQUENT EVENT

CBI's operations may be affected by the recent and on-going COVID-19 outbreak that was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption and effect on CBI is uncertain; however, it may result in a material adverse impact on CBI's financial position, activities, and cash flows. Possible effects may include, but are not limited to, disruption to CBI's donors and revenues, absenteeism in CBI's workforce, unavailability of supplies used in CBI's programs, and a decline in value assets held by CBI.