

CHRISTIAN BLIND MISSION INTERNATIONAL
o/a cbm Canada

2008 FINANCIAL STATEMENTS

NETHERCOTT & COMPANY

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AUDITORS' REPORT

To the Members
CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada

We have audited the statement of financial position of CHRISTIAN BLIND MISSION INTERNATIONAL as at December 31, 2008 and the statements of fund operations and fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Licensed Public Accountants

North York, Ontario
March 12, 2009

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2008

	2008			2007	
	Operating Fund	Restricted Fund	Capital Fund	Total	
ASSETS					
Current					
Cash and investments	\$ 3,135,138	\$ 6,684,297	\$ -	\$ 9,819,435	\$ 11,215,545
Amounts receivable	879,121	-	-	879,121	1,096,161
Prepaid expenses	1,491	-	-	1,491	33,033
	<u>4,015,750</u>	<u>6,684,297</u>	<u>-</u>	<u>10,700,047</u>	<u>12,344,739</u>
Capital assets (Note 4)	-	-	1,086,601	1,086,601	1,078,405
	<u>\$ 4,015,750</u>	<u>\$ 6,684,297</u>	<u>\$ 1,086,601</u>	<u>\$ 11,786,648</u>	<u>\$ 13,423,144</u>
LIABILITIES AND FUND BALANCES					
Current					
Accounts payable	\$ 509,308	\$ -	\$ -	\$ 509,308	\$ 179,510
Funds held for projects (Note 5)	3,500,000	-	-	3,500,000	4,086,000
	<u>4,009,308</u>	<u>-</u>	<u>-</u>	<u>4,009,308</u>	<u>4,265,510</u>
Non-current					
Annuities and trusts					
Gift annuities	-	3,406,187	-	3,406,187	3,506,841
Trust agreements	-	477,536	-	477,536	639,796
Deferred income	-	854,705	-	854,705	1,631,249
	<u>-</u>	<u>4,738,428</u>	<u>-</u>	<u>4,738,428</u>	<u>5,777,886</u>
	<u>4,009,308</u>	<u>4,738,428</u>	<u>-</u>	<u>8,747,736</u>	<u>10,043,396</u>
Fund Balances					
Invested in capital assets	-	-	1,086,601	1,086,601	1,078,405
Externally Restricted (note 6)	-	1,945,869	-	1,945,869	2,288,662
Unrestricted	6,442	-	-	6,442	12,681
	<u>6,442</u>	<u>1,945,869</u>	<u>1,086,601</u>	<u>3,038,912</u>	<u>3,379,748</u>
	<u>\$ 4,015,750</u>	<u>\$ 6,684,297</u>	<u>\$ 1,086,601</u>	<u>\$ 11,786,648</u>	<u>\$ 13,423,144</u>

Approved by the Board of Directors

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008			2007
	Operating Fund	Restricted Fund	Capital Fund	Total
REVENUE				
Contributions	\$ 10,482,745	\$ -	\$ -	\$ 10,482,745
Donations-in-kind	3,340,701	-	-	3,340,701
Bequests - designated	25,749	-	-	25,749
- undesignated	1,328,180	-	-	1,328,180
Endowment income	21,296	(34,167)	-	(12,871)
Annuity and trust income	123,085	-	-	123,085
Grants - CIDA	6,128	-	-	6,128
Investment income	37,274	-	-	37,274
Rental and other	208,428	-	-	208,428
	<u>15,573,586</u>	<u>(34,167)</u>	<u>-</u>	<u>15,539,419</u>
				<u>15,052,592</u>
EXPENDITURE				
Overseas Programs				
Prevention	2,556,194	-	-	2,556,194
Cure	6,143,292	-	-	6,143,292
Care	2,436,218	-	-	2,436,218
	<u>11,135,704</u>	<u>-</u>	<u>-</u>	<u>11,135,704</u>
				<u>10,472,102</u>
Canadian Programs				
Educational and Spiritual including Talking Book Library	2,061,735	-	-	2,061,735
	<u>2,061,735</u>	<u>-</u>	<u>-</u>	<u>2,061,735</u>
				<u>1,568,585</u>
Supporting Ministries				
General and Administrative	861,076	-	-	861,076
Fundraising / marketing	1,438,114	-	-	1,438,114
Stewardship	-	-	-	-
Amortization	-	-	75,000	75,000
	<u>2,299,190</u>	<u>-</u>	<u>75,000</u>	<u>2,374,190</u>
	<u>15,496,629</u>	<u>-</u>	<u>75,000</u>	<u>15,571,629</u>
				<u>14,648,411</u>
Excess (deficiency) of revenue over expenditure before interfund transfers	76,957	(34,167)	(75,000)	(32,210)
Interfund transfer during year (Note 3)	(83,196)	-	83,196	-
Excess (deficiency) of revenue over expenditure for year	<u>\$ (6,239)</u>	<u>\$ (34,167)</u>	<u>\$ 8,196</u>	<u>\$ (32,210)</u>
				<u>\$ 404,181</u>

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>				<u>2007</u>
	<u>Operating Fund</u>	<u>Restricted Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Total</u>
Fund balances, beginning of year	\$ 12,681	\$ 2,288,662	\$ 1,078,405	\$ 3,379,748	\$ 2,917,088
Revaluation of investments, beginning of year	-	-	-	-	235,058
Fund balances, beginning of year - restated	12,681	2,288,662	1,078,405	3,379,748	3,152,146
Excess (deficiency) of revenue over expenditure for year	(6,239)	(34,167)	8,196	(32,210)	404,181
Unrealized losses on available-for-sale financial assets arising during the period	-	(308,626)	-	(308,626)	(176,579)
FUND BALANCES, END OF YEAR	<u>\$ 6,442</u>	<u>\$ 1,945,869</u>	<u>\$ 1,086,601</u>	<u>\$ 3,038,912</u>	<u>\$ 3,379,748</u>

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
CASH PROVIDED BY (USED FOR):		
Cash flows from operating activities		
Excess (deficiency) of revenue over expenditure for year	\$ (32,210)	\$ 404,181
Unrealized gains and losses	(308,626)	58,479
Amortization	<u>75,000</u>	<u>80,626</u>
	(265,836)	543,286
Net increase in working capital items	<u>(1,047,078)</u>	<u>(1,509,688)</u>
	(1,312,914)	(966,402)
Cash flows from investing activities		
Purchase of capital assets	<u>(83,196)</u>	<u>(228,037)</u>
DECREASE IN CASH AND EQUIVALENTS FOR YEAR	(1,396,110)	(1,194,439)
Cash and equivalents, beginning of year	<u>11,215,545</u>	<u>12,409,984</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 9,819,435</u>	<u>\$ 11,215,545</u>

**CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

1 Corporation and Purpose of Organization

Christian Blind Mission International o/a cbm Canada (the "Mission") is a religious, charitable, not-for-profit corporation without share capital, registered by Canada Revenue Agency for tax receipting purposes. The financial statements present the financial position and results of operations conducted by the Canadian organization world-wide.

The Mission is an international Christian development organization, committed to improving the quality of life of persons with disabilities in the poorest countries of the world. Based on its Christian values, the Mission addresses poverty as a cause, and a consequence, of disability, and works in partnership to create a society for all.

2 Summary of Significant Accounting Policies

Fund Accounting

The Mission adopted the restricted fund method of accounting for contributions.

The operating fund reports the activity related to the operations and administration of the Mission.

The restricted fund reports the activity related to the planned giving operations of the Mission.

The capital fund reports the activity related to the capital assets of the Mission.

Revenue recognition

Contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrealized gains and losses on available-for-sale financial assets are included directly in the fund balances or deferred, as appropriate, until the asset is removed from the statement of financial position.

Capital Assets

The capital assets are carried at cost less accumulated amortization. Amortization is calculated based upon the estimated useful life of the assets on a straight-line basis at the following annual rates:

Building	-	over 30 years
Furniture and other equipment	-	over 5 years
Computer equipment	-	over 3 years

Contributed Services

Volunteer services contributed to the Mission in carrying out its operating activities are not recognized in these financial statements due to the difficulty in determining their fair value.

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the Board of Directors' best estimates, as additional information becomes available in the future.

3 Interfund transfer

During the year, the following interfund transfer was made:

	<u>Operating Fund</u>	<u>Restricted Fund</u>	<u>Capital Fund</u>
Purchase of capital assets	\$ (83,196)	\$ -	\$ 83,196

4 Capital Assets

	<u>2008</u>			<u>2007</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 377,000	\$ -	\$ 377,000	\$ 377,000
Building	712,357	93,595	618,762	616,295
Furniture and other equipment	158,020	97,736	60,284	62,661
Computer equipment	151,218	120,663	30,555	22,449
	<u>\$ 1,398,595</u>	<u>\$ 311,994</u>	<u>\$ 1,086,601</u>	<u>\$ 1,078,405</u>

5 Funds held for projects

The Mission approved projects in which it will participate and is committed to raising funds required for such purposes. Due to the concerns for currency fluctuations and the economic stability of foreign countries the funds are remitted to the projects world-wide when required. Funds raised in 2008 awaiting transmission in 2009 on budgeted projects amounted to \$3,500,000 as at December 31, 2008 (\$4,086,000 in 2007 on 2008 budgeted projects).

The Mission monitors the financial and administrative direction and control over the projects through regional representatives reporting to the Mission.

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

6 Externally restricted fund balances

Major categories of externally imposed restrictions on fund balances are as follows:

	<u>2008</u>	<u>2007</u>
Endowments, the income from which must be used for overseas programs	\$ 2,254,495	\$ 2,465,241
Unrealized losses on Endowment Fund resources	<u>(308,626)</u>	<u>(176,579)</u>
	<u>\$ 1,945,869</u>	<u>\$ 2,288,662</u>

7 Gifts annuities and trust agreements

a) Gift Annuities

The Mission has entered into irrevocable gift annuity agreements with donors desirous of making a charitable donation to the Mission. Payments at guaranteed rates are made during the lifetime of the annuitant. On the death of the annuitant the balance of funds remain the property of the Mission and are recorded as income at that time.

b) Trust Agreements

The Mission has established revocable and irrevocable trust agreements as a form of deferred giving. Under the terms of the agreements interest earned is paid to the donor/investor. At the time of the donor/investor's death, the principal becomes available for ministry purposes.

8 Line of credit

A line of credit secured by the property has been established with TD Canada Trust to provide available financing if necessary. The line of credit was not utilized during the year.

9 Financial instruments

The Board is of the opinion that the Mission is not exposed to material interest rate, currency or credit risks arising from its financial instruments the more significant of which are cash and investments, amounts receivable, accounts payable, gift annuities and trust agreements.