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EISNERAMPER
ACCOUNTANTS & ADVISORS

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

FINANCIAL STATEMENTS AND
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015 AND 2014

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

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INDEPENDENT AUDITORS' REPORT

To 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, 2015 and 2014, 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.

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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, 2015 and 2014, and the 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 net position, revenues, expenses, and changes in net position, and 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, 2015 and 2014, and the changes in its net financial 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.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 to 5 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 auditing standards 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.

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WBJB-FM RADIO
A PUBLIC RADIO STATION OPERATED BY
BROOKDALE COMMUNITY COLLEGE
Management's Discussion and Analysis
For the fiscal years ended June 30, 2015, 2014 and 2013

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, 2015, 2014, and 2013. 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. The radio station currently reaches approximately 39,000 listeners on a weekly basis, featuring informational top of the hour National Public Radio ("NPR") newscasts and local features which include 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 now broadcasts three multicast HD channels: 90.5 The NIGHT, Altrok Radio, and 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:

	2015	2014	2013	Change 2014-2015
Assets:				
Current assets	$ 191,110	186,651	172,371	4,459
Net capital assets	20,917	41,037	61,158	(20,120)
Total assets	$ 212,027	227,688	233,529	(15,661)
Current liabilities	$ 22,832	31,897	26,712	(9,065)

The decrease in current liabilities of $9,065 was due to a decrease in unearned revenue relating to grants from the Corporation for Public Broadcasting ("CPB"). The increase in current assets of $4,459 reflects the following:

- An increase of $12,233 in the due from Brookdale Community College account.
- A decrease of $665 in the due from customers account.
- A decrease of $7,109 in various prepaid expenses.

Net capital assets decreased by annual depreciation of $20,120.

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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 Grants.

	2015	2014	2013	Change 2014-2015
Operating revenues:				
CPB Grant	$ 103,452	88,031	97,124	15,421
Service revenue	170,287	157,936	142,964	12,351
General College appropriation	345,435	335,946	346,187	9,489
Institutional and administrative College support	43,295	41,920	43,422	1,375
Other	—	—	10,000	—
Total operating revenues	662,469	623,833	639,697	38,636
Operating expenses:				
Programming and production	380,776	372,332	389,077	8,444
Broadcasting	165,648	143,913	139,818	21,735
Program information	8,068	8,207	6,617	(139)
Management and general	121,118	115,747	122,508	5,371
Fundraising and membership development	36,321	35,690	33,931	631
Depreciation	20,120	20,121	20,121	(1)
Total operating expenses	732,051	696,010	712,072	36,041
Operating loss	(69,582)	(72,177)	(72,375)	2,595
Nonoperating revenue:				
Contributions	62,986	61,151	61,151	1,835
Net decrease in net position	(6,596)	(11,026)	(11,224)	4,430
Net position:				
Net position as of beginning of year	195,791	206,817	218,041	(11,026)
Net position as of end of year	$ 189,195	195,791	206,817	(6,596)

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Results of Operations

In fiscal year 2015, total operating revenues increased overall by $38,636 or 6.2% over the fiscal year 2014 total operating revenues, due in large part to the CPB grant revenue increase of $15,421 resulting from drawdown timing differences. Other service revenue increased by $12,351 or 7.8%.

WBJB-FM Radio has continued to serve the community while continuing to offset operating losses. FY2015 was the best year for the station's underwriting and individual giving revenue. That revenue is continuing an upward trend.

The increase in revenue was mostly offset by an increase in operating expenses of $36,041 or 5.2%. The operating loss decreased by $2,595. Modest increases in programming, production, and broadcasting costs were due in large part to salary and benefit increases.

WBJB-FM RADIO
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BROOKDALE COMMUNITY COLLEGE
Statements of Net Position
As of June 30, 2015 and 2014

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	2015	2014
ASSETS		
Current assets:		
Due from Brookdale Community College	$ 181,209	168,976
Due from customers	4,580	5,245
Prepaid expenses	5,321	12,430
Total current assets	191,110	186,651
Noncurrent assets:		
Capital assets, net	20,917	41,037
Total Assets	$ 212,027	227,688
LIABILITIES		
Current liabilities:		
Unearned revenue	$ 22,832	31,897
Total current liabilities	22,832	31,897
NET POSITION		
Net investment in capital assets (note 2)	20,917	41,037
Unrestricted	168,278	154,754
Total net position	189,195	195,791
Total Liabilities and Net Position	$ 212,027	227,688

See accompanying notes to financial statements

WBJB-FM RADIO
A PUBLIC RADIO STATION OPERATED BY
BROOKDALE COMMUNITY COLLEGE
Statements of Revenues, Expenses, and Changes in Net Position
For the fiscal years ended June 30, 2015 and 2014

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		2015	2014
Operating revenues:			
CPB grant	$	103,452	88,031
Service revenue		170,287	157,936
General College appropriation		345,435	335,946
Institutional and administrative College support		43,295	41,920
Total operating revenues		662,469	623,833
Operating expenses:			
Programming and production		380,776	372,332
Broadcasting		165,648	143,913
Program information		8,068	8,207
Management and general		121,118	115,747
Fundraising and membership development		36,321	35,690
Depreciation		20,120	20,121
Total operating expenses		732,051	696,010
Operating loss		(69,582)	(72,177)
Nonoperating revenues:			
Contributions		62,986	61,151
Decrease in net position		(6,596)	(11,026)
Net position:			
Net position as of beginning of year		195,791	206,817
Net position as of end of year	$	189,195	195,791

See accompanying notes to financial statements

WBJB-FM RADIO
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BROOKDALE COMMUNITY COLLEGE
Statements of Cash Flows
For the fiscal years ended June 30, 2015 and 2014

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	2015	2014
Cash flows from operating activities:		
Payments to suppliers	$ (106,562)	(98,489)
Payments for employee salaries and benefits	(484,995)	(458,910)
Contractual payments	(70,912)	(66,434)
Service revenue	170,287	157,936
General College appropriation	345,435	335,946
Institutional and administrative College support	43,295	41,920
Grants	103,452	88,031
Net cash used in operating activities	—	—
Cash at beginning of year	—	—
Cash at end of year	$ —	—
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (69,582)	(72,177)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	20,120	20,121
In-kind contribution	62,986	61,151
Change in assets and liabilities:		
Prepaid expenses	7,109	365
Due from customers	665	4,640
Unearned revenue	(9,065)	5,185
Due from Brookdale Community College	(12,233)	(19,285)
Net cash used in operating activities	$ —	—

See accompanying notes to financial statements

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(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

Basis of Accounting and Measurement Focus

The accompanying financial statements of the Station have been prepared on the accrual basis of accounting using the economic resources measurement focus in accordance with *Governmental Accounting Standards Board* ("GASB"). The Station reports its financial statements 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.

Net Position

The College classifies its resources into the following net position categories:

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

  Nonexpendable – Net position subject to externally-imposed stipulations that must be maintained permanently by the Station.

  Expendable – Net position whose use by the Station is subject to externally-imposed stipulations that can be fulfilled by actions of the Station pursuant to the stipulations or that expire by the passage of time.

  The Station did not have any restricted net position as of June 30, 2015 or 2014.

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.

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(1) Organization and Summary of Significant Accounting Policies (continued)

Financial Reporting and Summary of Significant Accounting Policies (continued)

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 revenues 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

Amounts received from grants which have not yet been earned under the terms of the agreements are recorded as unearned grant revenue in the accompanying statements of net position. Unearned 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 federal income taxes under Internal Revenue Code Section 115. As a department of the College, the Station is also exempt from income taxes.

Reclassifications

Certain amounts in the 2014 financial statements have been reclassified to conform to the current year's presentation.

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(2) Capital Assets

The fiscal years 2015 and 2014 activity in capital assets and accumulated depreciation was as follows:

	Balance, June 30, 2013	Additions	Balance, June 30, 2014	Additions	Balance, June 30, 2015
Depreciable assets:					
Equipment	$ 689,748	—	689,748	—	689,748
Less accumulated depreciation:					
Equipment	(628,590)	(20,121)	(648,711)	(20,120)	(668,831)
Capital assets, net	$ 61,158	(20,121)	41,037	(20,120)	20,917

(3) Fringe Benefits

Fringe benefits for the Station employees are included in the General College appropriation for the fiscal years ended June 30, 2015 and 2014.

(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 $62,986 and $61,151 for the fiscal years ended June 30, 2015 and 2014, respectively.

(5) Subsequent Events

The Station evaluated subsequent events through _____, 2015, which is the date the financial statements were available to be issued.