



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

**FINANCIAL STATEMENTS**

**JUNE 30, 2011 and RESTATED 2010**

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

Years ended June 30, 2011 and Restated 2010

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## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying statement of net assets of WBJB-FM Radio - a public radio station operated by Brookdale Community College (WBJB-FM Radio) as of June 30, 2011, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. The financial statements are the responsibility of Brookdale Community College's management. Our responsibility is to express an opinion on the financial statements based on our audit. As discussed in Note 5 to the financial statements, WBJB-FM Radio has restated its 2010 financial statements during the current year to properly account for fringe benefits in the Statement of Revenues, Expenses and Changes in Net Assets in conformity with accounting principles generally accepted in the United States of America. The 2010 financial statements of WBJB-FM Radio were audited by other auditors, whose report dated October 19, 2010, before the restatement expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WBJB-FM Radio internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and 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 of WBJB-FM are intended to present the statement of net assets, its revenues, expenses and changes in net assets, and its cash flows that are attributable to the transactions of this 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, 2011 and 2010, and the changes in its financial position and its cash flows for the years 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 statement of net assets of WBJB-FM Radio - a public radio station operated by Brookdale Community College as of June 30, 2011, and the revenues, expenses and changes in net assets, and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying management's discussion and analysis (MD&A) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist primarily of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



The report is intended solely for the information and use by the Board of Trustees and management of Brookdale Community College and the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than these specified parties.

*EisnerAmper LLP*

Wall, New Jersey  
December 14, 2011

**WBJB-FM RADIO**  
**A PUBLIC RADIO STATION OPERATED BY**  
**BROOKDALE COMMUNITY COLLEGE**  
Management's Discussion and Analysis (Unaudited)

Years ended June 30, 2011, Restated 2010, and 2009

**Introduction and Reporting Entity**

The following Management Discussion and Analysis is an overview of the financial condition and operations of WBJB-FM Radio (the "Station") for the years ended June 30, 2011, 2010, and 2009. 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. They 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 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 assets, a statement of revenues, expenses and changes in net assets, 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**

		<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>Change 2010-2011</b>
Assets					
Current assets	\$	116,028	82,377	63,898	33,651
Net capital assets		101,400	93,139	87,238	8,261
Total assets		<u>217,428</u>	<u>175,516</u>	<u>151,136</u>	<u>41,912</u>
Current liabilities	\$	<u>28,831</u>	-	-	<u>28,831</u>

The increase in current liabilities of \$28,831 was due to an increase in unearned revenue. The increase in current assets of \$33,651 was due to the following:

- A decrease of \$17,920 in various prepaid expenses.
- An increase of \$69,766 in the due from the Brookdale Community College account.
- A decrease of \$18,195 in the due from customers account.

Net capital assets increased in the net by \$8,261. This was due to the purchase of \$24,891 in new capital assets net of accumulated depreciation expense of \$16,630.

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**Summary of Revenues, Expenses, and Changes in Net Assets**

The Station receives its revenue from three major sources: College Support and Appropriation, Service Revenue (membership and underwriting), and the Corporation for Public Broadcasting Grants.

**SUMMARY OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS**  
**AS OF JUNE 30, 2011**

	<b>2011</b>	<b>(Restated) 2010</b>	<b>2009</b>	<b>Change 2010-2011</b>
Operating revenues:				
CPB Grant	\$ 90,361	101,135	89,639	(10,774)
Service revenue	123,577	151,156	152,170	(27,579)
General College appropriation	294,522	284,292	206,271	10,230
Institutional & administrative College support	43,417	47,674	51,187	(4,257)
Total operating revenues	<u>551,877</u>	<u>584,257</u>	<u>499,267</u>	<u>(32,380)</u>
Operating expenses:				
Programming & production	308,798	333,616	269,935	(24,818)
Broadcasting	119,670	106,945	80,237	12,725
Program information	13,251	9,349	10,077	3,902
Management & general	117,084	134,800	138,524	(17,716)
Fund raising & membership development	24,514	22,177	16,636	2,337
Depreciation	16,630	14,141	13,139	2,489
Total operating expenses	<u>599,947</u>	<u>621,028</u>	<u>528,548</u>	<u>(21,081)</u>
Operating loss	(48,070)	(36,771)	(29,281)	(11,299)
Nonoperating revenue				
Contributions	61,151	61,151	59,653	-
Net increase (decrease) in net assets	13,081	24,380	30,372	(11,299)
Net assets				
Net assets as of beginning of year	175,516	151,136	120,764	24,380
Net assets as of end of year	<u>\$ 188,597</u>	<u>175,516</u>	<u>151,136</u>	<u>13,081</u>

**Results of Operations**

In year 2011, total operating revenues decreased overall by \$32,380 or 5.5% over year 2010 total operating revenues. CPB grant revenue decreased by \$10,774, this was due to a drawdown timing issue. Service revenue decreased by \$27,579 or 18.2%, and was due to the following;

- No Summer Membership Drive revenue being included in FY11 revenue due to a shift in dates.
- The remaining difference was due to a traffic system software transition and the current economic environment. The Radio station is developing plans in FY12 to bring revenue to the FY10 levels. These plans include, but are not limited to, more aggressive pursuit of individual giving & business underwriting as well as non-traditional revenue through off-air fundraisers such as concerts with artists played on the station.

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The General College appropriation increased \$10,230 or 3.6% due to salary increases as prescribed by existing labor negotiations, which the College funds.

Operating expenses in the net experienced a decrease of \$21,081 or 3.4%.

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Statements of Net Assets  
June 30, 2011 and 2010

	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Current assets:		
Due from Brookdale Community College	\$ 104,656	\$ 34,890
Due from customers	—	18,195
Prepaid expenses	11,372	29,292
Total current assets	116,028	82,377
Noncurrent assets:		
Capital assets, net	101,400	93,139
<b>Total Assets</b>	<b>217,428</b>	<b>175,516</b>
<b>CURRENT LIABILITIES</b>		
Unearned revenue	28,831	—
Total current liabilities	28,831	—
<b>NET ASSETS</b>		
Invested in capital assets (note 2)	101,400	93,139
Unrestricted	87,197	82,377
Total net assets	188,597	175,516
<b>Total Liabilities and Net Assets</b>	<b>\$ 217,428</b>	<b>\$ 175,516</b>

See accompanying notes to the financial statements.



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Statements of Revenues, Expenses, and Changes in Net Assets  
Years ended June 30, 2011 and Restated 2010

	<b>2011</b>	<b>(Restated) 2010</b>
<b>Operating revenues:</b>		
CPB Grant	\$ 90,361	\$ 101,135
Service revenue	123,577	151,156
General College appropriation (note 3)	294,522	284,292
Institutional and administrative College support	43,417	47,674
	<u>551,877</u>	<u>584,257</u>
<b>Operating expenses:</b>		
Programming and production	308,798	333,616
Broadcasting	119,670	106,945
Program information	13,251	9,349
Management and general	117,084	134,800
Fundraising and membership development	24,514	22,177
Depreciation	16,630	14,141
	<u>599,947</u>	<u>621,028</u>
Total operating expenses		
	<u>599,947</u>	<u>621,028</u>
Operating loss	(48,070)	(36,771)
<b>Nonoperating revenues:</b>		
Contributions	61,151	61,151
	<u>61,151</u>	<u>61,151</u>
Increase in net assets- unrestricted	13,081	24,380
<b>Net assets:</b>		
Net assets- beginning of year	175,516	151,136
	<u>175,516</u>	<u>151,136</u>
Net assets- end of year	\$ 188,597	\$ 175,516
	<u>188,597</u>	<u>175,516</u>

See accompanying notes to the financial statements.

**WBJB-FM RADIO**  
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Statements of Cash Flows  
Years ended June 30, 2011 and Restated 2010

	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities:</b>		
Payments to suppliers	\$ (113,238)	\$ (124,276)
Payments for employee salaries and benefits	(351,829)	(359,875)
Contractual payments	(123,070)	(141,215)
Service revenue	123,577	151,156
General College Appropriation	294,522	284,292
Institutional and administrative college support	43,417	47,674
Grants	90,361	101,135
Net cash used in operating activities	(36,260)	(41,109)
<b>Cash flows from noncapital financing activities:</b>		
Contributions	61,151	61,151
<b>Cash flows from capital financing activities:</b>		
Purchases of equipment	(24,891)	(20,042)
Net increase in cash	—	—
Cash as of beginning of the year	—	—
Cash as of end of the year	\$ —	\$ —
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	(48,070)	(36,771)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation	16,630	14,141
Change in assets and liabilities:		
Prepaid Expenses	17,920	(29,292)
Due from customers	18,195	(16,208)
Deferred revenue	28,831	—
Due from Brookdale Community College	(69,766)	27,021
Net cash used in operating activities	\$ (36,260)	\$ (41,109)

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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.

***Summary of Significant Accounting Policies***

***Basis of Presentation***

The accounting policies of the Station conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities. In addition to complying with all applicable Governmental Accounting Standards Board (GASB) pronouncements, the Station’s financial statements comply with the guidance provided by the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and the Committee on Accounting Procedure issued on or before November 30, 1989. GASB pronouncements take precedence when there is a conflict or contradiction between pronouncements. The College has elected not to apply FASB pronouncements issued after November 30, 1989.

***Net Assets***

The College classifies its resources into two net asset categories:

- ***Invested in Capital Assets*** – Capital assets, net of accumulated depreciation.
- ***Unrestricted*** – Net assets that are not subject to externally-imposed stipulations, unrestricted net assets 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.

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

***Financial Dependency***

The Station receives appropriations and support from the College, and is economically dependent on these amounts to carry on its operations.

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Notes to Financial Statements

Years ended June 30, 2011 and Restated 2010

**(1) Organization and Summary of Significant Accounting Policies (Continued)**

*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 support and revenue and expenses during the reporting period. Actual results could differ from these estimates.

*Unearned Revenue*

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

*Classification of Revenues*

The Station has classified its revenues as either operating or nonoperating revenues in accordance with the guidelines established by GASB 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.

*Reclassifications*

Certain amounts in the 2010 financial statements have been reclassified to conform to the current year presentation.

**(2) Capital Assets**

Capital asset activity for the years ended June 30, 2011 and 2010 was as follows:

	<u>June 30, 2010</u>	<u>Additions</u>	<u>June 30, 2011</u>
Equipment	\$ 664,857	24,891	689,748
Less accumulated depreciation	571,718	16,630	588,348
	<u>\$ 93,139</u>	<u>8,261</u>	<u>101,400</u>

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**(3) Fringe Benefits**

Fringe benefits for the Radio Station employees are included in the General College Appropriation for the year ended June 30, 2011. The Financial Statements for the year ended June 30, 2010 were restated to include fringe benefits in the General College Appropriation.

**(4) Subsequent Events**

The Station evaluated subsequent events through December 14, 2011, which is the date the financial statements were available to be issued.

**(5) Restatement**

The financial statements of the Radio Station have been restated for June 30, 2010 to reflect fringe benefits paid to Radio Station employees that were not properly included in the general College appropriation as operating revenue and the related expense recorded in the programming and production and broadcasting operating expense total. Operating revenues and expenses increased by \$76,932.