

***Financial Statements
Modified Cash Basis
Years Ended
December 31, 2009 and 2008***

The Braille Circulating Library for the Blind, Inc.



Certified Public Accountants
Specialized Services
Business Solutions

The Braille Circulating Library for the Blind, Inc.

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Accountants' Report

Board of Directors

The Braille Circulating Library for the Blind, Inc.

We have compiled the accompanying statements of financial position – modified cash basis of *The Braille Circulating Library for the Blind, Inc.* (a nonprofit organization) as of December 31, 2009 and 2008, and the related statements of revenues, expenses, and other changes in net assets – modified cash basis for the years then ended, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Goodman & Company, LLP

Chester, Virginia
April 30, 2010

The Braille Circulating Library for the Blind, Inc.

Statements of Financial Position - Modified Cash Basis

December 31,	2009	2008
Assets		
Current assets		
Cash	\$ 23,814	\$ 10,600
Investment securities	9,421	16,215
Total current assets	<u>33,235</u>	<u>26,815</u>
Property and equipment		
Building improvements	247,765	247,765
Equipment	127,552	127,552
Building	35,142	35,142
Land	10,543	10,543
	<u>421,002</u>	<u>421,002</u>
Less - accumulated depreciation	(280,467)	(260,457)
Property and equipment - net	<u>140,535</u>	<u>160,545</u>
	<u>\$ 173,770</u>	<u>\$ 187,360</u>
Liabilities and Net Assets		
Net assets		
Unrestricted	\$ 159,080	\$ 172,670
Temporarily restricted	<u>14,690</u>	<u>14,690</u>
	<u>\$ 173,770</u>	<u>\$ 187,360</u>

See accompanying notes and accountants' report.

The Braille Circulating Library for the Blind, Inc.

Statements of Revenues, Expenses, and Other Changes in Net Assets - Modified Cash Basis

Years Ended December 31,	2009	2008
Unrestricted net assets		
Support and revenue:		
Contributions:		
Foundations and corporations	\$ 26,588	\$ 18,032
Individuals and estates	18,622	27,921
Churches	15,469	8,118
Miscellaneous income	814	2,203
	<u>61,493</u>	<u>56,274</u>
Interest, dividends, and net appreciation (depreciation) on investments	2,216	(9,249)
Total unrestricted support and revenue	<u>63,709</u>	<u>47,025</u>
 Expenses:		
Salaries and benefits	21,888	20,090
Housing	21,600	20,600
Depreciation	20,010	20,202
Utilities	5,218	5,482
Insurance	4,346	3,903
Office supplies	2,762	3,207
Maintenance and repairs	685	1,133
Internet service	457	547
Dues and subscriptions	250	-
Miscellaneous expense	83	1,469
Books, other than braille	-	588
Total expenses	<u>77,299</u>	<u>77,221</u>
 Change in unrestricted net assets	(13,590)	(30,196)
 Net assets - beginning of year	<u>187,360</u>	<u>217,556</u>
 Net assets - end of year	<u>\$ 173,770</u>	<u>\$ 187,360</u>

See accompanying notes and accountants' report.

The Braille Circulating Library for the Blind, Inc.

Notes to Financial Statements

December 31, 2009 and 2008

1. Organization and Nature of Activities

The Braille Circulating Library for the Blind, Inc. (Library), located at the corner of Stuart Avenue and Mulberry, Richmond, Virginia, was established in 1925 to serve the visually handicapped who are interested in good, sound Christian books, tapes, cassettes and compact discs. Support comes from voluntary contributions by individuals, churches and foundations.

2. Basis of Presentation

The accompanying financial statements have been prepared on a modified basis of cash receipts and disbursements; therefore, revenues in the form of contributions are recognized when received rather than when pledges are made, and expenses are recognized when paid rather than when the obligation is incurred. The modifications to the cash basis relate to the accounting for investments and property and equipment as assets of the Library, and recording unrealized appreciation (depreciation) on investment securities and depreciation on property and equipment in the statements of revenues, expenses, and other changes in net assets – modified cash basis.

Net Assets Classification

The financial statements report amounts separately by class of net assets as follows:

Unrestricted amounts are those currently available at the discretion of the Library's Board of Directors for use in operations and investment in equipment.

Temporarily restricted amounts are those which are stipulated by donors for specific operating purposes or for acquisition of equipment. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of revenues, expenses, and other changes in net assets – modified cash basis as net assets released from restrictions.

Permanently restricted amounts are restricted to investments in perpetuity, the income from which is expendable in accordance with the conditions of each specific donation. The Library had no permanently restricted net assets as of December 31, 2009 or 2008.

All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to other legal restrictions.

Contributions

Contributions and other support are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the existence and/or nature of any donor restrictions.

Contributions and other support restricted by the donor are reported currently as an increase in unrestricted net assets if the restriction expires in the same reporting period in which they are received. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

Cash

Cash includes amounts deposited with financial institutions and money market funds.

Investment Securities

Investment securities are reported at fair market value using quoted market prices in active markets.

Donated Services

No amounts have been reflected in the 2009 and 2008 financial statements for donated services since they do not meet the criteria for recognition; however, a substantial number of volunteers have donated significant amounts of their time in the Library's activities.

Property and Equipment

Purchased property and equipment are stated at cost. Donations of property are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Library reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Library reclassifies temporarily restricted net assets to unrestricted net assets at that time. There is no value assigned to the collection of Christian books, large print books, tapes, cassettes and records.

Depreciation is computed using the straight-line method over a life of 20 years for building and building improvements and from 3 to 10 years for equipment.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Credit Risk

Financial instruments that potentially subject the Library to concentration of credit risk consist principally of temporary cash investments. The Library places its temporary cash investments with high credit quality financial institutions. At December 31, 2009 and 2008, amounts on deposit did not exceed the FDIC limit at any financial institution. In addition, the Library is potentially subject to credit risk in regard to its investments in equity instruments of public corporations, which are not insured.

Income Tax Status

The Library is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and the tax statutes of the Commonwealth of Virginia.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a natural basis in the statements of revenues, expenses, and other changes in net assets – modified cash basis. Approximately 77% of the Library's expenses relate to program services and 23% to supporting services in 2009. Approximately 76% of the Library's expenses related to program services and 24% to supporting services in 2008. No expenses relate to fundraising activities.

Subsequent Events

In preparing these financial statements, the Library has evaluated events and transactions for potential recognition or disclosure through April 30, 2010, the date the financial statements were available to be issued.

3. Investment Securities

The cost and market value of equity securities and mutual funds as of December 31 were as follows:

	<u>2009</u>	<u>2008</u>
Cost	\$ 17,598	\$ 26,254
Market value	\$ 9,421	\$ 16,215

4. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2009</u>	<u>2008</u>
Renovation project	\$ 14,690	\$ 14,690

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