

KVCR-FM AND KVCR-TV

AUDIT REPORT

**For the Year Ended
June 30, 2011**



**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
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JUNE 30, 2011**

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Trustees
San Bernardino Community College District
San Bernardino, California

We have audited the accompanying statement of financial position of KVCR-FM and KVCR-TV ("KVCR"), a public telecommunications entity operated by the San Bernardino Community College District, as of June 30, 2011, and the related statements of net assets, revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of KVCR's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from KVCR's June 30, 2010 financial statements, which were audited by other auditors. In their report dated January 12, 2011, they expressed an unqualified opinion on those financial statements.

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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the business-type activities of KVCR and do not purport to, and do not, present fairly the financial position of San Bernardino Community College District, as of June 30, 2011, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KVCR-FM and KVCR-TV as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

KVCR has not presented management's discussion and analysis that, according to accounting principles generally accepted in the United States of America, is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of revenues and expenses by activity is presented for purposes of additional analysis and is 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Christy White Accountancy Corporation

San Diego, California

November 18, 2011

SAN DIEGO

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**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011 AND JUNE 30, 2010**

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 871,265	\$ 527,776
Accounts receivable	103,085	111,830
Prepaid expenses	52,000	13,450
Inventory	45,637	137,376
Restricted cash	2,389,346	1,000,000
Pledges receivable, current portion	2,000,000	2,000,000
Total current assets	<u>5,461,333</u>	<u>3,790,432</u>
Long-term assets		
Pledges receivable, noncurrent portion	991,407	2,845,725
Capital assets, net	3,268,312	3,811,142
Total long-term assets	<u>4,259,719</u>	<u>6,656,867</u>
Total assets	<u>\$ 9,721,052</u>	<u>\$ 10,447,299</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 111,387	\$ 279,193
Compensated absences	142,350	18,000
Deferred revenues	175,286	102,201
Loans from SBCCD, current portion	505,940	536,190
Total current liabilities	<u>934,963</u>	<u>935,584</u>
Long-term liabilities		
Loans from SBCCD, noncurrent portion	1,754,500	1,724,250
Total long-term liabilities	<u>1,754,500</u>	<u>1,724,250</u>
Total liabilities	<u>2,689,463</u>	<u>2,659,834</u>
Net assets		
Invested in capital assets, net of related debt	2,788,289	2,365,702
Restricted	5,380,753	5,975,535
Unrestricted	(1,137,453)	(553,772)
Total net assets	<u>7,031,589</u>	<u>7,787,465</u>
	<u>\$ 9,721,052</u>	<u>\$ 10,447,299</u>

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

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010**

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Program underwriting	\$ 1,210,997	\$ 944,050
Program production	57,500	117,600
Total operating revenues	<u>1,268,497</u>	<u>1,061,650</u>
OPERATING EXPENSES		
Program services	4,150,481	4,093,994
Supporting services		
Management and general	2,853,435	3,096,141
Fundraising	1,591,206	1,485,937
Total operating expenses	<u>8,595,121</u>	<u>8,676,072</u>
Operating income (loss)	<u>(7,326,624)</u>	<u>(7,614,422)</u>
NONOPERATING REVENUES		
Membership contributions and pledges	1,178,678	1,526,425
Grants from the Corporation for Public Broadcasting	1,090,438	1,180,454
Charitable gift agreement - San Manuel	144,882	5,746,717
Local grants and contributions	104,025	20,380
SCA/ITFS leasing	364,497	40,774
Investment income	12,932	3,669
Other income	4,285	135,521
Total nonoperating revenue	<u>2,899,737</u>	<u>8,653,940</u>
Income (loss) before other revenues, expenses, gains, losses, and transfers	<u>(4,426,887)</u>	<u>1,039,518</u>
OTHER TRANSFERS		
General apportionment from SBCCD	1,529,982	1,652,758
Administrative support from SBCCD	2,141,029	2,390,623
Total other transfers	<u>3,671,011</u>	<u>4,043,381</u>
Increase (decrease) in net assets	(755,876)	5,082,899
Net assets at beginning of year	<u>7,787,465</u>	<u>2,704,566</u>
Net assets at end of year	<u>\$ 7,031,589</u>	<u>\$ 7,787,465</u>

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

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND JUNE 30, 2010**

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Program underwriting	\$ 1,550,084	\$ 127,825
Program production income	50,167	113,600
Payments to suppliers and employees	(5,679,953)	(4,804,631)
Net cash provided by (used in) operating activities	<u>(4,079,702)</u>	<u>(4,563,206)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
General apportionment from SBCCD	1,529,982	1,652,758
Grants and contracts	3,200,049	2,691,316
Membership contributions	1,176,577	1,387,996
Contracts other than for capital purposes	364,497	40,774
Net cash provided by (used in) noncapital financing activities	<u>6,271,105</u>	<u>5,772,844</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property and equipment	(471,500)	(356,239)
Net cash provided by (used in) capital and related financing activities	<u>(471,500)</u>	<u>(356,239)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	12,932	3,669
Net cash provided by (used in) investing activities	<u>12,932</u>	<u>3,669</u>
Net increase (decrease) in cash	1,732,835	857,068
Cash at beginning of year	<u>1,527,776</u>	<u>670,708</u>
Cash at end of year	<u>\$ 3,260,611</u>	<u>\$ 1,527,776</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ (7,326,624)	\$ (7,614,422)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	642,272	652,387
(Gain) loss on disposal of assets	372,058	-
Bad debt expense	-	132,934
Administrative support from SBCCD	2,141,029	2,390,623
(Increase) decrease in operating assets		
Accounts receivable	8,745	(75,524)
Prepaid expenses	(38,550)	(11,494)
Inventory	91,739	(120,380)
Increase (decrease) in operating liabilities		
Accounts payable	(167,806)	77,670
Compensated absences	124,350	5,000
Deferred revenues	73,085	-
Net cash provided by (used in) operating activities	<u>\$ (4,079,702)</u>	<u>\$ (4,563,206)</u>

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

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

KVCR-FM and KVCR-TV (“KVCR”) is a public telecommunications entity owned and operated by the San Bernardino Community College District (the “District”), which provides radio and television stations to the Inland Empire area of Southern California. These stations provide the public with a variety of musical, informational, and educational programming.

KVCR Educational Foundation, Inc. (the “Foundation”) was established in 1999 for the purpose of raising, holding, and investing funds for the benefit of KVCR. It is a nonprofit public benefit corporation that is an auxiliary organization of the District.

These financial statements are intended to present the financial position, and the changes in financial position and cash flows of only that portion of the District’s activities that are attributable to KVCR. These financial statements include the assets, liabilities, revenues, and expenses of the Foundation, as well as, assets, liabilities, revenues, and expenditures of the District that are attributed to KVCR.

KVCR is a blended component unit of the District. These financial results are included in the financial statements of the District for the year ended June 30, 2011.

B. Financial Statement Presentation

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities*, as amended by GASB Statements No. 37 and No. 38.

C. Basis of Accounting

The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Transactions between the Foundation and the District have been eliminated to ensure the effect has not been duplicated.

Non-exchange transactions, in which KVCR receives value without directly giving equal value in return, include District apportionments, pledges, grants, and contributions. Revenues from non-exchange transactions are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

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, such as depreciation expense and the net book value of capital assets. Accordingly, actual results could differ from those estimates.

E. Cash and Cash Equivalents

KVCR considers all highly liquid deposits and investments with an original maturity of less than ninety days to be cash equivalents. Restricted cash are those amounts externally restricted as to use pursuant to the requirements of KVCR's contracts and agreements.

F. Accounts Receivable

Accounts receivable include amounts due from local underwriting sponsors, donors, and grantors.

G. Prepaid Expenses

Prepaid expenditures or expenses represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

H. Inventory

Inventory consists primarily of unsold event tickets and other items that are sold by KVCR and/or distributed to donors in exchange for pledging a specified level of support. Inventory is recorded at the lower of cost or market, utilizing the first-in, first-out method.

I. Pledges Receivable

Pledges receivable consist of amounts due from station members, donors, and grantors. KVCR provides for an allowance for uncollectible pledges based on management's judgment of amounts that may not be received. Membership pledges outstanding for more than six months are written off unless there is a payment plan in place.

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets

Capital assets are long-lived assets of the District and include equipment, improvements, and vehicles. The District maintains an initial unit cost capitalization threshold of \$5,000. Assets are recorded at historical cost when purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Routine repairs and maintenance that do not extend the useful life of the building or equipment are charged as operating expenses in the year the expense is incurred. Depreciation of capital assets is calculated using the straight-line method. Estimated useful lives of various classes of depreciable capital assets are as follows: improvements, 20 to 25 years; equipment and vehicles, 5 to 15 years.

K. Compensated absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned.

L. Deferred Revenue

Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by KVCR prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when KVCR has a legal claim to the resources, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

M. Revenues and Expenses

KVCR has classified its revenues as either operating or non-operating according to the following criteria:

- Operating revenues include activities that have the characteristics of exchange transactions.
- Non-operating revenues include activities that have the characteristics of non-exchange transactions, and include other revenue sources described as non-operating in GASB Statement No. 34.

Operating expenses are necessary costs to operate the TV and radio stations. KVCR has classified all its expenses as operating expenses.

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
 OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2011**

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2011, consist of the following:

Petty cash	\$	376
Cash in County Treasury		624,457
Cash in Banks-Unrestricted		591,660
Total Cash and Cash Equivalents	\$	<u>1,216,493</u>
Cash in Banks-Restricted	\$	<u>2,044,118</u>

Cash in County Treasury

The District is a voluntary participant in an external investment pool. The fair value of the District’s investment in the pool is reported in the District’s financial statements at amounts based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio in relation to the amortized cost of that portfolio. The balance available for withdrawal is recorded on the amortized cost basis and is based on the accounting records maintained by the County Treasurer. The Balance specified as *Cash in County Treasury* above is the portion of the District’s balance in the investment pool attributed to KVCR by the District.

Cash in Bank

Restricted cash consists of amounts received under the Foundation’s agreement with the San Manuel Band of Indians (see Note 7).

Custodial credit risk is the risk that in the event of a bank failure, KVCR’s deposits may not be returned to it. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. As of June 30, 2011, no bank balance held in the District’s name was exposed to custodial credit risk.

For non-governmental entities, the FDIC insures 100% of balances in non-interest bearing accounts and up to \$250,000 per depositor in interest bearing accounts per insured bank. As of June 30, 2011, the Foundation’s bank balance of \$2,072,237 at Wells Fargo Bank was exposed to custodial credit risk.

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011**

NOTE 3 – RECEIVABLES

Accounts receivable

Accounts receivable as of June 30, 2011, consist of the following:

Underwriting fees	\$ 63,362
Lease income	33,000
Other accounts receivable	6,723
Total Accounts Receivable	\$ 103,085

Management believes that no allowance for uncollectible accounts is necessary.

Pledges receivable

Pledges receivable as of June 30, 2011, consist of the following:

San Manuel grant, current	\$ 2,000,000
San Manuel grant, long-term	1,000,000
Less: discount on pledge	(109,901)
Other pledge receivables	101,308
Pledges Receivable, long-term	991,407
Total Pledges Receivable	\$ 2,991,407

San Manuel pledge receivables (see Note 7) due and payable in more than one year are reflected at the present value of future cash flows using a discount rate of 5 percent. Other pledges receivable include long-term capital campaign pledges and membership pledges, net of \$135,182 in allowance for uncollectible pledges.

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011**

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2011, consists of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Balance at June 30, 2010	\$ 7,743,117	\$ 3,931,975	\$ 3,811,142
Additions	471,500	642,272	
Retirements	(1,488,690)	(1,116,632)	
Balance at June 30, 2011	<u>\$ 6,725,927</u>	<u>\$ 3,457,615</u>	<u>\$ 3,268,312</u>

NOTE 5 – LOANS PAYABLE

Loans payable to the District as of June 30, 2011 consist of the following:

Interfund loan from the District's General Fund	\$ 445,440
Note payable, current	60,500
Total Loans from the District, current	<u>505,940</u>
Note payable, long-term	1,754,500
Total Loans from the District	<u>\$ 2,260,440</u>

The interfund loan from the District's general fund has been outstanding for multiple years; however, there are no formalized repayment terms so it is being carried as a current liability.

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011**

NOTE 5 – LOANS PAYABLE (continued)

Note Payable

During the year ended June 30, 2004, KVCR received a noninterest-bearing loan of \$1,815,000 from the San Bernardino Community College District. The loan was scheduled to be repaid in twelve years, with no payments due for the first seven years and monthly installments of \$30,250 beginning April 2011. KVCR made no payments during the year ended June 30, 2011. Instead, KVCR requested, and the District’s Board of Trustees approved, a one-year extension on repayment of the loan. Repayment is now scheduled to commence in May 2012.

Maturities on the note payable are due as follows:

Year ending June 30,	Amount
2012	\$ 60,500
2013	363,000
2014	363,000
2015	363,000
2016	363,000
Thereafter	302,500
	<u>\$ 1,815,000</u>

NOTE 6 – RESTRICTED NET ASSETS

Restricted net assets as of June 30, 2011 consist of cash and pledges receivable attributed to the San Manuel grant (see Note 7) in the amount of \$5,380,753.

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011**

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Grants from the Corporation for Public Broadcasting

KVCR is funded in part through federal grants from the Corporation for Public Broadcasting (the “CPB”), which are paid through the District as the broadcasting licensee. Funds from the CPB are designated for the purpose of operating the station and are subject to review and audit by the grantor agency. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

Grant from the San Manuel Band of Mission Indians

In April 2010, the Foundation entered into a grant agreement with the San Manuel Band of Mission Indians, a federally recognized Indian Tribe (the “Tribe”). The grant agreement stipulates that the Tribe provides a charitable gift of \$6,000,000 payable in \$1,000,000 installment every six months beginning in April 2010. The funds are required to be segregated and restricted to funding the formation and operations of a Native American cultural channel (now known as “First Nations Experience” or “FNX”). FNX focuses on Native American culture, history, education, entertainment, and current events, and other Native American theme-related programming. Management of the new channel will be under the direction of an Operating Committee comprised of five members representing the Foundation, station management, and the Tribe. Legal governance will be controlled by the Foundation.

During the year ended June 30, 2011, KVCR received \$2,000,000 under the terms of the grant. KVCR spent approximately \$618,000 operating FNX.

NOTE 8 – OPERATING LEASES

The District leases unimproved land on Box Springs Mountain for KVCR’s broadcasting equipment. The lease term expires October 31, 2032. The lease calls for monthly payments of \$1,300, adjusted annually for change in the Consumer Price Index. During the year ended June 30, 2011, the monthly payment amount was \$1,402. Rental expense under this operating lease totaled \$16,170 for the year ended June 30, 2011.

The District leases land in Palm Springs for additional broadcasting equipment. The five-year lease agreement was renewed for an additional five years commencing January 1, 2011. The terms of the lease provide for quarterly payments of rent. Rental expense under this operating lease totaled \$13,127 for the year ended June 30, 2011.

The District leases a transmission tower on Blue Mountain for KVCR’s broadcasts. The lease was renewed on December 23, 2008 for an additional four-year period. The lease calls for monthly payments in the amount of \$1,380, which increase annually on the anniversary date by 4 percent. Rental expense under this operating lease totaled \$17,567 for the year ended June 30, 2011.

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
 OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2011**

NOTE 8 – OPERATING LEASES (continued)

The Foundation entered into a translator lease agreement with PSTV Partners, LLC to lease television broadcast air time on PSTV in the Palm Springs area beginning on September 1, 2008. The agreement is a five-year lease expiring in 2013. The lease calls for monthly payments of \$3,000. Rental expense under this operating lease totaled \$36,000 for the year ended June 30, 2011.

Future minimum rental payments under the operating leases are as follows:

Year ending June 30,	Amount
2012	84,322
2013	76,089
2014	37,534
2015	32,331
2016-2020	86,569
2021-2025	78,000
2026-2030	78,000
2031-2033	36,400
	<u>\$ 509,245</u>

NOTE 9 – ADMINISTRATIVE SUPPORT

Recorded administrative support from the District consists of certain allocated instructional and departmental costs based on the percentage relationship of the Station’s budget to the total District budget and calculated using industry-specific guidance from the Corporation for Public Broadcasting. This support was valued at \$2,141,029 for the year ended June 30, 2011.

NOTE 10 – SUBSEQUENT EVENTS

KVCR’s management has evaluated subsequent events for the period from June 30, 2011 through November 18, 2011, the date the financial statements were available to be issued. Management did not identify any transactions that require disclosure or that would have an impact on the financial statements.

SUPPLEMENTAL INFORMATION

**KVCR-FM and KVCR-TV, A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF REVENUES AND EXPENSES, AND CHANGES IN NET ASSETS BY LICENSE
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>KVCR-FM</u>	<u>KVCR-TV</u>	<u>TOTAL</u>
OPERATING REVENUES			
Program underwriting	861,877	349,120	1,210,997
Program production income	-	57,500	57,500
Total operating revenues	<u>861,877</u>	<u>406,620</u>	<u>1,268,497</u>
OPERATING EXPENSES			
Program services	1,086,477	3,064,004	4,150,481
Supporting services			
Management and general	600,270	2,253,165	2,853,435
Fundraising	575,375	1,015,831	1,591,206
Total operating expenses	<u>2,262,122</u>	<u>6,332,999</u>	<u>8,595,121</u>
NONOPERATING REVENUES			
Membership contributions and pledges	577,816	600,862	1,178,678
Grants from the Corporation for Public Broadcasting	40,411	1,050,027	1,090,438
Charitable gift agreement - San Manuel	-	144,882	144,882
Local grants and contributions	39,043	64,982	104,025
Lease income	100	364,397	364,497
Investment income	2,044	10,888	12,932
Miscellaneous	2,597	1,688	4,285
Total nonoperating revenues	<u>662,011</u>	<u>2,237,726</u>	<u>2,899,737</u>
Income (loss) before other revenues, expenses, gains, losses, and transfers	(396,085)	(4,030,803)	(4,426,887)
OTHER TRANSFERS			
General apportionment from SBCCD	318,508	1,211,474	1,529,982
Administrative support from SBCCD	397,209	1,743,820	2,141,029
Total other transfers	<u>715,717</u>	<u>2,955,294</u>	<u>3,671,011</u>
Increase (decrease) in net assets	319,632	(1,075,509)	(755,876)
Net assets at beginning of year	<u>(2,258,225)</u>	<u>10,045,690</u>	<u>7,787,465</u>
Net assets at end of year	<u>(1,938,593)</u>	<u>8,970,181</u>	<u>7,031,589</u>