



CONTENTS

REPORT OF CERTIFIED PUBLIC ACCOUNTANT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES	3
STATEMENTS OF CASH FLOWS	4
STATEMENTS OF FUNCTIONAL EXPENSES	5--6
NOTES TO FINANCIAL STATEMENTS	7-12
REPORT OF CERTIFIED PUBLIC ACCOUNTANT ON THE SUPPLEMENTARY INFORMATION	13
SUPPLEMENTARY INFORMATION	14-19

PHILIP A. SCHEIDT
Certified Public Accountant

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT
ON THE FINANCIAL STATEMENTS**

The Board of Directors
Nathan B. Stubblefield Foundation, Inc.
Tampa, Florida

I have audited the accompanying statements of financial position of Nathan B. Stubblefield Foundation (a nonprofit organization) as of September 30, 2009 and 2008 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Nathan B. Stubblefield Foundation, Inc. as of September 30, 2009 and 2008, and the changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of functional expenses on pages 5 and 6 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Temple Terrace, Florida
January 27, 2010

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Current Assets		
Cash		
Unrestricted	\$ 282,519	\$ 179,794
Restricted	-	-
Short term investment	186,273	214,437
Accounts receivable	6,535	3,642
Grants receivable	17,632	-
Pledges receivable, less than one year	-	1,147
Prepaid expenses	<u>57,650</u>	<u>109,590</u>
Total current assets	550,609	508,610
Property and Equipment		
Land	321,727	321,727
Building	1,931,882	1,931,882
Office furniture and equipment	282,221	282,221
Broadcast equipment	448,698	439,916
Production equipment	328,928	341,419
Music library	<u>343,218</u>	<u>343,218</u>
	3,656,674	3,660,383
Less accumulated depreciation	<u>981,389</u>	<u>853,004</u>
Net property and equipment	<u>2,675,285</u>	<u>2,807,379</u>
Other Assets		
Pledges receivable, due from one to five years	<u>-</u>	<u>-</u>
Total other assets	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 3,225,894</u>	<u>\$ 3,315,989</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 8,453	\$ 25,094
Accrued pension liability	-	-
Deferred revenue	24,859	7,815
Current portion of long-term debt	<u>25,929</u>	<u>24,168</u>
Total current liabilities	59,241	57,077
Long-Term Debt		
Long-term debt, net of current maturities	<u>676,491</u>	<u>705,193</u>
Total long-term debt	676,491	705,193
Other Noncurrent Liabilities		
Accrued post-employment benefits	<u>92,007</u>	<u>94,718</u>
Total other non-current liabilities	<u>92,007</u>	<u>94,718</u>
Total Liabilities	827,739	856,988
Net Assets		
Unrestricted	2,398,155	2,459,001
Temporarily restricted	-	-
Permanently restricted	<u>-</u>	<u>-</u>
Total net assets	<u>2,398,155</u>	<u>2,459,001</u>
Total Liabilities and Net Assets	<u>\$ 3,225,894</u>	<u>\$ 3,315,989</u>

The accompanying notes are an integral part of the financial statements

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
SEPTEMBER 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Changes in Unrestricted Net Assets		
Revenues and gains		
Contributions	\$ 1,097,118	\$ 1,116,668
Grants	205,653	226,929
Cultural performances	412,824	368,980
Underwriting	46,199	49,051
Advertising	10,198	16,615
Sales	21,674	19,537
Other revenue	11,780	29,566
Unrealized gain or loss on investment	-31,600	-58,835
Interest	647	7,838
Dividends (reinvested)	3,436	16,606
Donated services, property and equipment	29,370	31,813
Total unrestricted revenues and gains	<u>1,807,299</u>	<u>1,824,768</u>
Net assets released from restrictions		
Mortgage campaign	2,079	32,080
Satisfaction of grantor restrictions	51,954	47,015
Total net assets released from restrictions	<u>54,033</u>	<u>79,095</u>
Total unrestricted revenues, gains, and other support	<u>1,861,332</u>	<u>1,903,863</u>
Expenses		
Program services		
Programming and production	634,944	668,824
Broadcasting	149,522	131,581
Program Information	72,956	57,565
Cultural Performances	324,695	317,376
Total program services	<u>1,182,117</u>	<u>1,175,346</u>
Supporting services		
Fund-raising	130,341	156,927
Management & General	609,720	768,150
Total supporting services	<u>740,061</u>	<u>925,077</u>
Total unrestricted expenses	<u>1,922,178</u>	<u>2,100,423</u>
Increase (decrease) in unrestricted net assets	-60,846	-196,560
Net assets at beginning of year	<u>2,459,001</u>	<u>2,655,561</u>
Net assets at end of year	<u>\$ 2,398,155</u>	<u>\$ 2,459,001</u>

The accompanying notes are an integral part of the financial statements

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
STATEMENTS OF CASH FLOW
SEPTEMBER 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows From Operating Activities		
Change in net assets, net of capital campaign	\$ -60,846	\$ -196,560
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	152,275	153,750
Loss on disposal of equipment	4,436	1,725
Unrealized gain or loss on investment	31,600	58,835
Reinvested dividends from investments	-3,436	-16,606
Changes in operating assets and liabilities		
Accounts receivable	-2,889	644
Grants receivable	-17,636	-
Prepaid expense	51,940	11,779
Accounts payable	-16,641	13,783
Deferred revenue	17,044	2,193
Accrued post-employment benefits	-2,711	43,011
Accrued pension liability	-	-7,600
Net cash provided by operating activities	<u>153,136</u>	<u>64,954</u>
 Cash Flows From Investing Activities		
Sale of Equipment	-	-
Purchase of property and equipment	<u>-24,617</u>	<u>-8,774</u>
Net cash provided/used in investing activities	-24,617	-8,774
 Cash Flows From Financing Activities		
Capital campaign, net of related expenses	1,147	6,581
Change in debt	<u>-26,941</u>	<u>-82,421</u>
Net cash provided by/used in financing activities	-25,794	-75,840
 Net Change in Cash	102,725	-19,660
Cash, Beginning of Year	<u>179,794</u>	<u>199,454</u>
Cash, End of Year	<u>\$ 282,519</u>	<u>\$ 179,794</u>

The accompanying notes are an integral part of the financial statements

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Programming & Production</u>	<u>Broadcasting</u>	<u>Program Information</u>	<u>Cultural Performances</u>	<u>Total Program Services</u>	<u>Fund-raising</u>	<u>Management & General</u>	<u>Total</u>
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,953	\$ -	\$ 2,953
Bad debts	-	-	-	-	-	-	463	463
Bank charges	-	-	-	-	-	-	30,035	30,035
Computer support	30,120	5,607	-	831	36,558	1,470	16,209	54,237
Conferences	125	-	-	475	600	-	136	736
Cultural performances	-	-	-	281,912	281,912	-	-	281,912
Depreciation	71,508	38,989	1,931	1,288	113,716	2,575	35,983	152,274
Development expense	-	-	-	-	-	7,571	-	7,571
Dues	1,150	-	-	1,670	2,820	95	4,575	7,490
Employee benefits	34,354	-	3,616	3,616	41,586	6,328	42,490	90,404
Engineering	52,700	10,130	-	-	62,830	-	-	62,830
Insurance	30,099	1,414	1,257	7,710	40,480	1,758	11,747	53,985
Interest	35,343	1,964	1,473	981	39,761	1,964	7,363	49,088
ISP	9,725	-	-	-	9,725	-	-	9,725
Legal fees	-	8,907	-	-	8,907	-	517	9,424
Office supplies	-	-	-	-	-	9	11,239	11,248
Other expense	1,027	4,313	-	-	5,340	-	1,010	6,350
Other Taxes	-	-	-	-	-	-	1,254	1,254
Outreach	-	-	37,938	-	37,938	-	-	37,938
Payroll taxes	17,944	-	1,889	1,888	21,721	3,306	22,193	47,220
Pension	2,456	-	259	258	2,973	452	3,038	6,463
Postage	-	309	-	277	586	24,658	5,023	30,267
Premiums	-	-	-	-	-	19,629	-	19,629
Printing	-	-	805	-	805	14,151	146	15,102
Professional fees	-	-	-	-	-	-	51,380	51,380
Programming	91,134	-	-	-	91,134	-	-	91,134
Rent	-	53,532	-	-	53,532	-	-	53,532
Repair & maintenance	6,004	7,787	-	-	13,791	-	31,373	45,164
Salaries	225,989	-	23,788	23,789	273,566	41,630	279,513	594,709
Staffing & hiring	-	-	-	-	-	-	5,115	5,115
Station functions	-	-	-	-	-	475	540	1,015
Subscriptions	3,011	-	-	-	3,011	-	-	3,011
Supplies	5,937	6,148	-	-	12,085	-	-	12,085
Telephone	7,271	1,719	-	-	8,990	1,270	10,436	20,696
Travel	1,794	-	-	-	1,794	47	189	2,030
Utilities	390	8,703	-	-	9,093	-	37,753	46,846
Webcasting	<u>6,863</u>	-	-	-	<u>6,863</u>	-	-	<u>6,863</u>
Total	<u>\$ 634,944</u>	<u>\$ 149,522</u>	<u>\$ 72,956</u>	<u>\$ 324,695</u>	<u>\$ 1,182,117</u>	<u>\$ 130,341</u>	<u>\$ 609,720</u>	<u>\$ 1,922,178</u>

The accompanying notes are an integral part of the financial statements

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Programming & Production	Broadcasting	Program Information	Cultural Performances	Total Program Services	Fund-raising	Management & General	Total
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,442	\$ -	\$ 5,442
Bad debts	-	-	-	-	-	-	5,210	5,210
Bank charges	-	-	-	-	-	-	31,312	31,312
Computer support	42,535	1,045	-	-	43,580	6,997	19,083	69,660
Conferences	640	-	-	1,569	2,209	1,948	7,244	11,401
Cultural Performances	-	-	-	267,264	267,264	-	-	267,264
Depreciation	72,544	39,500	1,923	1,282	115,249	2,564	35,937	153,750
Dues	1,150	299	-	2,237	3,686	-	8,135	11,821
Employee benefits	50,576	-	5,780	5,780	62,136	10,115	72,252	144,503
Engineering	45,400	8,100	-	-	53,500	-	-	53,500
Insurance	39,775	1,940	1,696	8,094	51,505	2,363	14,000	67,868
Interest	38,367	2,131	1,599	1,066	43,163	2,131	7,993	53,287
ISP	-	-	-	-	-	-	9,481	9,481
Legal fees	-	6,618	-	-	6,618	-	101	6,719
Office supplies	213	-	-	-	213	764	15,407	16,384
Other expense	2,225	1,500	-	-	3,725	-	459	4,184
Other Taxes	-	-	-	-	-	-	412	412
Outreach	-	-	-	-	-	4,407	-	4,407
Payroll taxes	18,888	-	2,158	2,158	23,204	3,777	26,981	53,962
Pension	10,203	-	1,166	1,166	12,535	2,041	14,575	29,151
Postage	300	192	7,298	508	8,298	30,432	8,304	47,034
Premiums	-	-	-	-	-	32,960	-	32,960
Printing	-	-	11,163	1,470	12,633	7,386	823	20,842
Professional fees	-	-	-	-	-	-	55,080	55,080
Programming	100,302	-	-	-	100,302	-	-	100,302
Rating service	6,060	-	-	-	6,060	-	-	6,060
Rent	-	50,983	-	-	50,983	-	-	50,983
Repair & maintenance	1,500	8,248	-	-	9,748	-	57,725	67,473
Salaries	216,842	-	24,782	24,782	266,406	43,368	309,775	619,549
Staffing & hiring	-	-	-	-	-	-	1,621	1,621
Station functions	-	-	-	-	-	-	11,214	11,214
Subscriptions	2,210	-	-	-	2,210	-	-	2,210
Supplies	6,018	-	-	-	6,018	-	-	6,018
Telephone	4,117	2,537	-	-	6,654	-	15,836	22,490
Travel	1,317	-	-	-	1,317	232	833	2,382
Utilities	883	8,488	-	-	9,371	-	38,357	47,728
Webcasting	6,759	-	-	-	6,759	-	-	6,759
Total	<u>\$ 668,824</u>	<u>\$ 131,581</u>	<u>\$ 57,565</u>	<u>\$ 317,376</u>	<u>\$ 1,175,346</u>	<u>\$ 156,927</u>	<u>\$ 768,150</u>	<u>\$ 2,100,423</u>

The accompanying notes are an integral part of the financial statements

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009 and 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Organization*

Nathan B. Stubblefield Foundation, Inc. is a listener-sponsored non-commercial community radio station serving the Tampa Bay area. The station provides radio programming and cultural performances for the community. Revenues consist primarily of listener donations, grants and admission fees to cultural performances.

(b) *Method of Accounting*

The financial statements of the corporation have been prepared utilizing the accrual basis.

(c) *Financial Statement Presentation*

The corporation adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for Profit Organizations." Under SFAS No. 117, the corporation is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted, temporarily restricted, and permanently restricted. In addition, the corporation is required to present a statement of cash flows.

(d) *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, including asset lives and collectibility of pledges. Accordingly, actual results could differ from those estimates.

(e) *Capitalization policy*

All equipment over \$250 is capitalized and depreciated as described in paragraph (h) below, with the exception of computers which are expensed in the current year.

(f) *Cash and Cash Equivalents*

The corporation considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

(g) *Investments*

Investments are composed of mutual funds managed by Pax World Funds, and are valued at their fair market on the date of the balance sheet as determined by reference to published financial resources. This represents a level 1 measurement as described in footnote 14. There are no other assets or liabilities that are presented with fair value measurements. The investment gains or losses are determined by the change in value of the fund, not including the effect of reinvested dividends and capital gains of (\$ 3,436) in 2009 and (\$16,606) in 2008. These amounts are included in the statement of activities. The balance in the fund as of September 30, 2009 was \$186,273 and September 30, 2008 was \$214,437. These amounts represents a concentration of credit risk.

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009 and 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) *Property and Equipment*

Property and equipment are recorded at cost, or in the case of donated property, at their estimated fair market on the date of receipt. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from three to thirty years. Expenditures for repairs and maintenance are charged to operating expense as incurred.

(i) *Revenue Recognition*

Unrestricted contributions, pledges and grants are recorded as revenue in the statements of activity when received. Other unrestricted revenues are recognized as earned either upon receipt or accrual. Expenditures of unrestricted net assets are recognized as expenses when expended or upon incurrence of the related liability.

(j) *Restricted Support*

The corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose 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.

(k) *Contributions*

The corporation has adopted SFAS No 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

(l) *Pledges*

Nathan B Stubblefield Foundation engages in fund raising campaigns by broadcasting on-air appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the corporation for enhancement of program offerings and other operating expenses. Financial contributions are generally evidenced by pledges received from responding listeners. These pledges are not legally enforceable and are not recognized as assets. Contributions and collected pledges are components of the unrestricted net assets inasmuch as their usage is not limited to specific activities of the corporation. This usage is consistent with appeals for contributions and pledges.

(m) *Program Underwriting*

Revenue for program underwriting is recorded on a pro rata basis for the period covered.

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009 and 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) *Donated Services*

The corporation receives a significant amount of donated services from unpaid volunteers who assist in broadcasting, fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been met. Donated professional services have been recognized as revenue and expense. These services include legal services, accounting, media services, office expense, repairs and engineering. The value of these services was \$29,370 in 2009 and \$31,313 in 2008.

(o) *Cultural Performances*

The corporation sponsored cultural performances and sold promotional items. The cultural performances are conducted to bring artists and speakers to the area to supplement the programming that is broadcast by the corporation and to educate the community. Promotional items that advertise the station are sold to promote the station and supplement revenues. The revenues and direct cost of these activities are as follows:

	<u>2009</u>		<u>2008</u>	
	Performances	Sales	Performances	Sales
Gross proceeds	\$ 412,824	\$ 25,136	\$ 368,980	\$ 26,886
Direct costs	<u>281,912</u>	<u>3,462</u>	<u>267,264</u>	<u>7,349</u>
Net proceeds	<u>\$ 130,912</u>	<u>\$ 21,674</u>	<u>\$ 101,716</u>	<u>\$ 19,537</u>

(p) *Income Taxes*

The Corporation is recognized as a tax exempt organization under § 501 (c) (3) of the Internal Revenue Code and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes. The Corporation has unrelated business income from the sale of advertising and certain products and services. The corporation has reported losses from these activities which has resulted in a net operating loss carry-forward of \$103,181.

(2) CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

As of September 30, 2009 \$282,019 and as of September 30, 2008 \$179,294 was held on deposit at The Bank of Tampa.

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009 and 2008

(3) PLEDGES RECEIVABLE (Capital Campaign)

Pledges receivable to be collected after September 30, 2008 are:

Within one year	\$ 1,274
One to five years	-
	1,274
Allowance for doubtful accounts	-127
Unamortized discount (5%)	-0-
Total	\$ 1,147

There are no Pledges receivable as of September 30, 2009.

(4) EQUIPMENT OWNED BY GRANTORS

In 1993 the state of Florida gave a grant to the station for the purpose of acquiring equipment. \$15,862 was spent to acquire a mixing board for the production studio. Title to this equipment is retained by the state of Florida, therefore, the value of this equipment is not included in the financial statements.

(5) REVERSIONARY INTERESTS

In 1999 the station was awarded a grant from PTFP to buy equipment. PTFP retains a reversionary interest in 50% of the cost of that equipment (\$40,540) for a period of ten years.

(6) OPERATING LEASE OBLIGATIONS

On September 20, 2005, the corporation signed a ten year lease with American Towers, Inc., for the right to install and operate the station's transmitter and antenna at 13623 Rodine Road near Riverview, Florida. The terms of the lease became effective January 1, 2006. The initial lease payments were \$3,900 per month, and are to be escalated 5% on the anniversary of the commencement date each year. The corporation is committed to lease payments of \$56,214 in 2010, \$59,025 in 2011, \$61,977 in 2012, \$65,073 in 2013, \$68,322 and \$89,886 in the remaining fifteen months of the lease.

(7) LONG-TERM DEBT

The corporation obtained a mortgage, secured by property and equipment located at the studio at 1210, East Martin Luther King Boulevard on October 7, 2005 in the amount of \$1,063,528, to replace the indebtedness on the construction loan. The loan terms were adjusted in October of 2008 and will now balloon September 26, 2013. Monthly payments will be \$6,045.79 and the interest rate will be 6.75% during the next sixty months, at which time the rate will be adjusted.

Long term debt maturing in the next five years is as follows:

September 26, 2010	\$ 25,929
September 26, 2011	27,734
September 26, 2012	29,665
September 26, 2013	31,730
After September 26, 2013	587,362
	\$ 702,420

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009 and 2008

(8) 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 telecommunications entities. CSGs are used to augment the financial resources of public broadcasting stations and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two fiscal years as described in the Communications Act, 47 United States Code Annotated Section 386 (k)(7), (1983) Supplement. In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients. The station uses these funds for purposes relating primarily to the production and acquisition of programming. Also, the Grants may be used to sustain activities begun with Community Service Grants awarded in prior years.

The Grants are reported on the accompanying financial statements as unrestricted and restricted operating funds, however, certain guidelines must be satisfied in connection with application for and use of the Grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of Grant funds, record keeping, audits, financial reporting, and licensee status with the Federal Communications Commission. The Community Service Grants received and expended during the five most recent fiscal years were as follows:

<u>Year</u>	<u>Amount</u>
2005	\$ 163,220
2006	\$ 228,734
2007	\$ 143,247
2008	\$ 168,867
2009	\$ 143,029

Congress has expressed an intent to eventually phase out this funding.

(11) FUNCTIONAL EXPENSES

The allocation of joint costs, including fund-raising costs, in the statements of functional expenses are based on time summaries of employees and space analysis of facilities provided by station management. The fund-raising costs are related to the station's on-air pledge drives conducted during the year when they ask for donations during regular programming.

(12) PENSION PLAN EXPENSE

In 1992 the corporation initiated a "Simplified Employee Pension Plan". The corporation makes annual contributions based on a percentage, approved by the board of directors, of employee compensation. All employees with more than one year of service are covered by the plan. The custodian of the plan is Pax World Fund. In 2009 \$6,463, and in 2008 \$29,151 was contributed to the plan. Contributions were not made to the plan for the last three quarters because of budget concerns. In October of 2009, contributions were made to make up for the contributions not made. These contributions are not included in the financial statements.

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009 and 2008

(13) INTEREST

Interest expense in 2009 was \$49,088 and in 2008 was \$53,287. Construction loan interest in the amount of \$10,566 was included in the cost of the building that was put in service in 2005.

(14) FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FASB Statement No. 157), establishes a framework for measuring fair value. That framework provides fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

PHILIP A. SCHEIDT
Certified Public Accountant

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT
ON SUPPLEMENTARY INFORMATION**

The Board of Directors
Nathan B. Stubblefield Foundation, Inc.
Tampa, Florida

My report on my audit of the basic financial statements of Nathan B. Stubblefield Foundation appears on page 1. I conducted my audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information, including historical amounts from nine years prior to this audit engagement, (2000 to 2009) have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole, in conformity with accounting principals generally accepted in the United States of America.



Temple Terrace, Florida
January 27, 2010

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
SUPPLEMENTARY INFORMATION
To the Financial Statements dated
SEPTEMBER 30, 2009 and 2008

The corporation has a long history of maintaining cash balances necessary to withstand most unforeseen emergencies. This exhibit shows the amount of unrestricted cash and cash equivalents at the end of each of the last ten years. It should be noted that these are typically the lowest balances of the fiscal year. It is the policy of the corporation to have its semi-annual fund drive the first week in the fiscal year, at which time the cash balances increase substantially. The cash equivalents consist of an investment in Pax World Fund.

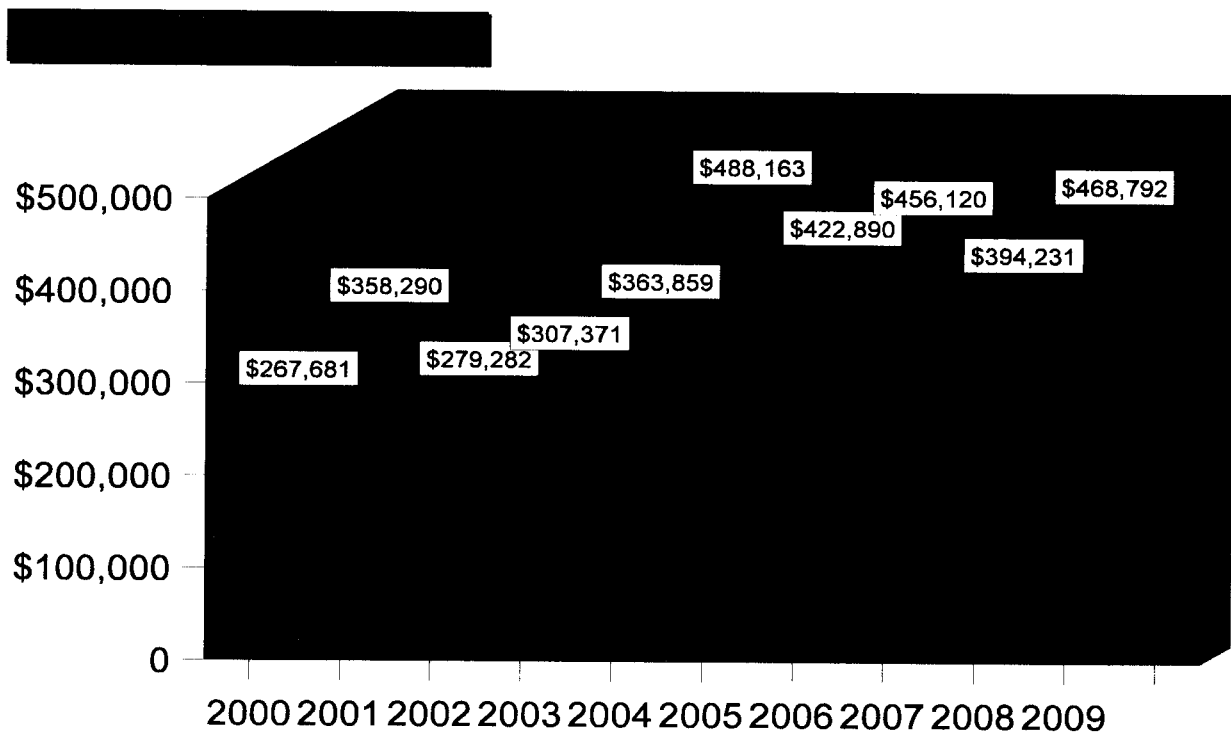


Exhibit 1 shows the total cash revenues for each of the last five years. The amounts include contributions from the public, grants from the Corporation for Public Broadcasting and the state of Florida, and revenue from fund raising activities in addition to other cash revenues. It is the normal policy of the corporation to have two seven-day and one three-day fund raising drives per year. Exhibit 1 reports the cash revenues for the last five years. It does not include the capital campaign or mortgage campaign revenues.

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
SUPPLEMENTARY INFORMATION
To the Financial Statements dated
SEPTEMBER 30, 2009 and 2008

Exhibit 1

	<u>9-30-09</u>	<u>9-30-08</u>	<u>9-30-07</u>	<u>9-30-06</u>	<u>9-30-05</u>
Cash Revenues:					
Contributions	\$ 1,097,118	\$ 1,116,668	\$ 1,082,171	\$ 1,041,708	\$ 939,849
Cultural performances-net	130,912	101,716	120,263	130,545	103,993
Grants	257,607	273,944	291,563	617,547	269,834
Interest	647	7,838	14,119	11,802	3,797
Sales	21,674	19,537	15,847	12,823	12,434
Advertising	10,198	16,615	20,475	18,350	-
Underwriting	46,199	49,051	31,322	6,867	13,155
Other Revenue	<u>11,780</u>	<u>29,566</u>	<u>15,050</u>	<u>19,168</u>	<u>11,610</u>
Total Cash Revenue	<u>\$ 1,576,135</u>	<u>\$ 1,614,935</u>	<u>\$ 1,590,810</u>	<u>\$ 1,858,810</u>	<u>\$ 1,354,672</u>

The corporation has a policy to improve the quality of the broadcasting, without jeopardizing its financial health. If there are significant cash reserves, it is the policy to improve the quality of the equipment, and to increase salaries in order to prevent employee turnover. Over the last several years the corporation has budgeted revenues at or slightly below budgeted expenditures. In a for-profit environment this would be viewed as "breaking even". In order to evaluate the financial history of the corporation, it is necessary to discuss a concept that is not ordinarily used.

In exhibit 2 expenditures for the last five years are classified as either "non-discretionary" or "discretionary". Non-discretionary expenditures are those that must be paid. Discretionary expenditures are those expenditures that the board authorizes only if funds are available. These are normally expenditures for fixed assets, debt retirement or additional services. It can be seen from this exhibit that most of the discretionary expenditures have been for asset acquisitions and debt retirement. In a for-profit environment, the goal is to reduce expenditures while increasing profit. In a not-for-profit environment the goal is to minimize non-discretionary expenditures, while maximizing discretionary expenditures with available funds. The amounts shown on this schedule are cash expenditures, and do not include donated services and materials, non-cash accruals or depreciation.

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
SUPPLEMENTARY INFORMATION
To the Financial Statements dated
SEPTEMBER 30, 2009 and 2008

Exhibit 2

**Non-Discretionary
Cash Expenditures:**

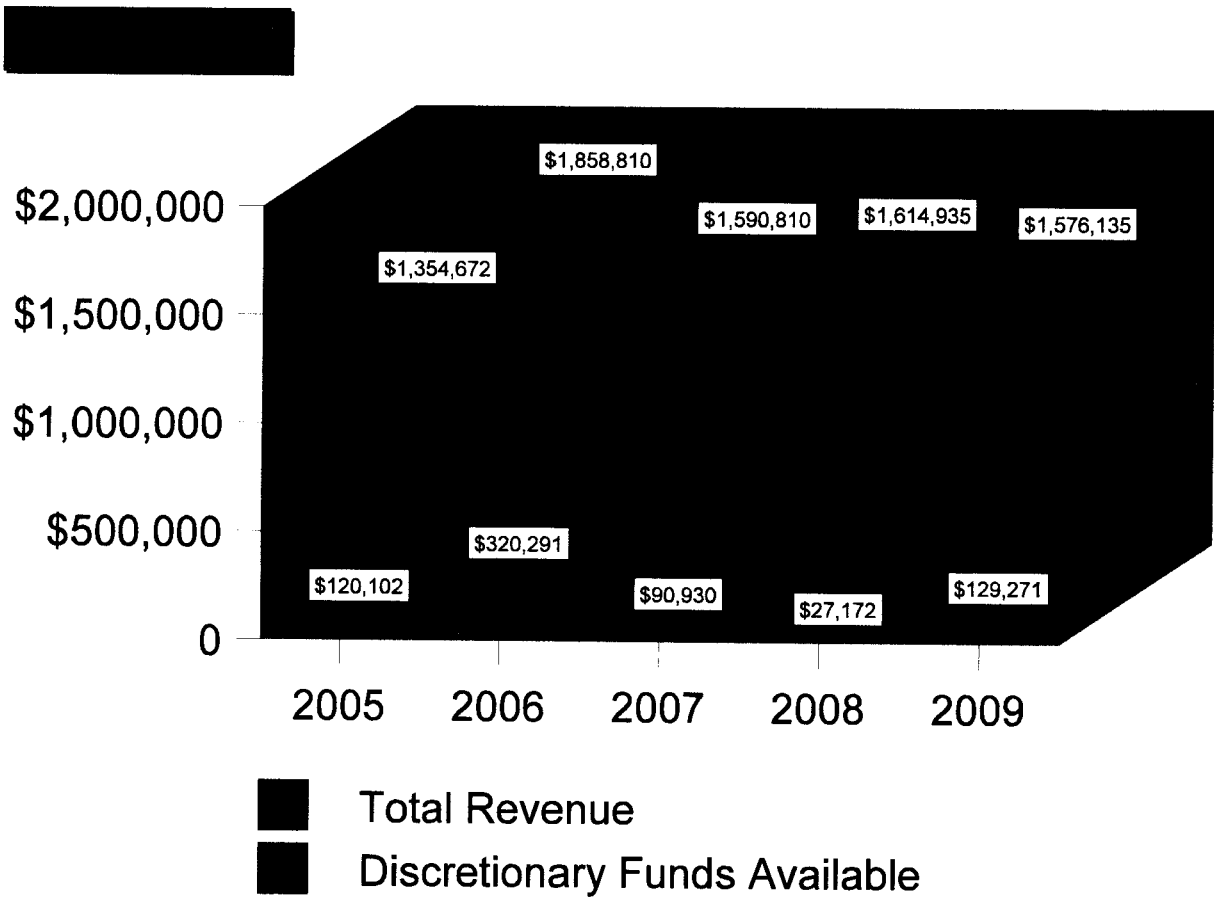
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Bank charges	\$ 30,035	\$ 31,312	\$ 32,116	\$ 32,363	\$ 31,826
Computer expense	54,237	69,660	69,474	21,724	25,290
Development expense	7,571	-	-	-	-
Engineering	58,835	52,430	58,590	132,276	35,765
Insurance	53,985	67,868	64,465	53,500	48,240
ISP	9,725	9,481	-	5,475	5,100
Debt service	72,266	97,577	97,578	97,578	51,534
Legal fees	9,424	5,580	11,016	9,176	8,094
Office supplies	8,130	15,928	12,460	15,037	14,101
Taxes	1,254	412	597	420	424
Postage	30,267	44,577	33,579	43,016	37,708
Premiums	19,629	32,960	27,850	31,711	38,038
Professional fees	32,000	36,150	35,540	33,970	38,763
Printing	15,105	18,901	26,864	22,751	18,408
Programming	91,134	95,520	80,498	72,183	70,679
Rent	53,532	50,983	54,352	47,551	13,159
Repairs	42,287	67,273	41,048	31,752	20,720
Staffing & hiring	5,515	1,621	5,648	4,236	5,671
Supplies	12,085	6,018	6,106	4,801	2,386
Telephone	20,696	22,490	19,725	20,425	17,033
Travel	2,030	2,382	1,125	1,728	1,919
Utilities	46,846	47,728	47,840	58,830	58,262
Website expenses	6,863	6,758	14,625	9,619	9,553
Asset Acquisitions (Grant)	24,617				
Salaries, payroll taxes and benefits ¹	<u>738,796</u>	<u>804,154</u>	<u>758,784</u>	<u>788,397</u>	<u>681,897</u>
Total non-discretionary cash disbursements	<u>\$ 1,446,864</u>	<u>\$ 1,587,763</u>	<u>\$ 1,499,880</u>	<u>\$ 1,538,519</u>	<u>\$ 1,234,570</u>

**Discretionary Cash
Disbursements:**

Various discretionary expenses	\$ 23,669	\$ 54,677	\$ 62,977	\$ 66,609	\$ 66,973
Additional debt payment	3,763	38,129	49,291	135,627	-
Asset acquisitions	<u>-</u>	<u>10,425</u>	<u>52,663</u>	<u>297,345</u>	<u>5,360</u>
Total discretionary cash disbursements	<u>\$ 27,432</u>	<u>\$ 103,231</u>	<u>\$ 164,931</u>	<u>\$ 499,581</u>	<u>\$ 72,333</u>

¹There is a discretionary element in this item that has not been calculated.

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
SUPPLEMENTARY INFORMATION
To the Financial Statements dated
SEPTEMBER 30, 2009 and 2008



The information in the chart above presents the relationship of discretionary funds available to total revenue. The exhibit shows that there have been funds available for discretionary expenditures, which means that all non-discretionary expenses have been paid. This is extremely important to a potential lender because the loan repayments are a non-discretionary item. The “discretionary funds available” closely approximate what net income would be if this were a “for-profit” entity. The reason is that in a for-profit environment the goal is to maximize net income, while in a non-profit environment, the goal is to maximize services to the users. The discretionary funds, by definition, would usually not be spent if the goal is to maximize profits.

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
SUPPLEMENTARY INFORMATION
To the Financial Statements dated
SEPTEMBER 30, 2009 and 2008

The corporation's ability to adhere to the budget is demonstrated in the next exhibit. Budgeted cash revenues are compared to actual revenues and budgeted cash expenditures are compared to actual expenditures. The result of combining the two variances provides a "net budget variance". For example, in 2005 revenues were \$114,672 over budget, while disbursements were \$66,303 over budget. The net effect on the change in cash was a favorable net budget variance of \$48,369. When revenues are greater than anticipated, it results in greater than anticipated expenditures, therefore an unfavorable expenditure budget variance would be expected.

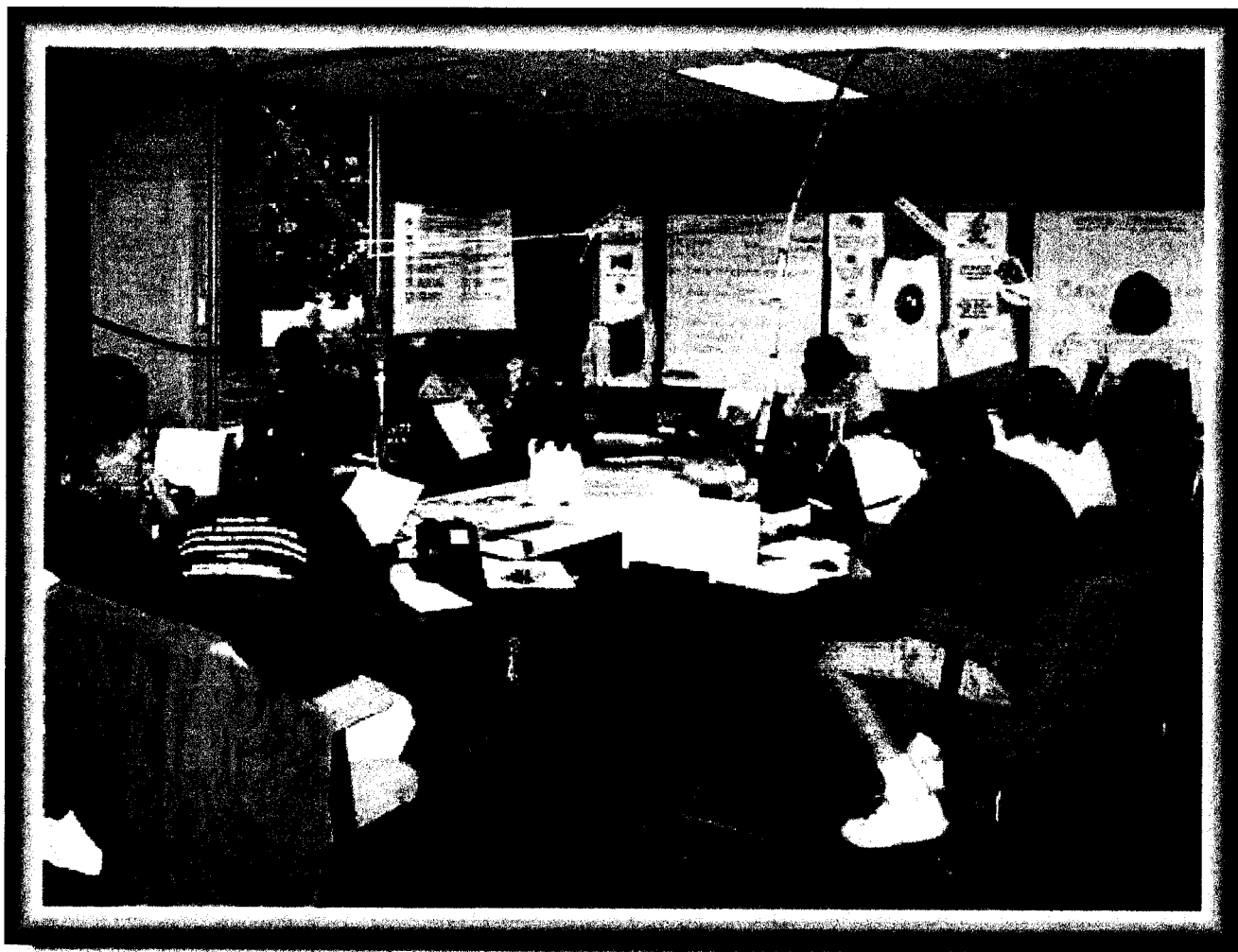
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actual Revenue	\$ 1,576,135	\$ 1,614,935	\$ 1,590,810	\$ 1,858,810	\$ 1,354,672
Budgeted Revenue	<u>1,509,721</u>	<u>1,672,500</u>	<u>1,530,375</u>	<u>1,398,000</u>	<u>1,240,000</u>
Variance	66,414	-57,565	60,435	460,810	114,672
Actual Expenditures	1,474,296	1,690,994	1,664,811	2,038,100	1,306,903
Budgeted Expenditures	<u>1,509,060</u>	<u>1,669,797</u>	<u>1,530,100</u>	<u>1,397,600</u>	<u>1,240,600</u>
Variance	34,764	-21,197	-134,711	-640,500	-66,303
Net Budget Variance	\$ <u>101,178</u>	\$ <u>-78,762</u>	\$ <u>-74,276</u>	\$ <u>-179,690</u>	\$ <u>48,369</u>

The 2009 budget variance amounts show that revenues were over budget by \$66,414 and that expenditures were under budget by \$34,764 resulting in a favorable budget variance of \$101,178. Addition principal was paid in the amount of \$3,763. If the debt was not retired there would have been a favorable variance of \$104,941.

Volunteers play a very important role in the operation of WMNF. The majority of all programming is produced by volunteers. Many of the programmers have never been in broadcasting prior to their roles as volunteer programmers. Nathan B. Stubblefield provides a valuable service to the community by

NATHAN B. STUBBLEFIELD FOUNDATION, INC.
SUPPLEMENTARY INFORMATION
To the Financial Statements dated
SEPTEMBER 30, 2009 and 2008

educating these people in such skills as public speaking, and providing them with the technological expertise to handle sophisticated equipment. There are programmers that have been on the air since 1979. Using dozens of programmers keeps a freshness to the programming that is not available on commercial stations. Volunteers also provide many services that are not directly related to broadcasting, such as clerical assistance and answering phones during pledge drives.



Over the years many professionals have donated services and local businesses have donated products and services to help support the station. The continued success of the station is dependent on the support of the community.