THE FOUNDATION FOR CREATIVE BROADCASTING, INC.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2013 AND 2012

RCM

REGIER CARR & MONROE, LLP, CPAs

THE FOUNDATION FOR CREATIVE BROADCASTING, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Foundation for Creative Broadcasting, Inc.
Tucson, Arizona

We have audited the accompanying financial statements of The Foundation for Creative Broadcasting, Inc. (the "Foundation"), a state of Arizona nonprofit organization, which comprise the statements of financial position as of September 30, 2013 and 2012, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(continued)

4801 E. BROADWAY BLVD. STE. 501 TUCSON, AZ 85711-3648 RCMTUCSON.COM P 520-624-8229 F 520-884-1102 REGIER CARR & MONROE LLP, CPAs TUCSON I TULSA/McALESTER I WICHITA

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of September 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Regier Carr & Monroe, L.L.P.

February 13, 2014
Tucson, Arizona

THE FOUNDATION FOR CREATIVE BROADCASTING, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2013 and 2012

ASSETS

	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	$ 46,634	$ 52,821
Accounts receivable, less allowance for doubtful accounts of $4,019 in 2013 (none in 2012)	128,526	107,374
Pledges receivable, less allowance for doubtful accounts of $11,802	98,110	-
Grants receivable	2,250	1,675
Prepaid expenses and other current assets	26,118	22,170
Total current assets	301,638	184,040
PROPERTY AND EQUIPMENT		
Land	11,160	11,160
Buildings and improvements	256,494	256,494
Furniture and equipment	52,274	35,774
Broadcast equipment	339,361	339,361
Construction in process	8,662	-
Total	667,951	642,789
Less accumulated depreciation	534,712	513,047
Total property and equipment, net	133,239	129,742
OTHER ASSETS		
Loan fees	1,278	1,532
Music library collection	48,407	48,407
Total other assets	49,685	49,939
Total assets	$ 484,562	$ 363,721

The Notes to Financial Statements are an integral part of these statements

THE FOUNDATION FOR CREATIVE BROADCASTING, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2013 and 2012

LIABILITIES AND NET ASSETS

	2013	2012
CURRENT LIABILITIES		
Accounts payable	$ 27,921	$ 10,551
Accrued payroll and related taxes	14,582	10,095
Due to Corporation for Public Broadcasting	77,462	60,789
Deferred revenue	22,134	24,038
Current portion of long-term debt	7,969	7,164
Total current liabilities	150,068	112,637
LONG-TERM LIABILITIES		
Lease payable	200,748	200,748
Long-term debt, less current portion	36,023	44,352
Total long-term liabilities	236,771	245,100
Total liabilities	386,839	357,737
NET ASSETS		
Unrestricted	(18,186)	5,984
Temporarily restricted	115,909	-
Total net assets	97,723	5,984
Total liabilities and net assets	$ 484,562	$ 363,721

The Notes to Financial Statements are an integral part of these statements

THE FOUNDATION FOR CREATIVE BROADCASTING, INC.
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Memberships	$ 314,799	$ -	$ 314,799
Underwriting	145,390	-	145,390
Capital campaign	-	201,244	201,244
Program service revenue - concert admissions and sponsorship	43,296	-	43,296
Other program service revenue	4,470	-	4,470
Corporation for Public Broadcasting grants	47,903	22,134	70,037
Other grant revenues	7,275	-	7,275
Barter transactions - services and supplies	65,184	-	65,184
Donations	24,951	-	24,951
Other income	5,342	-	5,342
Net assets released from restrictions	107,469	(107,469)	-
Total revenues	766,079	115,909	881,988
EXPENSES			
Program services			
Programming	322,804	-	322,804
Community events - concert activities	43,311	-	43,311
Total program services	366,115	-	366,115
Supporting services			
Membership development and fundraising	243,818	-	243,818
Underwriting solicitation	122,649	-	122,649
Management and general	57,667	-	57,667
Total supporting services	424,134	-	424,134
Total expenses	790,249	-	790,249
CHANGE IN NET ASSETS	(24,170)	115,909	91,739
NET ASSETS, BEGINNING OF YEAR	5,984	-	5,984
NET ASSETS, END OF YEAR	$ (18,186)	$ 115,909	$ 97,723

The Notes to Financial Statements are an integral part of these statements

THE FOUNDATION FOR CREATIVE BROADCASTING, INC.
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

	Unrestricted	Temporarily Restricted	Total
REVENUES			
Memberships	$ 310,777	$ -	$ 310,777
Underwriting	139,482	-	139,482
Program service revenue - concert admissions and sponsorship	43,513	-	43,513
Other program service revenue	4,154	-	4,154
Corporation for Public Broadcasting grants	59,755	24,039	83,794
Other grant revenues	9,892	-	9,892
Barter transactions - services and supplies	60,305	-	60,305
Donations	34,354	-	34,354
Other income	6,783	-	6,783
Net assets released from restrictions	24,039	(24,039)	-
Total revenues	693,054	-	693,054
EXPENSES			
Program services			
Programming	260,071	-	260,071
Community events - concert activities	81,112	-	81,112
Total program services	341,183	-	341,183
Supporting services			
Membership development and fundraising	145,095	-	145,095
Underwriting solicitation	117,412	-	117,412
Management and general	62,630	-	62,630
Total supporting services	325,137	-	325,137
Total expenses	666,320	-	666,320
CHANGE IN NET ASSETS	26,734	-	26,734
NET ASSETS, BEGINNING OF YEAR,	(20,750)	-	(20,750)
NET ASSETS, END OF YEAR	$ 5,984	$ -	$ 5,984

The Notes to Financial Statements are an integral part of these statements

THE FOUNDATION FOR CREATIVE BROADCASTING, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 91,739	$ 26,734
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	21,919	21,918
Collection of contributions for capital campaign	(88,227)	-
Bad debt and allowance	30,219	11,462
Increase (decrease) in cash resulting from changes in		
Accounts receivable	(37,039)	(46,811)
Pledges receivable	(113,017)	-
Prepaid expenses and other assets	(3,948)	729
Accounts payable	17,370	(2,600)
Due to Corporation for Public Broadcasting	16,673	9,186
Accrued payroll and related taxes	4,487	3,001
Lease expense payable	-	-
Deferred income	(1,904)	(3,901)
Net cash provided (used) by operating activities	(61,728)	19,718
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(25,162)	(18,581)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(7,524)	(6,640)
Collection of contributions for capital campaign	88,227	-
Net cash provided (used) by financing activities	80,703	(6,640)
Net decrease in cash	(6,187)	(5,503)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	52,821	58,324
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 46,634	$ 52,821
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	$ 3,263	$ 4,147

The Notes to Financial Statements are an integral part of these statements

THE FOUNDATION FOR CREATIVE BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Foundation for Creative Broadcasting, Inc. (the "Foundation") is a nonprofit organization whose stated purpose is to act as an educational foundation for the creative use of media; encouraging community access to media and promoting the development of art in media, primarily, but not limited to, noncommercial educational broadcasting. The Foundation operates a noncommercial community radio station in Tucson, Arizona (KXCI-FM 91.3). The Foundation's main sources of revenue include membership fees, underwriting, and grant revenue.

Basis of Accounting

The financial statements of the Foundation, have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Comparative Information

Certain reclassifications have been made to the September 30, 2012 financial statements in order to conform to the September 30, 2013 presentation. Such reclassifications had no effect on reported income.

Basis of Presentation

Financial statement presentation follows the recommendations of the U.S. generally accepted accounting principles; the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Foundation has no permanently restricted net assets.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Memberships – Membership revenues are considered unrestricted support of the Foundation and are recognized as revenue in the period pledged. Members receive benefits, including the monthly newsletter, KXCI t-shirts, music products donated to the Foundation, and discounts at Foundation events. Membership receivables outstanding over one year are written off as bad debts.

Underwriting – Revenues are recognized when the spot is broadcast. Newsletter advertising is recognized in the month of the printed advertisement. Underwriting receivables are written off when an account is deemed uncollectible.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support, revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand; cash in banks, and investments with original maturities of three months or less. The Foundation maintains its cash balances in one financial institution and the balances are insured up to $250,000.

Property and Equipment

Property and equipment is stated at cost except for donated property, which is recorded at fair market value at the date of gift. Assets with an estimated useful life greater than two years and $1,000 are capitalized. Depreciation is calculated using the straight-line method over the assets' estimated useful lives. Depreciable asset classifications and the range of estimated lives are summarized below:

	Life
• Buildings and improvements	7 - 40 years
• Furniture and equipment	3 - 5 years
• Broadcast equipment	7 - 10 years

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Collections

The Foundation capitalizes its music library collection. Additions are capitalized at cost if purchased and at appraised or fair value if received by donation. Items received as promotions from record companies are not recorded in the financial statements. No depreciation or amortization is recorded on the collection. In 2009, the appraised value of the music collection decreased the book value of the collection.

Grants

Certain grants are restricted for the purchase of equipment and for the payment of certain operational expenses. When Public Broadcaster is notified as a recipient of these grants, the amounts are included as temporarily restricted grant revenue in the accompanying statements of activities.

Corporation for Public Broadcasting Community Service Grants

The Corporation for Public Broadcasting ("CPB") is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants ("CSGs") to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and, thereby, to enhance the quality of programming and expand the scope of public broadcasting services. Each CSGs may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communication Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. In addition, the grants may be used to sustain activities begun with CSGs awarded in prior years.

Certain general provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

The CSGs are reported on the accompanying financial statements as increases in temporarily restricted net assets until satisfaction of the time and purpose restrictions, after which they are reported as a release from temporarily restricted net assets and an increase in unrestricted net assets.

Barter Transactions

Barter transactions are recorded as revenue and expense in the accompanying statements of activities at the estimated value of airtime exchanged in the transaction.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

Donated services are recognized as contributions in accordance with U.S. generally accepted accounting principles, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

The Foundation uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. Advertising costs totaled $14,569 and $3,554 for the years ended September 30, 2013 and 2012, respectively.

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation is also exempt from state income taxes.

The Foundation adopted generally accepted accounting principles that set a "more likely than not" criterion for recognizing tax benefits of uncertain tax positions, established measurement criteria for tax benefits and established certain disclosure requirements. No cumulative effect adjustment was required at the date of adoption of the standard. The Foundation believes that their income tax filing positions and deductions will be sustained upon examination and, accordingly, have not recorded any reserves or related accruals for interest and penalties at September 30, 2013 and 2012 for uncertain income tax positions. Income tax related interest and penalties, if any, are reported in general and administrative expenses when incurred. The accompanying financial statements do not include any interest or penalties related to income taxes. No income tax examinations are currently underway or anticipated. The statute of limitations is three years for federal income tax purposes and four years for the State of Arizona.

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2. ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2013 and 2012 are comprised of the following:

	2013	2012
Membership pledges, net of allowance for doubtful accounts ($4,019 for 2013; none for 2012).	$ 111,440	$ 90,166
Underwriting and newsletter advertising, net of allowance for doubtful accounts (none for 2013 or 2012).	17,185	17,008
Other accounts receivable (payable)	(99)	200
Total	$ 128,526	$ 107,374

Membership pledges outstanding over one year are written off to expense. Other receivables are written off when deemed uncollectible. The allowance is estimated from historical expense, coupled with a current status of existing receivables. Accounts over 90 days old were $16,908 and $11,768 for the years ended September 30, 2013 and 2012, respectively. The total loss if all parties fail to perform and collection efforts prove to be ineffective is the stated balance of $128,526 at September 30, 2013. The Foundation has no liens to reduce this credit risk.

3. PLEDGES RECEIVABLE

During 2013, the Foundation waged a capital campaign to obtain funds for the addition of an auxiliary broadcasting site and to repair their current radio station building. Capital campaign pledges receivable at September 30, 2013 represent unconditional promises to give as follows:

	2013
Pledges receivable in less than one year	$ 62,366
Pledges receivable in one to five years	50,651
Total	113,017
Less discount to present value at a rate of 5.0%	(3,105)
Less allowance for doubtful accounts	(11,802)
Net capital campaign pledges receivable	$ 98,110

Pledges have been discounted at a 5% annual rate of interest. The capital campaign pledges receivable are temporarily restricted in use for costs and expenses of the auxiliary broadcasting tower, repairing the radio station building, and of the campaign, itself.

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4. LONG-TERM DEBT

	2013	2012
Mortgage note payable, dated August 1998, due in monthly installments of $899 including interest at 7.625% through September 2013, due September 2018. On October 3, 2013, interest was reduced to 6% and the new monthly payment recomputed to $863. Collateralized by real property.	$ 43,992	$ 51,516
Less current portion of long-term debt	7,969	7,164
Total	$ 36,023	$ 44,352

Future maturities under long-term borrowings are summarized by year as follows:

Year Ended September 30	
2014	$ 7,969
2015	8,422
2016	8,941
2017	9,493
2018	9,167
Total	$ 43,992

5. OPERATING LEASES

The Foundation leases tower facilities under a 20-year operating lease, which expires in August 2021. The lease payments are to be increased yearly by the greater of 6% or the increase in the Consumer Price Index for all urban consumers. The lease payments are recognized on a straight-line basis during the lease term. At September 30, 2013, $200,748 was reported as a liability to accrue the lease expense on a straight-line basis ($200,748 for 2012). The monthly rent is $5,943 through September 2013 plus utility charges with future Consumer Price Index increases.

Total lease expense for the years ended September 30, 2013 and 2012 were $85,226 and $78,319 respectively.

(continued)

5. **OPERATING LEASES** (continued)

Future minimum lease payments are as follows:

Year Ended September 30	
2014	$ 75,216
2015	79,729
2016	84,512
2017	89,583
2018	94,958
Thereafter	320,447
Total	$ 744,445

6. **DONATED SERVICES AND TANGIBLE ASSETS**

The Foundation utilizes the services of many volunteers. The fair value of these services is not recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles. Total donated professional services meeting the requirements and recorded for the year ended September 30, 2013 and 2012 were $8,325 and $7,548, respectively. Accounting services for management expenses and transmitter services for programming cost consisted of the professional services that were received and recorded as revenue.

Contributions of tangible assets are recognized at fair value when received. No tangible assets were received for the year ended September 30, 2013.

7. **FAIR VALUE MEASUREMENTS**

U.S generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level I or Level 2 inputs were not available. The music collection library valuation was valued as a level 2 valuation.

The music library collection valuations were based on an appraisal which is periodically reviewed for impairment. These fair values are on a non-recurring basis. Management estimates these values to be reasonable.

(continued)

7. FAIR VALUE MEASUREMENTS (continued)

Level 1 Fair Value Measurements are based on quoted prices (unadjusted) in active markets for identical assets that the reporting entity has the ability to access at the measurement date. An active market for the asset is a market in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Fair Value Measurements are based on inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. If the asset has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset.

Level 3 Fair Value Measurements are based on unobservable inputs for the asset. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of a market participant that holds the asset. Therefore, unobservable inputs shall reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the (including assumptions about risk). Unobservable inputs shall be developed based on the best information available in the circumstances, which might include the reporting entity's own data.

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net asset activity consist entirely of funds raised and expensed for the capital campaign during 2013.

9. SUBSEQUENT EVENTS

Subsequent to year end, the Foundation entered into an agreement that gives them the option to lease space on an auxiliary broadcasting tower for $1,000 per month plus utilities. This option takes affect and rent starts becoming due in May 2014. KXCI plans to purchase transmitting equipment and begin using this auxiliary tower in order to extend their broadcasting reach to the northwest part of the city.

Management has evaluated subsequent events through February 13, 2014, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

THE FOUNDATION FOR CREATIVE BROADCASTING, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2013

	Program Services			Supporting Services				
	Programming	Community Events	Total Program Services	Membership Development and Fundraising	Underwriting	Management and General	Total Support Services	Total
Personnel costs	$ 183,799	$ 5,516	$ 189,315	$ 55,621	$ 30,395	$ 15,693	$ 101,709	$ 291,024
Dues and subscriptions	1,129	337	1,466	1,503	696	733	2,932	4,398
Professional and contract services	20,007	6,071	26,078	5,329	4,155	19,607	29,091	55,169
Bad debts (recoveries)	-	-	-	14,906	-	-	14,906	14,906
Computer expense	141	260	401	31	3,726	260	4,017	4,418
Staff travel	365	365	730	336	-	-	336	1,066
Rent	85,226	-	85,226	-	-	-	-	85,226
Utilities	1,515	1,515	3,030	1,515	1,515	1,515	4,545	7,575
Repairs and maintenance	2,605	1,393	3,998	1,031	911	1,030	2,972	6,970
Insurance	1,594	2,669	4,263	1,594	1,594	3,096	6,284	10,547
Membership premiums	-	-	-	25,251	-	-	25,251	25,251
Printing	870	285	1,155	520	382	254	1,156	2,311
Program acquisition and supplies	7,958	-	7,958	-	-	-	-	7,958
Supplies	1,565	1,127	2,692	7,495	1,816	1,762	11,073	13,765

(continued)

THE FOUNDATION FOR CREATIVE BROADCASTING, INC.

SCHEDULE OF FUNCTIONAL EXPENSES (continued)

For the Year Ended September 30, 2013

	Program Services			Supporting Services				
	Programming	Community Events	Total Program Services	Membership Development and Fundraising	Underwriting	Management and General	Total Support Services	Total
Telephone and internet	4,851	2,707	7,558	2,051	955	2,049	5,055	12,613
Fundraising	1,721	5,090	6,811	12,267	1,721	1,722	15,710	22,521
Advertising and marketing	1,163	8,289	9,452	2,993	1,062	1,062	5,117	14,569
Miscellaneous	2,022	1,415	3,437	534	369	1,134	2,037	5,474
Interest and bank charges	-	-	-	11,653	1,897	146	13,696	13,696
Real estate taxes	1,287	1,286	2,573	1,286	1,286	1,286	3,858	6,431
Depreciation and amortization	4,333	4,333	8,666	4,333	4,333	4,587	13,253	21,919
Barter transactions - donated services and supplies	-	-	-	-	65,184	-	65,184.00	65,184
Capital campaign	-	-	-	92,917	-	1,078	93,995	93,995
Mortgage interest	653	653	1,306	652	652	653	1,957	3,263
Total	$ 322,804	$ 43,311	$ 366,115	$ 243,818	$ 122,649	$ 57,667	$ 424,134	$ 790,249

THE FOUNDATION FOR CREATIVE BROADCASTING, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2012

	Program Services			Supporting Services				
	Programming	Community Events	Total Program Services	Membership Development and Fundraising	Underwriting	Management and General	Total Support Services	Total
Personnel costs	$ 123,914	$ 56,981	$ 180,895	$ 54,555	$ 31,731	$ 11,791	$ 98,077	$ 278,972
Dues and subscriptions	436	212	648	829	640	653	2,122	2,770
Professional and contract services	9,146	2,907	12,053	1,182	518	30,136	31,836	43,889
Bad debts (recoveries)	-	-	-	10,162	1,300	-	11,462	11,462
Computer expense	1,158	223	1,381	223	3,784	223	4,230	5,611
Staff travel	930	526	1,456	341	-	57	398	1,854
Rent	78,319	-	78,319	-	-	-	-	78,319
Utilities	1,596	1,595	3,191	1,596	1,596	1,596	4,788	7,979
Repairs and maintenance	9,611	1,126	10,737	1,126	1,126	1,126	3,378	14,115
Insurance	2,173	1,741	3,914	1,525	1,524	2,999	6,048	9,962
Membership premiums	-	-	-	21,842	-	-	21,842	21,842
Printing	579	352	931	734	440	505	1,679	2,610
Program acquisition and supplies	16,639	-	16,639	-	-	-	-	16,639
Supplies	1,785	1,320	3,105	6,977	1,939	1,552	10,468	13,573

(continued)

THE FOUNDATION FOR CREATIVE BROADCASTING, INC.
SCHEDULE OF FUNCTIONAL EXPENSES (continued)
For the Year Ended September 30, 2012

	Program Services			Supporting Services				
	Programming	Community Events	Total Program Services	Membership Development and Fundraising	Underwriting	Management and General	Total Support Services	Total
Telephone and internet	5,027	1,764	6,791	2,158	1,365	1,765	5,288	12,079
Fundraising	388	3,324	3,712	7,139	598	583	8,320	12,032
Advertising and marketing	462	1,706	2,168	462	462	462	1,386	3,554
Miscellaneous	901	330	1,231	412	-	1,870	2,282	3,513
Interest and bank charges	-	-	-	7,547	3,078	52	10,677	10,677
Real estate taxes	1,844	1,843	3,687	1,844	1,844	1,844	5,532	9,219
Depreciation and amortization	4,333	4,332	8,665	4,333	4,333	4,587	13,253	21,918
Barter transactions - donated services and supplies	-	-	-	-	60,305	-	60,305	60,305
Commissions	-	-	-	19,279	-	-	19,279	19,279
Mortgage interest	830	830	1,660	829	829	829	2,487	4,147
Total	$ 260,071	$ 81,112	$ 341,183	$ 145,095	$ 117,412	$ 62,630	$ 325,137	$ 666,320