

CHRISTIAN BLIND MISSION INTERNATIONAL
o/a cbm Canada

2009 FINANCIAL STATEMENTS

NETHERCOTT & COMPANY

Chartered Accountants

R. Bruce Nethercott
John M. Quigg
Paul W.B. Nethercott

250 Consumers Road, Suite 800

North York, Ontario M2J 4V6

Tel: 416-492-0514

Fax: 416-491-3668

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, 2009 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, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

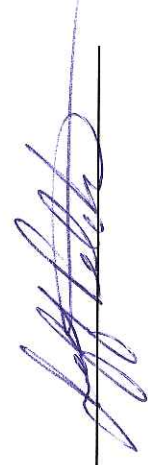
Chartered Accountants
Licensed Public Accountants

North York, Ontario
April 15, 2010

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2009

	2009			2008	
	Operating Fund	Restricted Fund	Capital Fund	Total	Total
ASSETS					
Current					
Cash and investments	\$ 2,166,827	\$ 6,852,901	\$ -	\$ 9,019,728	\$ 9,819,435
Amounts receivable	669,639	-	-	669,639	879,121
Prepaid expenses	9,397	-	-	9,397	1,491
	<u>2,845,863</u>	<u>6,852,901</u>	<u>-</u>	<u>9,698,764</u>	<u>10,700,047</u>
Donations-in-kind	1,939,203	-	-	1,939,203	-
Capital assets (Note 4)	-	-	1,415,587	1,415,587	1,086,601
	<u>4,785,066</u>	<u>6,852,901</u>	<u>1,415,587</u>	<u>13,053,554</u>	<u>11,786,648</u>
	\$	\$	\$	\$	\$
LIABILITIES AND FUND BALANCES					
Current					
Accounts payable	\$ 758,756	\$ -	\$ -	\$ 758,756	\$ 509,308
Funds held for projects (Note 5)	4,000,000	-	-	4,000,000	3,500,000
	<u>4,758,756</u>	<u>-</u>	<u>-</u>	<u>4,758,756</u>	<u>4,009,308</u>
Non-current					
Annuities and trusts	-	-	-	-	-
Gift annuities	-	3,167,645	-	3,167,645	3,406,187
Trust agreements	-	465,306	-	465,306	477,536
Deferred income	-	1,066,534	-	1,066,534	854,705
	<u>-</u>	<u>4,699,485</u>	<u>-</u>	<u>4,699,485</u>	<u>4,738,428</u>
	<u>4,758,756</u>	<u>4,699,485</u>	<u>-</u>	<u>9,458,241</u>	<u>8,747,736</u>
Fund Balances					
Invested in capital assets	-	-	1,415,587	1,415,587	1,086,601
Externally Restricted (Note 6)	-	2,153,416	-	2,153,416	1,945,869
Unrestricted	26,310	-	-	26,310	6,442
	<u>26,310</u>	<u>2,153,416</u>	<u>1,415,587</u>	<u>3,595,313</u>	<u>3,038,912</u>
	<u>4,785,066</u>	<u>6,852,901</u>	<u>1,415,587</u>	<u>13,053,554</u>	<u>11,786,648</u>
	\$	\$	\$	\$	\$

Approved by the Board of Directors

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
 STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	2009			2008
	Operating Fund	Restricted Fund	Capital Fund	Total
REVENUE				
Contributions	\$ 9,783,622	\$ -	\$ -	\$ 9,783,622
Donations-in-kind	3,901,679	-	-	3,901,679
Bequests - designated	-	-	-	-
- undesignated	860,778	-	-	860,778
Endowment income	17,964	(225)	-	17,739
Annuity and trust income	131,237	-	-	131,237
Grants - CIDA	107,200	-	-	107,200
Investment income	3,342	-	-	3,342
Rental and other	229,321	-	-	229,321
	<u>15,035,143</u>	<u>(225)</u>	<u>-</u>	<u>15,034,918</u>
EXPENDITURE				
International Programs				
Prevention	636,553	-	-	636,553
Cure	8,321,241	-	-	8,321,241
Care	1,066,404	-	-	1,066,404
	<u>10,024,198</u>	<u>-</u>	<u>-</u>	<u>10,024,198</u>
Canadian Programs				
Educational and Spiritual including Talking Book Library	1,854,139	-	-	1,854,139
Supporting Ministries				
Fundraising / marketing (Note 10)	1,653,715	-	-	1,653,715
General and Administrative Support (Note 10)	1,027,273	-	-	1,027,273
Amortization	-	-	126,964	126,964
	<u>2,680,988</u>	<u>-</u>	<u>126,964</u>	<u>2,807,952</u>
	<u>14,559,325</u>	<u>-</u>	<u>126,964</u>	<u>14,686,289</u>
Excess (deficiency) of revenue over expenditure before interfund transfers	475,818	(225)	(126,964)	348,629
Interfund transfer during year (Note 3)	(455,950)	-	455,950	-
Excess (deficiency) of revenue over expenditure for year	\$ 19,868	\$ (225)	\$ 328,986	\$ 348,629
				<u><u>(32,210)</u></u>

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
 STATEMENT OF CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2009

	2009			2008	
	Operating Fund	Restricted Fund	Capital Fund	Total	Total
Fund balances, beginning of year	\$ 6,442	\$ 1,945,869	\$ 1,086,601	\$ 3,038,912	\$ 3,379,748
Excess (deficiency) of revenue over expenditure for year	19,868	(225)	328,986	348,629	(32,210)
Unrealized gains/(losses) on available-for-sale financial assets arising during the period	-	207,772	-	207,772	(308,626)
FUND BALANCES, END OF YEAR	<u>\$ 26,310</u>	<u>\$ 2,153,416</u>	<u>\$ 1,415,587</u>	<u>\$ 3,595,313</u>	<u>\$ 3,038,912</u>

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
CASH PROVIDED BY (USED FOR):		
Cash flows from operating activities		
Excess (deficiency) of revenue over expenditure for year	\$ 348,629	\$ (32,210)
Unrealized gains and losses	207,772	(308,626)
Amortization	<u>126,964</u>	<u>75,000</u>
	683,365	(265,836)
Net increase in working capital items	<u>(1,027,122)</u>	<u>(1,047,078)</u>
	(343,757)	(1,312,914)
Cash flows from investing activities		
Purchase of capital assets	<u>(455,950)</u>	<u>(83,196)</u>
DECREASE IN CASH AND EQUIVALENTS FOR YEAR	(799,707)	(1,396,110)
Cash and equivalents, beginning of year	<u>9,819,435</u>	<u>11,215,545</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 9,019,728</u>	<u>\$ 9,819,435</u>

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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.

Donations-in-kind

Donations-in-kind are valued at fair value at the date of contribution and included as revenues of the Mission. It is also recorded as an asset. When the donated goods are sent to the field, they are taken out of the Mission's assets and expensed.

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, 2009

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.

Allocation of Expenses

The Mission engages in international programs, Canadian programs and education, as well as fundraising programs. The Mission also incurs various general and administrative support expenses that are common to the administration of the organization and each of its programs. All costs that are allocated relate to either fundraising or general and administrative support expenses.

With respect to fundraising expenses, both the education and fundraising programs include the use of the same mailing to further the work of the Mission. Content of each mailing is designed and intended to achieve a specific educational objective. The cost of the content used directly by the education and the fundraising program is included in each program. Some of the content included in direct mail fundraising campaigns are mailed to individuals who have been identified as potential beneficiaries of the educational component of the materials. Shared costs of those specific mailings have been allocated to the fundraising and education programs on a proportional basis. Other fundraising costs are allocated proportionately on the basis of hours incurred directly in undertaking each function.

With respect to general and administrative support expenses, the appropriate basis of allocating each component expense is identified, and applied on a consistent basis each year. Corporate governance and general management expenses are not allocated; other general and administrative support expenses are allocated on the following basis:

Human resources, information technology, and accounting support service costs are allocated proportionately on the basis of the total costs of the program excluding human resources, information technology, and accounting support service costs.

Facilities costs are allocated proportionately on the basis of office space utilization.

The remaining general and administrative support expenses are allocated proportionately on the basis of hours incurred directly in undertaking each function.

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	\$ <u>(455,950)</u>	\$ <u>-</u>	\$ <u>455,950</u>

CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

4 Capital Assets

	2009			2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 377,000	\$ -	\$ 377,000	\$ 377,000
Building	1,007,834	127,189	880,645	618,762
Furniture and other equipment	163,328	119,762	43,566	60,284
Computer equipment	306,383	192,007	114,376	30,555
	<u>\$ 1,854,545</u>	<u>\$ 438,958</u>	<u>\$ 1,415,587</u>	<u>\$ 1,086,601</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 2009 awaiting transmission in 2010 on budgeted projects amounted to \$4,000,000 as at December 31, 2009 (\$3,500,000 in 2008 on 2009 budgeted projects).

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

6 Externally restricted fund balances

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

	<u>2009</u>	<u>2008</u>
Endowments, the income from which must be used for overseas programs	\$ 1,945,644	\$ 2,254,495
Unrealized gains/(losses) on Endowment Fund resources	<u>207,772</u>	<u>(308,626)</u>
	<u>\$ 2,153,416</u>	<u>\$ 1,945,869</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.

**CHRISTIAN BLIND MISSION INTERNATIONAL o/a cbm Canada
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009**

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 of up to \$650,000 secured by the property has been established with TD Canada Trust to provide available financing if necessary. The line of credit was utilized during the period from August through to November 2009.

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.

10 Allocation of expenses

a) Fundraising expenses

Fundraising expenses of \$2,760,432 (2008 - \$2,822,878) have been allocated as follows:

	2009	2008
International programs	\$ 53,262	\$ 58,584
Canadian programs and education	1,140,323	1,373,136
Fundraising	1,519,048	1,345,538
General and administrative support	47,799	45,620
	<u>\$ 2,760,432</u>	<u>\$ 2,822,878</u>

b) General and administrative support expenses

General and administrative support expenses of \$1,881,774 (2008 - \$1,735,260) have been allocated as follows:

	2009	2008
International programs	\$ 282,885	\$ 375,297
Canadian programs and education	484,748	451,931
Fundraising	134,667	92,576
General and administrative support	979,474	815,456
	<u>\$ 1,881,774</u>	<u>\$ 1,735,260</u>