Financial Statements
Modified Cash Basis
Years Ended
December 31, 2011 and 2010

The Braille Circulating Library for the Blind, Inc.

DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

The Braille Circulating Library for the Blind, Inc.

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Independent Accountants' Compilation Report

Board of Directors
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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, 2011 and 2010, and the related statements of revenues, expenses, and other changes in net assets – modified cash basis for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Dixon Hughes Goodman LLP

Chester, Virginia
May 24, 2012

The Braille Circulating Library for the Blind, Inc.

Statements of Financial Position - Modified Cash Basis

December 31,		2011		2010
Assets				
Current assets				
Cash	$	21,650	$	21,173
Investment securities		10,588		10,678
Total current assets		32,238		31,851
Property and equipment				
Building improvements		247,765		247,765
Equipment		127,552		127,552
Building		35,142		35,142
Land		10,543		10,543
		421,002		421,002
Less - accumulated depreciation		(317,713)		(299,433)
Property and equipment - net		103,289		121,569
	$	135,527	$	153,420
Liabilities and Net Assets				
Net assets				
Unrestricted	$	120,837	$	138,730
Temporarily restricted		14,690		14,690
	$	135,527	$	153,420

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,	2011	2010
Unrestricted net assets		
Support and revenue:		
Contributions:		
Individuals and estates	$ 25,097	$ 25,716
Foundations and corporations	22,175	19,712
Churches	11,215	10,960
Miscellaneous income	156	-
	58,643	56,388
Interest, dividends, and net appreciation (depreciation) on investments	(89)	1,257
Total unrestricted support and revenue	58,554	57,645
Expenses:		
Housing	21,600	21,600
Salaries and benefits	20,738	21,541
Depreciation	18,280	18,966
Utilities	5,814	6,173
Insurance	4,223	4,943
Office supplies	2,186	1,380
Maintenance and repairs	1,871	1,051
Internet service	638	826
Books, other than braille	479	883
Miscellaneous expense	311	382
Dues and subscriptions	307	250
Total expenses	76,447	77,995
Change in unrestricted net assets	(17,893)	(20,350)
Net assets - beginning of year	153,420	173,770
Net assets - end of year	$ 135,527	$ 153,420

See accompanying notes and independent accountants' compilation report.

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, 2011 and 2010.

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, a level one measurement.

Donated Services

No amounts have been reflected in the 2011 and 2010 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 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 of interest-bearing transaction accounts. The Library places its interest-bearing transaction accounts with high credit quality financial institutions. At December 31, 2011 and 2010, amounts on deposit did not exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). 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. The Library has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2011. Fiscal years ending on or after December 31, 2008 remain subject to examination by federal and state tax authorities.

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 related to program services and 23% to supporting services in 2011. Approximately 78% of the Library's expenses related to program services and 22% to supporting services in 2010. No expenses related to fundraising activities.

Subsequent Events

In preparing these financial statements, the Library has evaluated events and transactions for potential recognition or disclosure through May 24, 2012, the date the financial statements were available to be issued.

3. Investment Securities

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

	2011	2010
Cost	$ 17,828	$ 17,710
Market value	$ 10,588	$ 10,678

4. Temporarily Restricted Net Assets

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

	2011	2010
Renovation project	$ 14,690	$ 14,690

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