

BLINDED AMERICAN VETERANS FOUNDATION

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2009 AND 2008

**BLINDED AMERICAN VETERANS FOUNDATION
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LarsonAllen[®] LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Blinded American Veterans Foundation
Washington, D.C.

We have audited the accompanying balance sheets of the Blinded American Veterans Foundation (a Washington D.C. nonprofit corporation) as of September 30, 2009 and 2008, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Blinded American Veterans Foundation as of September 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

LarsonAllen LLP
LarsonAllen LLP

St. Louis, Missouri
January 15, 2010



**BLINDED AMERICAN VETERANS FOUNDATION
BALANCE SHEETS
SEPTEMBER 30, 2009 AND 2008**

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash in Bank	\$ 242,679	\$ 115,095
OTHER ASSETS		
Investments	326,010	394,863
PROPERTY, PLANT AND EQUIPMENT		
Equipment, Less Accumulated Depreciation of \$9,807 and \$9,780 Respectively	-	27
TOTAL ASSETS	\$ 568,689	\$ 509,985
LIABILITIES AND NET ASSETS		
TOTAL LIABILITIES	\$ -	\$ -
NET ASSETS		
Unrestricted (Note 1)	568,689	509,985
Total Net Assets	568,689	509,985
TOTAL LIABILITIES AND ASSETS	\$ 568,689	\$ 509,985

See Accompanying Notes to Financial Statements

**BLINDED AMERICAN VETERANS FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	2009	2008
UNRESTRICTED NET ASSETS		
Revenues, Support, and Other		
Cash Contributions - Combined Federal Campaign	\$ 34,695	\$ 29,106
Cash Contributions - Private	94,067	51,563
Interest Income	8,383	13,281
Total Unrestricted Revenues and Support	137,145	93,950
EXPENSES		
Program Services		
Donations - VA	1,250	38,000
Donations - Other	33,500	14,250
Telephone	4,061	5,410
Flag Day Reception	20,635	18,903
Supplies	1,568	2,529
Promotions	9,508	1,944
Total Program Services	70,522	81,036
Support services		
Accounting Fees	7,355	5,248
Depreciation	27	54
Taxes and Licenses	-	100
Miscellaneous	537	844
Total Support Services	7,919	6,246
Total Expenses	78,441	87,282
EXCESS OF UNRESTRICTED REVENUES AND SUPPORT OVER EXPENSES	58,704	6,668
INCREASE IN UNRESTRICTED NET ASSETS	58,704	6,668
Total Increase in Net Assets	58,704	6,668
NET ASSETS AT BEGINNING OF YEAR	509,985	503,317
NET ASSETS AT END OF YEAR	\$ 568,689	\$ 509,985

See Accompanying Notes to Financial Statements

**BLINDED AMERICAN VETERANS FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2009 AND 2008**

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 58,704	\$ 6,668
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation	27	54
Net Cash Provided by Operating Activities	58,731	6,722
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of Certificates of Deposit	68,853	27,898
Net Cash Provided by Investing Activities	68,853	27,898
NET INCREASE (DECREASE) IN CASH	127,584	34,620
CASH AT BEGINNING OF YEAR	115,095	80,475
CASH AT END OF YEAR	\$ 242,679	\$ 115,095

See Accompanying Notes to Financial Statements

**BLINDED AMERICAN VETERANS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements.

Organization

Blinded American Veterans Foundation operates as a nonprofit Foundation located in the United States serving veterans with sensory disabilities. The majority of the Foundation's revenues are from private corporate and individual donations. A significant portion of contributions are provided by the Combined Federal Campaign.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis.

Cash Equivalents

The Foundation considers all highly liquid debt instruments purchased with a maturity of 90 days or less to be cash equivalents.

Investments

Investments consist of certificates of deposits which are carried at deposit value which approximates fair value on June 30, 2009 and 2008.

Equipment

Equipment purchased is recorded at cost. Donated equipment received by the Foundation is recorded at fair market value. Equipment is depreciated over its estimated useful life using the straight-line method.

The estimated useful life of the equipment is five years.

Fair Values of Financial Instruments

On October 1, 2008, the Foundation adopted a new accounting standard related to fair value measurements. Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Foundation emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level I – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.

**BLINDED AMERICAN VETERANS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Values of Financial Instruments (Continued)

Level II – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level III – Input that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Foundation currently has no assets or liabilities carried at fair value on a recurring basis.

The Foundation also adopted a new accounting standard, *The Fair Value Option for Financial Assets and Liabilities* on October 1, 2008. *The Fair Value Option for Financial Assets and Liabilities* allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Foundation has not elected to measure any existing financial instruments at fair value a October 1, 2008, as permitted under *The Fair Value Option for Financial Assets and Liabilities*. However, the Foundation may elect to measure newly acquired financial instruments at fair value in the future.

Management Estimates

The preparation of these financial statements required management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

Financial Statement Presentation

The Foundation uses *Financial Statements of Not-for-Profit Organizations* for financial and tax reporting. Under *Statements of Not-for-Profit Organizations*, the Foundation is required to report information regarding its financial position and activities based upon the existence or absence of donor-imposed restrictions.

The Foundation also uses *Accounting for Contributions Received and Contributions Made*, for financial and tax reporting. In accordance with *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

BLINDED AMERICAN VETERANS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009 AND 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is recognized as an Foundation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation has elected to defer application of *Accounting for Uncertainty in Income Taxes*. The Foundation follows *Accounting for Contingencies* for evaluating uncertain tax positions.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through January 15, 2010, the date the financial statements were approved to be issued.

NOTE 2 INVESTMENTS

The Foundation's investments consist of certificates of deposit at various financial institutions. Balances totaled \$326,010 and \$394,863 at September 30, 2009 and 2008, respectively. Maturity dates ranged from 6 months to 12 months with automatic renewal without prior notification of request for withdrawal, bearing interest at rates ranging from 1.99% to 2.23% during 2009 and from 1.99% to 2.96% during 2008. The Foundation does not hold amounts in excess of FDIC limits at any one financial institution.

NOTE 3 REVENUES AND SUPPORT

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. No permanently restricted contributions were received by the Foundation during the years ended September 30, 2009 and 2008. There are no permanently or temporarily restricted assets at September 30, 2009 and 2008.

NOTE 4 DONATED SERVICES

Volunteers donate their time in the Foundation's program services, its fund-raising activities, and to serve on the Board of Directors. The Foundation has no paid employees and the Board of Directors does not receive any compensation. No amounts have been reflected in the statements for their donated services since no objective basis is available to measure the value of such services.

NOTE 5 DEPRECIATION EXPENSE

Depreciation expense included in the Statements of Activities was \$27 and \$54 during the years ended September 30, 2009 and 2008, respectively.

BLINDED AMERICAN VETERANS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009 AND 2008

NOTE 6 FUNCTIONAL EXPENSES

The Foundation follows an accounting standard which requires voluntary health and welfare organizations to present a statement of functional expenses, which shows information about natural and functional classifications. A summarized version has been included below.

	<u>2009</u>	<u>2008</u>
Functional Expenses:		
Program Services	\$ 70,522	\$ 81,036
Support Services	7,919	6,246
 Total Expenses	 <u>\$ 78,441</u>	 <u>\$ 87,282</u>

During the years ended September 30, 2009 and 2008 the Foundation did not incur any fund raising expenses. This is historically consistent with the Foundation's operations. For further detail of expenses see the Statement of Activities and Changes in Net Assets.

NOTE 7 RECLASSIFICATIONS

Certain 2008 amounts in the accompanying financial statements have been classified to conform to the 2009 presentation. Such reclassifications had no impact on net assets or the results of current year activities.