

RADIO BILINGÜE, INC.
FRESNO, CALIFORNIA

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2019 AND 2018**

RADIO BILINGÜE, INC.
FRESNO, CALIFORNIA

SEPTEMBER 30, 2019 AND 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Radio Bilingüe, Inc.
Fresno, California

Report on the Financial Statements

We have audited the accompanying financial statements of Radio Bilingüe, Inc. (the Organization), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities, functional expenses, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 Organization'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 Organization'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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Radio Bilingüe, Inc. as of September 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2020, on our consideration of Radio Bilingüe, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Radio Bilingüe, Inc.'s internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
February 24, 2020

RADIO BILINGÜE, INC.
FRESNO, CALIFORNIA

STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 AND 2018

Assets

	<u>2019</u>	<u>2018</u>
Cash and Equivalents	\$ 800,900	\$ 820,114
Accounts Receivable	7,094	8,448
Prepaid Expenses	28,570	29,928
Other Assets	4,411	7,740
Grants Receivable (Note 3)	201,150	376,378
Property and Equipment, Net of Accumulated Depreciation (Notes 1 and 4)	<u>955,788</u>	<u>1,130,306</u>
Total Assets	<u>\$ 1,997,913</u>	<u>\$ 2,372,914</u>

Liabilities and Net Assets

Liabilities

Accounts Payable	\$ 46,121	\$ 44,536
Accrued Expenses	56,425	57,018
Other Liabilities	2,579	3,240
Unearned Revenue (Notes 1 and 3)	<u>498,485</u>	<u>639,482</u>
Total Liabilities	<u>603,610</u>	<u>744,276</u>

Net Assets

Without Donor Restriction	<u>1,394,303</u>	<u>1,628,638</u>
Total Net Assets	<u>1,394,303</u>	<u>1,628,638</u>
Total Liabilities and Net Assets	<u><u>\$ 1,997,913</u></u>	<u><u>\$ 2,372,914</u></u>

The notes to the financial statements are an integral part of this statement.

RADIO BILINGÜE, INC.
FRESNO, CALIFORNIA

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
<u>Revenues</u>		
Contribution Revenue:		
Individual	\$ 19,025	\$ 10,749
Foundation	347,709	275,000
In-Kind	318,577	334,791
Grant Revenue:		
Foundation	996,396	1,254,637
CPB	216,540	215,794
Production Revenue	304,846	348,187
Fundraising	31,322	26,298
Other Revenue	5,315	8,188
Total Revenue	2,239,730	2,473,644
<u>Expenditures</u>		
Program Services:		
Programming and Production	1,102,697	1,047,325
Broadcast	811,731	831,418
Fundraising:		
Grants and Underwriting	290,903	274,337
Management and General:		
Grants Administration	67,133	66,117
Management and General	201,601	206,820
Total Expenditures	2,474,065	2,426,017
Changes in Net Assets	(234,335)	47,627
Net Assets, Beginning of Year	1,628,638	1,581,011
Net Assets, End of Year	\$ 1,394,303	\$ 1,628,638

The notes to the financial statements are an integral part of this statement.

RADIO BILINGÜE, INC.
FRESNO, CALIFORNIA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ (234,335)	\$ 47,627
Adjustments to Reconcile Net Assets to Net		
Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	189,591	183,869
(Increase) Decrease in Grant Receivable	175,228	(318,157)
(Increase) Decrease in Accounts Receivable	1,354	(631)
(Increase) Decrease in Prepaid Expenses	1,358	(3,405)
(Increase) Decrease in Other Assets	3,329	(900)
Increase (Decrease) in Accounts Payable	1,585	(9,766)
Increase (Decrease) in Other Liabilities	(661)	1,139
Increase (Decrease) in Accrued Liabilities	(593)	(3,887)
Increase (Decrease) in Unearned Revenue	(140,997)	(81,036)
Net Cash Provided by (Used in) Operating Activities	(4,141)	(185,147)
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(15,073)	(67,678)
Net Cash Provided by (Used in) Investing Activities	(15,073)	(67,678)
Increase (Decrease) in Cash	(19,214)	(252,825)
Cash and Equivalents, Beginning of Year	820,114	1,072,939
Cash and Equivalents, End of Year	\$ 800,900	\$ 820,114

The notes to the financial statements are an integral part of this statement.

RADIO BILINGÜE, INC.
FRESNO, CALIFORNIA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Program Services</u>		<u>Fundraising</u>	<u>Management and General</u>		<u>Totals</u>
	<u>Programming</u>	<u>Broadcast</u>	<u>Grants</u>	<u>Grants</u>	<u>Management</u>	
	<u>and</u>		<u>and</u>	<u>Administration</u>	<u>and</u>	
	<u>Production</u>		<u>Underwriting</u>		<u>General</u>	
<u>Operating Expenses</u>						
Salaries and Fringe Benefits	\$ 562,277	\$ 74,836	\$ 158,469	\$ 59,676	\$ 148,057	\$ 1,003,315
Professional Fees	194,408	16,259	93,899	-	13,500	318,066
Consumable Supplies	3,045	17	148	-	1,621	4,831
Telephone	49,115	21,859	12,916	4,445	13,373	101,708
Postage and Shipping	3,049	1,026	-	-	2,831	6,906
Rent	30,437	132,719	-	-	1,709	164,865
Buildings and Grounds	6,611	2,410	573	202	606	10,402
Utilities	11,449	77,129	2,773	1,079	2,784	95,214
Insurance	20,222	2,395	4,491	1,560	9,506	38,174
Equipment Rental and Maintenance	2,837	12,899	295	102	792	16,925
Depreciation	9,850	179,741	-	-	-	189,591
Printing and Publications	576	-	140	-	-	716
Conferences and Meetings	-	-	1,302	-	150	1,452
Travel	11,587	28,244	11,103	58	1,103	52,095
Production Expenses:						
Production Supplies	314	-	15	-	-	329
Satellite	-	15,375	-	-	-	15,375
Acquisitions and Distributions	60,120	-	-	-	-	60,120
Advertising and Marketing	6,152	-	-	-	-	6,152
Membership and Dues	10,765	-	-	-	-	10,765
Interest and Miscellaneous	24,849	42	2,769	11	4,405	32,076
Equipment	9,858	13,379	2,010	-	1,164	26,411
Subtotal	<u>1,017,521</u>	<u>578,330</u>	<u>290,903</u>	<u>67,133</u>	<u>201,601</u>	<u>2,155,488</u>
<u>In-Kind Expenses</u>						
Volunteer Services	85,176	-	-	-	-	85,176
All Other Services	-	228,055	-	-	-	228,055
Property/Space	-	5,346	-	-	-	5,346
Subtotal	<u>85,176</u>	<u>233,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>318,577</u>
Total Expenses	<u>\$ 1,102,697</u>	<u>\$ 811,731</u>	<u>\$ 290,903</u>	<u>\$ 67,133</u>	<u>\$ 201,601</u>	<u>\$ 2,474,065</u>

The notes to the financial statements are an integral part of this statement.

RADIO BILINGÜE, INC.
FRESNO, CALIFORNIA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Program Services</u>		<u>Fundraising</u>	<u>Management and General</u>		<u>Totals</u>
	<u>Programming and Production</u>		<u>Grants and Underwriting</u>	<u>Grants Administration</u>	<u>Management and General</u>	
	<u>Production</u>	<u>Broadcast</u>	<u>Underwriting</u>	<u>Administration</u>	<u>General</u>	
<u>Operating Expenses</u>						
Salaries and Fringe Benefits	\$ 554,221	\$ 75,497	\$ 156,856	\$ 59,370	\$ 148,964	\$ 994,908
Professional Fees	111,864	11,348	83,872	-	13,875	220,959
Consumable Supplies	1,653	88	539	-	1,188	3,468
Telephone	48,570	18,134	10,881	3,788	13,761	95,134
Postage and Shipping	2,875	409	18	10	4,021	7,333
Rent	38,907	127,215	-	-	1,640	167,762
Buildings and Grounds	5,296	4,751	661	213	1,100	12,021
Utilities	11,002	78,178	2,694	760	2,436	95,070
Insurance	21,323	2,553	4,786	1,595	10,726	40,983
Equipment Rental and Maintenance	5,884	13,108	293	91	780	20,156
Depreciation	9,725	174,144	-	-	-	183,869
Printing and Publications	138	156	-	-	-	294
Conferences and Meetings	-	-	150	-	-	150
Travel	19,207	26,342	8,609	-	1,017	55,175
Production Expenses:						
Production Supplies	1,352	-	-	-	-	1,352
Satellite	-	8,175	-	-	-	8,175
Acquisitions and Distributions	80,529	-	-	-	-	80,529
Advertising and Marketing	6,124	-	382	-	-	6,506
Membership and Dues	10,095	-	-	-	-	10,095
Interest and Miscellaneous	28,976	8,707	300	9	4,615	42,607
Equipment	4,408	32,998	4,296	281	2,697	44,680
Subtotal	<u>962,149</u>	<u>581,803</u>	<u>274,337</u>	<u>66,117</u>	<u>206,820</u>	<u>2,091,226</u>
<u>In-Kind Expenses</u>						
Volunteer Services	85,176	-	-	-	-	85,176
All Other Services	-	249,615	-	-	-	249,615
Subtotal	<u>85,176</u>	<u>249,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,791</u>
Total Expenses	<u>\$ 1,047,325</u>	<u>\$ 831,418</u>	<u>\$ 274,337</u>	<u>\$ 66,117</u>	<u>\$ 206,820</u>	<u>\$ 2,426,017</u>

The notes to the financial statements are an integral part of this statement.

RADIO BILINGÜE, INC.
Fresno, California

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Radio Bilingüe, Inc. (the Organization), is a nonprofit California public media corporation which operates noncommercial FM public radio stations: KSJV in Fresno, CA; KMPO in Modesto, CA; KTQX in Bakersfield, CA; KHDC in Salinas, CA; KUBO in El Centro, CA; KVUH in Laytonville, CA; KREE in Douglas, AZ; KVMG in Raton, NM; KYOL in Chama, NM; KQTO in Hurley, NM; KHUI in Alamosa, CO; and KRZU in Batesville, TX. It also operates noncommercial FM public radio station translators: K233AV in Paso Robles, CA; K246BO in Paso Robles, CA; K281BR in Hollister, CA; K225BQ in Santa Margarita, CA; K258CK in Barstow, CA; K264BQ in Palmdale, CA; K254CA in Guadalupe, CA; K266BX in Cactus City, CA; K229CN in Tassajara, CA; and K224EV in Ligurta, AZ. It produces a national news and information service and satellite programming service serving the nation's public broadcasting system.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

New Accounting Pronouncement

On August 18, 2016, FASB issued Accounting Standards Update (“ASU”) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

The Organization has also elected to early adopt the provisions of FASB Accounting Standards Update 2018-08, Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made for the year ended September 30, 2019. The provisions of this pronouncement help resolve long-standing diversity in practice in the accounting for grants and similar arrangements. The amendments of this provision better clarifies the accounting treatment for exchange and non-exchange transactions and also addresses the classification of certain grants.

Classification of Net Assets

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restriction – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

RADIO BILINGÜE, INC.
Fresno, California

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Equivalents

Cash and equivalents consist of cash held in local banks.

Concentration of Credit Risk

Radio Bilingüe, Inc. maintains a bank account at Wells Fargo Bank. The account at this bank is insured by the Federal Deposit Insurance Corporation (FDIC). The uninsured portion of this balance was \$557,544 and \$603,186 as of September 30, 2019 and 2018, respectively.

Revenue

Radio Bilingüe, Inc. receives substantially all of its grant and contract revenue from Foundations, Corporation for Public Broadcasting, State, and other governmental agencies. Radio Bilingüe, Inc. recognizes contract revenue (up to the contract ceiling) from its contracts, either on a cost reimbursement basis or on a production basis depending on how performance is defined by the respective contracts. Revenue recognition depends on the contract.

Contract revenue that has not yet been expended for the purpose of the grant/contract is recorded as unearned revenue.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by Radio Bilingüe, Inc. with the terms of the grants/contracts.

Contributions

Contributions received are recorded depending on the existence and/or nature of any donor restrictions. Radio Bilingüe, Inc. has not received any contributions with donor-imposed restrictions for the years ended September 30, 2019 and September 30, 2018. Contributions for property, space and professional services are recorded at their fair market value of \$318,577 and \$334,791 for the years ended September 30, 2019 and 2018, respectively.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of receipt. Depreciation is computed using the straight-line method. Repairs and maintenance are charged to operating expenses as incurred. Individual items with the cost of \$3,000 or greater are capitalized.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were \$6,152 and \$6,506 for the years ended September 30, 2019 and 2018, respectively.

Retirement Plan

In August 2019, the Organization began to sponsor a 403(b) retirement plan (the "Plan") covering substantially all employees who meet certain eligibility requirements. Employees may elect to have a portion of their salary deferred and contributed to the Plan. The Organization elects to make contributions to the Plan. Discretionary contributions are allocated based on compensation. All contributions to the Plan are 100% vested. The Organization made a contribution of \$674 and \$0 for the years ended September 30, 2019 and 2018.

RADIO BILINGÜE, INC.
Fresno, California

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Radio Bilingüe, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, Radio Bilingüe, Inc. has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended September 30, 2019 and 2018.

Generally accepted accounting principles provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax position and believes that all positions taken in its federal and state exempt information returns are more likely than not to be sustained upon examination. The Organization files exempt organization information returns in the U.S. Federal and California state jurisdictions. The Organization’s returns are subject to examination by federal and state taxing authorities, generally for three years, respectively, after they are filed.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the Organization’s various charitable and general services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, direct and indirect expenses have been allocated to program services or other activities based on their specific identification or the personnel resources utilized in the function. Supporting services consist principally of general, administrative and management costs and fundraising activities not directly allocable to program services.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method</u>
Salaries and Fringe Benefits	Time and effort
Telephone	Time and effort
Buildings and Grounds	Time and effort
Utilities	Time and effort
Insurance	Time and effort
Equipment Rental and Maintenance	Time and effort
Depreciation	Time and effort

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported net assets at September 30, 2018.

RADIO BILINGÜE, INC.
Fresno, California

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents Radio Bilingüe, Inc's financial assets at September 30, 2019:

Financial assets at year end:	2019
Cash and cash equivalents	\$ 800,900
Grants and accounts receivable	<u>208,244</u>
Total financial assets	1,009,144
Financial assets available to meet general expenditures over the next twelve months	 <u><u>\$ 1,009,144</u></u>

The \$1,009,144 from the year ended September 30, 2019 in cash and cash equivalents and receivables available to meet general expenses over the next twelve months includes funds received from grantors for multi-year grants. As of February 2020, additional revenue in excess of \$500,000 from grants and contracts has been secured. Management forecasts meeting the adopted budget for fiscal year 2020 with pending and additional new grants. The Organization secured grants for the subsequent two fiscal years for consultants to assist with diversifying revenue streams with particular focus on individual major gifts.

NOTE 3 – GRANTS RECEIVABLE/UNEARNED REVENUE

At September 30, 2019 and 2018, net accounts receivable and unearned revenue from grants and contracts were comprised of the following:

<u>Source</u>	<u>2019</u>		<u>2018</u>	
	<u>Receivable</u>	<u>Unearned</u>	<u>Receivable</u>	<u>Unearned</u>
<u>Federal Government</u>				
NEA	\$ -	\$ -	\$ 45,000	\$ -
Futures without Violence/US Dept of Justice	<u>8,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>8,750</u>	<u>-</u>	<u>45,000</u>	<u>-</u>
<u>State Government</u>				
Agricultural Labor Relations Board	-	-	17,050	-
MOB Media DIR Heat Illness	<u>21,000</u>	<u>-</u>	<u>27,000</u>	<u>-</u>
Subtotal	<u>21,000</u>	<u>-</u>	<u>44,050</u>	<u>-</u>
<u>Local Government</u>				
Tulare County - Mental Health Services Act	3,000	-	-	-
Fresno County - Valley Fever	-	-	1,428	-
Imperial Co. Behavioral Health Services	<u>6,500</u>	<u>-</u>	<u>6,500</u>	<u>-</u>
Subtotal	<u>9,500</u>	<u>-</u>	<u>7,928</u>	<u>-</u>

See Independent Auditor's Report

RADIO BILINGÜE, INC.
Fresno, California

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

NOTE 3 – GRANTS RECEIVABLE/UNEARNED REVENUE (Continued)

<u>Source</u> (Continued)	2019		2018	
	Receivable	Unearned	Receivable	Unearned
<u>Foundations</u>				
The James Irvine Foundation	-	220,372	-	133,030
Packard Foundation	-	72,384	-	-
California Rural Legal Assistance - Fair Housing	-	-	3,300	-
Hellman Family Fund	50,000	-	100,000	-
La Cooperativa Campesina AM	7,500	-	7,500	-
La Cooperativa Campesina PM	-	-	5,000	-
Marquerite Casey Foundation	-	-	112,500	100,000
Center for Community Advocacy	1,400	-	-	-
Marquerite Casey Foundation - Equal Voice for Network Weaver	-	28,454	-	32,311
CBDIO	-	-	-	1,500
The California Endowment	-	120,125	-	-
TCE: Community Health	-	-	-	160,445
The San Francisco Foundation	50,000	-	50,000	-
The Sierra Health Foundation	-	32,500	-	5,000
Haas Jr	50,000	-	-	-
Western Center for Agricultural Health & Safety	-	10,000	-	-
Community Foundation for Monterey Co	-	8,550	-	2,233
YWCA Monterey	-	-	1,100	-
Public Welfare Foundation	-	-	-	198,163
Subtotal	<u>158,900</u>	<u>492,385</u>	<u>279,400</u>	<u>632,682</u>
<u>Business and Corporate</u>				
Pacific Gas & Electric	-	6,100	-	6,800
Valley CAN - Porterville	1,000	-	-	-
Valley CAN - Lemoore	1,000	-	-	-
Valley CAN - Tulare	1,000	-	-	-
Subtotal	<u>3,000</u>	<u>6,100</u>	<u>-</u>	<u>6,800</u>
Total	<u>\$ 201,150</u>	<u>\$ 498,485</u>	<u>\$ 376,378</u>	<u>\$ 639,482</u>

See Independent Auditor's Report

RADIO BILINGÜE, INC.
Fresno, California

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

NOTE 4 – PROPERTY AND EQUIPMENT

	Beginning Balances 10/01/18	Additions	Deletions	Ending Balances 9/30/19
Land	\$ 88,033	\$ -	\$ -	\$ 88,033
Building and Improvements	284,544	10,259	(15,545)	279,258
Broadcasting Equipment	3,215,213	4,814	-	3,220,027
Furniture and Equipment	26,390	-	-	26,390
Construction in Progress	<u>7,126</u>	<u>-</u>	<u>-</u>	<u>7,126</u>
Total	3,621,306	15,073	(15,545)	3,620,834
Accumulated Depreciation	<u>(2,491,000)</u>	<u>(189,591)</u>	<u>15,545</u>	<u>(2,665,046)</u>
Property and Equipment, Net	<u>\$ 1,130,306</u>	<u>\$ (174,518)</u>	<u>\$ -</u>	<u>\$ 955,788</u>

The depreciation expense for the years ended September 30, 2019 and 2018 was \$189,591 and \$183,869, respectively.

NOTE 5 – LINE OF CREDIT

In July 2014, Radio Bilingüe, Inc. entered into an agreement with a Private Foundation for access to a revolving line of credit. The balance on the account shall not at any time exceed the greater of: (a) \$300,000 or (b) the amount supported by the current Grant Receivables, as determined by the Foundation in its sole discretion. Radio Bilingüe's right to withdraw funds from the account is subject to the satisfaction of various conditions, unless waived in writing by the Foundation in its sole and absolute discretion. A "Request for Withdrawal and Draw Package" must be completed including copies of current Grant Receivables which support the withdrawal and the proceeds of which shall be the source of repayment of such withdrawal. Radio Bilingüe shall replenish to the account funds received from proceeds from Grant Receivables from the various sources of such grants within ten days. There was no outstanding balance at September 30, 2019. The credit line is for operational purposes. The agreement is subject to renewal on August 23, 2020.

NOTE 6 – CONTINGENCIES

Continued program funding is contingent upon the availability of funds from federal, state and local funding sources and project performance. Periodic audits may be performed by granting agencies and certain costs may be questioned as not being reimbursable under the terms of the contract. Such audits could lead to reimbursement to the granting agency. Until such audits have been completed, there exists a contingency to refund any amount received in excess of allowable costs.

RADIO BILINGÜE, INC.
Fresno, California

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

NOTE 7 – UNCERTAIN TAX POSITIONS

Radio Bilingüe, Inc. has qualified as a non-profit organization and has been granted tax-exempt status pursuant to Internal Revenue Code Section 501 (c)(3) and California Revenue and Taxation Code Section 23701(d) and is exempt from Federal and State of California income taxes.

Generally accepted accounting principles provide accounting and disclosures guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 24, 2020, noting no matters requiring disclosure in the financial statements for the year ended September 30, 2019.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Radio Bilingüe, Inc.
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Radio Bilingüe, Inc. (the Organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 24, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Radio Bilingüe, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Radio Bilingüe, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Pange & Company

Clovis, California
February 24, 2020