



**WBJB-FM RADIO
A PUBLIC RADIO STATION OPERATED BY
BROOKDALE COMMUNITY COLLEGE**

FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

**WBJB-FM RADIO
A PUBLIC RADIO STATION OPERATED BY BROOKDALE COMMUNITY COLLEGE**

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
WBJB-FM Radio
A Public Radio Station Operated by Brookdale Community College

Report on the Financial Statements

We have audited the accompanying financial statements of WBJB-FM Radio - a public radio station operated by Brookdale Community College ("WBJB-FM Radio"), which comprise the statements of net position as of June 30, 2013 and 2012, and the related statements of revenues, expenses, and changes in net position, and cash flows for each of the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Opinion

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of WBJB-FM Radio as of June 30, 2013 and 2012, and the results of its operations, changes in its net position, and its cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As more fully discussed in Note 1, the financial statements of WBJB-FM Radio are intended to present the statements of net position, its revenues, expenses, and changes in net position, and its cash flows that are attributable to the transactions of one department of Brookdale Community College. They do not purport to, and do not, present fairly the financial position of Brookdale Community College as of June 30, 2013 and 2012, and the changes in its financial position and its cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with accounting principles generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

The image shows a handwritten signature in black ink that reads "EisnerAmper LLP". The signature is written in a cursive, flowing style.

Jenkintown, Pennsylvania
December 19, 2013

WBJB-FM RADIO
A PUBLIC RADIO STATION OPERATED BY
BROOKDALE COMMUNITY COLLEGE
Management's Discussion and Analysis
For fiscal years ended June 30, 2013, 2012, and 2011

Introduction and Reporting Entity

The following Management's Discussion and Analysis is an overview of the financial condition and operations of WBJB-FM Radio (the "Station") for fiscal years ended June 30, 2013, 2012, and 2011. This discussion is supplemental to, and should be read with, the financial statements and related footnotes that follow this section.

WBJB-FM Radio is a public radio station operated by Brookdale Community College ("College"). The Station first broadcasted on January 13, 1975, and currently reaches approximately 39,000 listeners on a weekly basis. Programming includes National Public Radio ("NPR") newscasts and local features, traffic, news, weather, community bulletin boards, public service announcements, and pertinent College information – all of which is integrated into the Adult Album Alternative musical format, publicly providing informative, educational and artistic programming. As of March 2010, the Station broadcasts three multicast HD channels: 90.5 The NIGHT, Altrok Radio, and the student-run Brookdale Student Radio.

General Financial Information

The Station's basic financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. The financial statements are prepared in accordance with the accounting principles established by the Governmental Accounting Standards Board ("GASB").

Summary of Assets and Liabilities

Assets and liabilities for the fiscal years ended June 30 were as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>Change 2012-2013</u>
Assets:				
Current assets	\$ 172,371	173,736	116,028	(1,365)
Net capital assets	<u>61,158</u>	<u>81,279</u>	<u>101,400</u>	<u>(20,121)</u>
Total assets	<u>233,529</u>	<u>255,015</u>	<u>217,428</u>	<u>(21,486)</u>
Current liabilities	<u>\$ 26,712</u>	<u>36,974</u>	<u>28,831</u>	<u>(10,262)</u>

The decrease in current liabilities of \$10,262 was due to a decrease in unearned revenue, as not all of the available grant funds were drawn down as of June 30, 2013. The increase in current assets of \$1,365 was due to the following:

- An increase of \$11,800 in the due from the Brookdale Community College account.
- A decrease of \$16,935 in the due from customers account.
- An increase of \$3,770 in various prepaid expenses.

Net capital assets decreased by annual depreciation of \$20,121.

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Summary of Revenues, Expenses, and Changes in Net Position

The Station receives its revenue from three major sources: College Support and Appropriation, Service Revenue (membership and underwriting), and Corporation for Public Broadcasting ("CPB") Grants. The station was also the recipient of a one-time CPB award following Superstorm Sandy, which impacted the Fall membership Drive.

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>Change 2012-2013</u>
Operating revenues:				
CPB Grant	\$ 97,124	79,739	90,361	17,385
Service revenue	142,964	160,458	123,577	(17,494)
General College appropriation	346,187	316,547	294,522	29,640
Institutional and administrative College support	43,422	40,215	43,417	3,207
Other	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total operating revenues	<u>639,697</u>	<u>596,959</u>	<u>551,877</u>	<u>42,738</u>
Operating expenses:				
Programming and production	389,077	337,457	308,798	51,620
Broadcasting	139,818	129,801	119,670	10,017
Program information	6,617	6,288	13,251	329
Management and general	122,508	111,928	117,084	10,580
Fundraising and membership development	33,931	23,071	24,514	10,860
Depreciation	<u>20,121</u>	<u>20,121</u>	<u>16,630</u>	<u>-</u>
Total operating expenses	<u>712,072</u>	<u>628,666</u>	<u>599,947</u>	<u>83,406</u>
Operating loss	(72,375)	(31,707)	(48,070)	(40,668)
Nonoperating revenue:				
Contributions	<u>61,151</u>	<u>61,151</u>	<u>61,151</u>	<u>-</u>
Net increase (decrease) in net position	(11,224)	29,444	13,081	(40,668)
Net position:				
Net position as of beginning of year	<u>218,041</u>	<u>188,597</u>	<u>175,516</u>	<u>29,444</u>
Net position as of end of year	<u>\$ 206,817</u>	<u>218,041</u>	<u>188,597</u>	<u>(11,224)</u>

(Continued)

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Results of Operations

In year 2013, total operating revenues increased overall by \$42,738 or 7.2% over year 2012 total operating revenues, which was due to additional College support provided in fiscal year 2013 for salaries, benefits and institutional support. CPB grant revenue increased by \$17,385, but was offset by a Service revenue decrease of \$17,494.

The General College appropriation increased \$29,640 or 9.4%, mainly tied to salary and benefit increases, as well as the purchase of small equipment.

WBJB-FM serves the communities known as "The Jersey Shore". On October 29, 2012, in addition to devastating property damage, Super Storm Sandy left most of Monmouth County without power. The Station was able to continue operations while maintaining the Station's signal utilizing generated power. For many listeners, WBJB was the only source of information during early stages of the blackout.

Three membership drives are conducted annually, typically in the spring, summer and fall. Donated funds help offset vital expenses such as weekend, overnight and supplemental on-air staff payroll, software and equipment repair costs. CPB awarded a special \$10,000 grant to the station to help manage the loss of revenue associated with the cancelled Fall 2012 membership drive, originally scheduled for November 5, 2012.

Operating expenses experienced a net increase of \$83,406 or 13.3%. The operating loss increase of \$40,668 was due to in part to an increase in part time salaries of \$34,040.

WBJB-FM RADIO
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 Statements of Net Position
 As of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets:		
Due from Brookdale Community College	\$ 149,691	137,891
Due from customers	9,885	26,820
Prepaid expenses	<u>12,795</u>	<u>9,025</u>
Total current assets	<u>172,371</u>	<u>173,736</u>
Noncurrent assets:		
Capital assets, net	<u>61,158</u>	<u>81,279</u>
Total Assets	<u>233,529</u>	<u>255,015</u>
LIABILITIES		
Current liabilities:		
Unearned revenue	<u>26,712</u>	<u>36,974</u>
Total current liabilities	<u>26,712</u>	<u>36,974</u>
NET POSITION		
Invested in capital assets (note 2)	61,158	81,279
Unrestricted	<u>145,659</u>	<u>136,762</u>
Total net position	<u>206,817</u>	<u>218,041</u>
Total Liabilities and Net Position	<u>\$ 233,529</u>	<u>255,015</u>

See accompanying notes to financial statements

WBJB-FM RADIO
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Statements of Revenues, Expenses, and Changes in Net Position
For the fiscal years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
CPB grant	\$ 97,124	79,739
Service revenue	142,964	160,458
General College appropriation	346,187	316,547
Institutional and administrative College support	43,422	40,215
Other income	10,000	-
	<u>639,697</u>	<u>596,959</u>
Operating expenses:		
Programming and production	389,077	337,457
Broadcasting	139,818	129,801
Program information	6,617	6,288
Management and general	122,508	111,928
Fundraising and membership development	33,931	23,071
Depreciation	20,121	20,121
	<u>712,072</u>	<u>628,666</u>
Total operating expenses	<u>712,072</u>	<u>628,666</u>
Operating loss	(72,375)	(31,707)
Nonoperating revenues:		
Contributions	61,151	61,151
	<u>61,151</u>	<u>61,151</u>
Increase (decrease) in net position	(11,224)	29,444
Net position:		
Net position as of beginning of year	218,041	188,597
	<u>218,041</u>	<u>188,597</u>
Net position as of end of year	\$ 206,817	218,041
	<u>206,817</u>	<u>218,041</u>

See accompanying notes to financial statements

WBJB-FM RADIO
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 Statements of Cash Flows
 For the fiscal years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Payments to suppliers	\$ (114,700)	(127,345)
Payments for employee salaries and benefits	(455,715)	(394,128)
Contractual payments	(130,433)	(136,637)
Service revenue	142,964	160,458
General College appropriation	346,187	316,547
Institutional and administrative College support	43,422	40,215
Grants	97,124	79,739
Other Income	<u>10,000</u>	<u>—</u>
Net cash used in operating activities	<u>(61,151)</u>	<u>(61,151)</u>
Cash flows from noncapital financing activities:		
Contributions	<u>61,151</u>	<u>61,151</u>
Net increase in cash	—	—
Cash as of beginning of year	<u>—</u>	<u>—</u>
Cash as of end of year	<u>\$ —</u>	<u>—</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (72,375)	(31,707)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	20,121	20,121
Change in assets and liabilities:		
Prepaid expenses	(3,770)	2,347
Due from customers	16,935	(26,820)
Unearned revenue	(10,262)	8,143
Due from Brookdale Community College	<u>(11,800)</u>	<u>(33,235)</u>
Net cash used in operating activities	<u>\$ (61,151)</u>	<u>(61,151)</u>

See accompanying notes to financial statements

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Notes to Financial Statements
For the fiscal years ended June 30, 2013 and 2012

(1) Organization and Summary of Significant Accounting Policies

Organization

WBJB-FM Radio (the “Station”) is a department of Brookdale Community College (the “College”). The College does not routinely produce separate financial statements for its departments; however, for purposes of complying with the Corporation for Public Broadcasting’s financial reporting guidelines, the accompanying financial information is presented as if the Station is a separate entity. In order to obtain the accounting information necessary to produce the accompanying financial statements, common expense items of the College were allocated to the Station.

Financial Reporting and Summary of Significant Accounting Policies

New Accounting Standards Adopted

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (“GASB 62”), incorporates into the Governmental Accounting Standards Board’s (“GASB”) authoritative literature certain accounting and financial reporting guidance included in the Financial Accounting Standards Board (“FASB”) pronouncements, which does not conflict with or contradict GASB pronouncements, and eliminates the criteria to apply post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements. Implementation of GASB 62 had no effect on the College’s net position or changes in net position for the years ended June 30, 2013 and 2012.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (“GASB 63”), establishes a new statement of net position format that reports separately all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). GASB 63 requires deferred outflows of resources and deferred inflows of resources to be reported separately from assets and liabilities. The financial reporting impact resulting from the implementation of GASB 63 in the College’s financial statements was the renaming of “Net Assets” to “Net Position,” including changing the name of the financial statement from “Statement of Net Assets” to “Statement of Net Position.”

Net Position

The College classifies its resources into two net position categories:

- ***Invested in Capital Assets*** – Capital assets, net of accumulated depreciation.
- ***Unrestricted*** – Net position that is not subject to externally-imposed stipulations; unrestricted net position may be designated for specific purposes by action of management to the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

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Notes to Financial Statements
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(1) Organization and Summary of Significant Accounting Policies (continued)

Financial Reporting and Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting

The financial statements of the Station have been prepared on the accrual basis of accounting using the economic resources measurement focus. The Station reports as a business type activity, as defined by GASB Statement No. 35; business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Equipment

Equipment is recorded at cost or, in the case of donated equipment, at estimated fair value at date of receipt. Depreciation is recorded on a straight-line basis over the estimated useful lives of the respective assets, which range from 5 to 10 years.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 of support and revenue and expenses during the reporting period. Actual results could differ from these estimates.

Financial Dependency

The Station receives appropriations and support from the College, primarily for the Station's salaries and benefits and administrative costs. The Station is economically dependent on these amounts to carry on its operations and recognizes the revenue when the funds are received.

Unearned Revenue

Unearned revenue represents grant funding received for which the service has not yet been provided. Deferred revenue will be recorded as revenue as the services are provided.

Service Revenue

Service revenue is recognized once the services have been provided.

Classification of Revenues

The Station has classified its revenues as either operating or nonoperating revenues in accordance with the guidelines established by GASB Statement No. 34.

Income Taxes

The College is exempt from income taxes under Section 115(1) of the Internal Revenue Code, as amended. As a department of the College, the Station is also exempt from income taxes.

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Notes to Financial Statements
For the fiscal years ended June 30, 2013 and 2012

(2) Capital Assets

Capital asset activity for the years ended June 30, 2013 and 2012 was as follows:

	<u>Balance, June 30, 2011</u>	<u>Additions</u>	<u>Balance, June 30, 2012</u>	<u>Additions</u>	<u>Balance, June 30, 2013</u>
Depreciable assets:					
Equipment	\$ 689,748	—	689,748	—	689,748
Less accumulated depreciation:					
Equipment	(588,348)	(20,121)	(608,469)	(20,121)	(628,590)
Capital assets, net	<u>\$ 101,400</u>	<u>(20,121)</u>	<u>81,279</u>	<u>(20,121)</u>	<u>61,158</u>

(3) Fringe Benefits

Fringe benefits for the Station employees are included in the General College appropriation for the years ended June 30, 2013 and 2012.

(4) Contributions

Contributions represent the valuation of the rental costs associated with the commercial FM radio facilities similar to those operated by WBJB-FM Radio and installed on the Crown Castle Transmission Facility located on Brookdale Community College's Lincroft campus. Contributions were \$61,151 for each of the fiscal years ended June 30, 2013 and 2012.

(5) Subsequent Events

The Station evaluated subsequent events through December 19, 2013, which is the date the financial statements were available to be issued.