

RADIO BILINGUE, INC.

Fresno, California

FINANCIAL STATEMENTS

**For the Years Ending
September 30, 2009 and 2008**

RADIO BILINGUE, INC.
Fresno, California

September 30, 2009 and 2008

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
Financial Statements -	
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Cash Flows	5
Statements of Functional Expenses.....	6
Notes to the Financial Statements	8
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13
Schedule of Findings and Questioned Costs	15



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Radio Bilingue, Inc.
Fresno, California

We have audited the accompanying statements of financial position of Radio Bilingue, Inc., as of September 30, 2009 and 2008, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Radio Bilingue, Inc. as of September 30, 2009 and 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2010, on our consideration of Radio Bilingue, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Price Paige & Company

Clovis, California
February 18, 2010

THIS PAGE IS LEFT BLANK INTENTIONALLY.

RADIO BILINGUE, INC.
Fresno, California

STATEMENTS OF FINANCIAL POSITION
September 30, 2009 and 2008

Assets

	<u>2009</u>	<u>2008</u>
Cash and Equivalents	\$ 836,511	\$ 465,381
Accounts Receivable	28,477	61,507
Prepaid Expenses	31,950	80,409
Other Assets	10,261	6,913
Grants Receivable (Note 2)	394,093	229,897
Property and Equipment, Net of Accumulated Depreciation (Notes 1 and 3)	<u>1,144,009</u>	<u>1,036,877</u>
 Total Assets	 <u>\$ 2,445,301</u>	 <u>\$ 1,880,984</u>

Liabilities and Net Assets

Liabilities

Accounts Payable	\$ 85,152	\$ 70,085
Accrued Expenses	67,020	55,709
Contracts Payable	-	2,164
Other Liabilities	14,784	10,948
Unearned Revenue (Notes 1 and 2)	<u>1,053,825</u>	<u>723,708</u>
 Total Liabilities	 <u>1,220,781</u>	 <u>862,614</u>

Net Assets

Unrestricted	<u>1,224,520</u>	<u>1,018,370</u>
 Total Net Assets	 <u>1,224,520</u>	 <u>1,018,370</u>
 Total Liabilities and Net Assets	 <u>\$ 2,445,301</u>	 <u>\$ 1,880,984</u>

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

RADIO BILINGUE, INC.

Fresno, California

STATEMENTS OF ACTIVITIES

For the Years Ended September 30, 2009 and 2009

	<u>2009</u>	<u>2008</u>
<u>Revenue</u>		
Grant Revenue:		
Federal	\$ 179,404	\$ 80,480
CPB	1,163,070	828,188
Foundation	1,441,363	1,171,486
Local/Other	255,990	159,865
In-Kind Contributions	356,830	440,440
Fundraising	192,786	158,584
Underwriting	32,125	40,041
Contributions	3,934	5,402
Other Revenue	9,245	26,567
	<hr/>	<hr/>
Total Revenue	3,634,747	2,911,053
 <u>Expenditures</u>		
Programming and Production	1,789,521	1,566,613
Broadcast	565,277	594,351
Grants Administration	59,182	64,942
Grants and Underwriting	279,612	382,061
LA Public Media Service	215,396	-
Management and General	212,726	210,094
Fundraising	306,883	323,514
	<hr/>	<hr/>
Total Expenditures	3,428,597	3,141,575
Change in Net Assets	206,150	(230,522)
Net Assets, Beginning of Year	<hr/> 1,018,370	<hr/> 1,248,892
Net Assets, End of Year	<hr/> \$ 1,224,520	<hr/> \$ 1,018,370

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

RADIO BILINGUE, INC.

Fresno, California

STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 206,150	\$ (230,522)
Adjustments to Reconcile Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	76,278	80,780
(Increase) Decrease in Grant Receivable	(164,196)	(44,231)
(Increase) Decrease in Accounts Receivable	33,030	(51,389)
(Increase) Decrease in Prepaid Expenses	48,459	(45,445)
(Increase) Decrease in Other Assets	(3,348)	10,570
Increase (Decrease) in Accounts Payable	15,067	18,693
Increase (Decrease) in Other Liabilities	3,836	7,749
Increase (Decrease) in Accrued Liabilities	9,147	6,182
Increase (Decrease) in Unearned Revenue	<u>330,117</u>	<u>(80,337)</u>
Net Cash Provided by (Used in) Operating Activities	<u>554,540</u>	<u>(327,950)</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	<u>(183,410)</u>	<u>(60,818)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(183,410)</u>	<u>(60,818)</u>
Cash Flows from Financing Activities:		
Payment on Contracts Payable	<u>-</u>	<u>(7,883)</u>
Net Cash Provided by (Used in) Financing Activities	<u>-</u>	<u>(7,883)</u>
Increase (Decrease) in Cash	371,130	(396,651)
Cash and Equivalents, Beginning of Year	<u>465,381</u>	<u>862,032</u>
Cash and Equivalents, End of Year	<u>\$ 836,511</u>	<u>\$ 465,381</u>
 <u>Supplemental Cash Flow Information</u>		
Cash paid during the period for interest	<u>\$ 121</u>	<u>\$ 618</u>

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

RADIO BILINGUE, INC.
Fresno, California

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2009

	LA Public Media Service	Programming and Production	Broadcast	Grant Administration	Grants and Underwriting	Management and General	Fundraising	Totals
<u>Operating Expenses</u>								
Salaries and Fringe Benefits	\$ 145,186	\$ 874,532	\$ 74,279	\$ 48,037	\$ 161,202	\$ 137,887	\$ 58,320	\$ 1,499,443
Professional Fees	24,427	420,603	5,294	-	39,410	13,206	-	502,940
Consumable Supplies	1,199	4,728	3,870	984	361	5,979	693	17,814
Telephone	2,659	76,506	8,312	5,323	12,319	14,095	-	119,214
Postage and Shipping	482	3,146	1,321	390	912	4,474	514	11,239
Rent	1,496	35,137	36,781	-	24,848	3,606	-	101,868
Buildings and Grounds	4,676	13,903	4,145	324	3,985	2,154	-	29,187
Utilities	649	14,307	45,298	1,142	4,764	2,611	-	68,771
Insurance	1,697	26,861	2,149	2,149	3,316	12,034	-	48,206
Equipment Rental and Maintenance	263	10,630	14,434	222	274	1,235	355	27,413
Depreciation	182	4,250	69,834	411	777	823	-	76,277
Printing and Publications	25	436	55	200	99	109	-	924
Conferences and Meetings	3,615	11,038	-	-	961	432	-	16,046
Travel	17,840	47,206	6,913	-	6,809	2,548	-	81,316
Production Expenses:								
Production Supplies	180	2,347	-	-	54	-	-	2,581
Satellite	-	-	30,000	-	-	-	-	30,000
Acquisitions and Distributions	-	101,589	-	-	-	-	-	101,589
Advertising and Marketing	120	36,677	-	-	608	507	615	38,527
Fundraising and Events	20	-	-	-	-	-	246,386	246,406
Membership and Dues	290	855	3,600	-	3,446	-	-	8,191
Interest and Miscellaneous	1,740	10,769	52	-	-	8,399	-	20,960
Equipment	8,650	9,761	-	-	1,817	2,627	-	22,855
Subtotal	<u>215,396</u>	<u>1,705,281</u>	<u>306,337</u>	<u>59,182</u>	<u>265,962</u>	<u>212,726</u>	<u>306,883</u>	<u>3,071,767</u>
<u>In-Kind Expenses</u>								
Volunteer Services	-	84,240	-	-	-	-	-	84,240
All Other Services	-	-	255,640	-	13,650	-	-	269,290
Property/Space	-	-	3,300	-	-	-	-	3,300
Subtotal	<u>-</u>	<u>84,240</u>	<u>258,940</u>	<u>-</u>	<u>13,650</u>	<u>-</u>	<u>-</u>	<u>356,830</u>
Total Expenses	<u>\$ 215,396</u>	<u>\$ 1,789,521</u>	<u>\$ 565,277</u>	<u>\$ 59,182</u>	<u>\$ 279,612</u>	<u>\$ 212,726</u>	<u>\$ 306,883</u>	<u>\$ 3,428,597</u>

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

RADIO BILINGUE, INC.

Fresno, California

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2008

	Programming and Production	Broadcast	Grant Administration	Grants and Underwriting	Management and General	Fundraising	Totals
<u>Operating Expenses</u>							
Salaries and Fringe Benefits	\$ 828,077	\$ 80,695	\$ 53,734	\$ 191,283	\$ 152,124	\$ 65,318	\$ 1,371,231
Professional Fees	173,928	-	-	90,999	11,233	3,075	279,235
Consumable Supplies	2,928	410	73	1,432	5,957	804	11,604
Telephone	84,319	6,837	5,085	14,937	10,363	272	121,813
Postage and Shipping	9,975	1,509	882	1,721	2,251	628	16,966
Rent	58,405	35,437	-	15,583	1,515	-	110,940
Buildings and Grounds	10,138	5,276	387	1,543	687	90	18,121
Utilities	17,194	48,180	1,008	4,098	2,305	-	72,785
Insurance	26,836	2,149	2,149	5,014	12,231	-	48,379
Equipment Rental and Maintenance	15,512	18,694	285	835	1,890	-	37,216
Depreciation	3,152	75,546	394	900	788	-	80,780
Printing and Publications	436	54	54	125	109	-	778
Conferences and Meetings	5,309	-	-	2,580	-	-	7,889
Travel	56,651	11,262	-	6,037	1,475	2,528	77,953
Production Expenses:							
Production Supplies	5,356	264	-	-	-	-	5,620
Satellite	-	30,000	-	-	-	-	30,000
Acquisitions and Distributions	90,676	-	-	2,061	-	-	92,737
Advertising and Marketing	88,150	10	-	-	169	-	88,329
Fundraising and Events	79	-	-	225	-	189,642	189,946
Membership and Dues	3,463	3,825	-	3,258	114	-	10,660
Interest and Miscellaneous	1,789	30	-	430	6,883	20	9,152
Equipment	-	15,733	891	790	-	1,467	18,881
Subtotal	<u>1,482,373</u>	<u>335,911</u>	<u>64,942</u>	<u>343,851</u>	<u>210,094</u>	<u>263,844</u>	<u>2,701,015</u>
<u>In-Kind Expenses</u>							
Volunteer Services	84,240	-	-	-	-	-	84,240
All Other Services	-	255,140	-	38,210	-	59,670	353,020
Property/Space	-	3,300	-	-	-	-	3,300
Subtotal	<u>84,240</u>	<u>258,440</u>	<u>-</u>	<u>38,210</u>	<u>-</u>	<u>59,670</u>	<u>440,560</u>
Total Expenses	<u>\$ 1,566,613</u>	<u>\$ 594,351</u>	<u>\$ 64,942</u>	<u>\$ 382,061</u>	<u>\$ 210,094</u>	<u>\$ 323,514</u>	<u>\$ 3,141,575</u>

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

RADIO BILINGUE, INC.
Fresno, California

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Radio Bilingue, Inc. is a nonprofit California corporation which operates noncommercial public radio stations (KSJV-FM in Fresno, KMPO-FM in Modesto, KTQX-FM in Bakersfield, KUBO in El Centro, and KHDC in Salinas).

Basis of Accounting

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

Revenue

Radio Bilingue, Inc. receives substantially all of its grant and contract revenue from the Corporation for Public Broadcasting, Foundations, Federal, State, and other governmental agencies. Radio Bilingue, Inc. recognizes contract revenue (up to the contract ceiling) from its contracts either on a pro-rata basis over a 12-month period, which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract.

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

Unearned Revenue

Radio Bilingue, Inc. records grant/contract revenue as unearned revenue until it is expended for the purpose of the grant/contract, at which time it is recognized as revenue. The balance in unearned revenue at September 30, 2009, represents amounts received under cost reimbursable contracts that will be expended in the next fiscal year in accordance with the grant/contract period.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Radio Bilingue, Inc. has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted assets. Contributions for property, space and professional services are recorded at their fair market value of \$356,830 and \$440,560 for the years ended September 30, 2009 and 2008, 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.

RADIO BILINGUE, INC.
Fresno, California

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement Plan

Radio Bilingue, Inc. has a salary reduction plan (401k) in place, which is available to all employees who have worked more than 30 days with the Organization. The amount of salary reduction is paid directly to an independent administrator and applied directly to the employee retirement investment account.

Tax Exempt

Radio Bilingue, 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 Bilingue, 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 2009 and 2008.

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.

Cash and Equivalents

Cash and equivalents consist of cash held in a checking account at Wells Fargo Bank and a money market account, with a maturity of three months or less, held at The Vanguard Group.

Concentration of Credit Risk

Radio Bilingue, Inc. maintains bank accounts at Wells Fargo Bank and Chase Bank. Accounts at these bank are insured by the Federal Deposit Insurance Corporation (FDIC). Cash at Vanguard is not covered by any insurance program, therefore, the entire \$335,286, as of September 30, 2009, is not insured.

Functional Allocation of Expenses

The costs of providing the various programs, fundraising and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the various programs and fundraising activities which benefited.

RADIO BILINGUE, INC.
Fresno, California

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 2 – GRANTS RECEIVABLE/UNEARNED REVENUE

At September 30, 2009 and 2008, net accounts receivable and unearned revenue from grants and contracts were comprised of the following:

<u>Source</u>	2009		2008	
	Receivable	Unearned	Receivable	Unearned
<u>Federal Government</u>				
Norte Dame DHSS	\$ -	\$ -	\$ 5,000	\$ -
NEA	86,241	-	-	-
NTIA - PTFP	-	17,182	75,023	-
Subtotal	86,241	17,182	80,023	-
<u>State Government</u>				
First 5 Monterey County	\$ 10,972	\$ -	\$ 12,376	\$ -
First 5 Sonoma County	-	-	-	2,250
Border Health	-	-	1,875	-
California Office of Binational Border Health: Diabetes	4,000	-	-	-
Runyon: SNAP - 9/09	7,324	-	-	-
Subtotal	22,296	-	14,251	2,250
<u>Local Government</u>				
California Border Health	\$ -	\$ -	\$ 3,600	\$ -
University of CA, SF: MC&A Health	-	-	-	21,300
Imperial Co. Behavioral Health Services	7,250	-	6,750	-
Monterey County Health Department	-	3,500	-	-
Subtotal	7,250	3,500	10,350	21,300
<u>Community Based Organizations</u>				
KQED	1,400	-	-	-
Subtotal	1,400	-	-	-
<u>Corporation for Public Broadcasting</u>				
CPB - Digital Conversion KVUH	-	17,800	-	17,800
CPB - Digital Conversion KUBO	-	-	-	29,500
CPB - LA Project	-	384,605	-	-
CPB - Los Angeles Latino Service	50,262	-	-	-
CPB - Mortgage Crisis	1,915	-	-	-
CPB - Economy	29,441	-	-	-
CPB - Elections 2008	-	-	66,533	-
CPB - Noticiero Latino	149,688	-	50,500	74,246
Subtotal	\$ 231,306	\$ 402,405	\$ 117,033	\$ 121,546

RADIO BILINGUE, INC.
Fresno, California

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 2 – GRANTS RECEIVABLE/UNEARNED REVENUE (Continued)

<u>Source</u>	2009		2008	
	<u>Receivable</u>	<u>Unearned</u>	<u>Receivable</u>	<u>Unearned</u>
<u>Foundations</u>				
James Irvine - Raices II	\$ -	\$ 13,426	\$ -	\$ 74,025
Irvine Foundation - Civic Engagement	-	80,322	-	85,655
California Endowment	-	124,587	-	-
Packard Foundation	-	-	-	23,845
California Wellness Foundation	-	129,500	-	-
Hewlett Foundation	-	39,125	-	53,100
M. Kapor Foundation	-	-	-	4,700
Nathan Cummings Foundation	-	75,000	-	-
Community Foundation for Monterey County	-	-	-	8,000
Haas, Jr. Fund	45,600	-	-	2,074
Ford Foundation	-	55,350	-	133,700
WA Gerbode Foundation	-	-	-	5,186
Wells Fargo Foundation	-	-	-	25,000
KQED - Health Dialogues	-	-	-	600
ZeroDivide	-	-	-	16,652
El Pajaro Community Development Corporation	-	-	500	-
Rios Co.	-	-	6,200	-
Marquerite Casey Foundation	-	95,833	-	91,667
Subtotal	<u>45,600</u>	<u>613,143</u>	<u>6,700</u>	<u>524,204</u>
<u>Business and Corporate</u>				
TOAD	-	-	-	1,000
Blue Shield of California	-	-	-	27,808
AT&T	-	-	-	24,600
Pacific Gas & Electric	-	900	-	-
Full Stream	-	595	-	-
Alonso Garcia	-	-	-	1,000
Target	-	3,000	-	-
FHL Bank of San Francisco	-	13,100	-	-
SEIU United Health Worker	-	-	1,000	-
Rowan Entertainment	-	-	540	-
Subtotal	<u>-</u>	<u>17,595</u>	<u>1,540</u>	<u>54,408</u>
Total	<u>\$ 394,093</u>	<u>\$ 1,053,825</u>	<u>\$ 229,897</u>	<u>\$ 723,708</u>

RADIO BILINGUE, INC.
Fresno, California

NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009 and 2008

NOTE 3 – PROPERTY AND EQUIPMENT

	Beginning Balances 10/01/08	Additions	Deletions	Ending Balances 9/30/09
Land	\$ 88,033	\$ -	\$ -	\$ 88,033
Building and Improvements	447,281	6,609	-	453,890
Broadcasting Equipment	1,622,581	3,950	-	1,626,531
Furniture and Equipment	20,764	-	-	20,764
Construction In Progress	-	172,851	-	172,851
	<u>2,178,659</u>	<u>183,410</u>	<u>-</u>	<u>2,362,069</u>
Total	2,178,659	183,410	-	2,362,069
Accumulated Depreciation	<u>(1,141,782)</u>	<u>(76,278)</u>	<u>-</u>	<u>(1,218,060)</u>
Net Assets	<u>\$ 1,036,877</u>	<u>\$ 107,132</u>	<u>\$ -</u>	<u>\$ 1,144,009</u>

NOTE 4 – 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.

NOTE 5 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 18, 2010, the date the financial statements were available to be issued, noting no matters requiring disclosure in the financial statements for the year ended September 30, 2009.

NOTE 6 – LOS ANGELES PUBLIC MEDIA SERVICE

Radio Bilingue, Inc. was awarded two related grants from the Corporation for Public Broadcasting to create a new public media service in Los Angeles, California. The "Phase I" grant award, for the period of October 2008 through May 2009 for \$350k, was for the planning and creation of the blueprint for the public media service. The "Phase II" grant award, for the period of June 2009 through February 2010 for \$2.03m, is for the piloting and development of programming for the new service. This service will target an English-speaking, younger, and ethnically diverse audience. Radio Bilingue, Inc. intends to set up a separate 501(c)(3) exempt organization to carry out this function.



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 Bilingue, Inc.
Fresno, California

We have audited the compliance of Radio Bilingue, Inc., as of and for the year ended September 30, 2009, and have issued our report thereon dated February 18, 2010. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Radio Bilingue, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures 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 Radio Bilingue, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Radio Bilingue, Inc.'s internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Radio Bilingue, Inc.'s financial statements are free of 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*.

This report is intended solely for the information and use of, management, the audit committee, the Board of Directors, and awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Price Pange & Company

Clovis, California
February 18, 2010

RADIO BILINGUE, INC.
Fresno, California

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2009

A. Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not
considered to be material weaknesses? _____ Yes X No

Noncompliance material to financial
statements noted? _____ Yes X No

B. Financial Statement Findings

None