



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

**FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**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

We have audited the accompanying statements of net assets of WBJB-FM Radio - a public radio station operated by Brookdale Community College ("WBJB-FM Radio") as of June 30, 2012 and 2011, and the related statements of revenues, expenses, and changes in net assets, and cash flows for each of the years 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 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 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's 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, and 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.

As discussed in Note 1, the financial statements of WBJB-FM Radio are intended to present the statements 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, 2012 and 2011, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the statements of net assets of WBJB-FM Radio - a public radio station operated by Brookdale Community College as of June 30, 2012 and 2011, and the revenues, expenses and changes in net assets, and its cash flows for each of the years 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 inquiries 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 of 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.



Jenkintown, Pennsylvania  
December 13, 2012

**WBJB-FM RADIO**  
**A PUBLIC RADIO STATION OPERATED BY**  
**BROOKDALE COMMUNITY COLLEGE**  
Management's Discussion and Analysis  
For fiscal years ended June 30, 2012, 2011, and 2010

**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, 2012, 2011, and 2010. 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 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**

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>Change 2011-2012</u>
Assets:				
Current assets	\$ 173,736	116,028	82,377	57,708
Net capital assets	<u>81,279</u>	<u>101,400</u>	<u>93,139</u>	<u>(20,121)</u>
Total assets	<u>255,015</u>	<u>217,428</u>	<u>175,516</u>	<u>37,587</u>
Current liabilities	<u>\$ 36,974</u>	<u>28,831</u>	<u>-</u>	<u>8,143</u>

The increase in current liabilities of \$8,143 was due to an increase in unearned revenue. The increase in current assets of \$57,708 was due to the following:

- An increase of \$33,235 in the due from the Brookdale Community College account.
- An increase of \$26,820 in the due from customers account.
- A decrease of \$2,347 in various prepaid expenses.

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

(Continued)

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For fiscal years ended June 30, 2012, 2011, and 2010

**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 Corporation for Public Broadcasting Grants.

**SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**AS OF JUNE 30, 2012**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>Change</u> <u>2011-2012</u>
Operating revenues:				
CPB Grant	\$ 79,739	90,361	101,135	(10,622)
Service revenue	160,458	123,577	151,156	36,881
General College appropriation	316,547	294,522	284,292	22,025
Institutional and administrative				
College support	<u>40,215</u>	<u>43,417</u>	<u>47,674</u>	<u>(3,202)</u>
Total operating revenues	<u>596,959</u>	<u>551,877</u>	<u>584,257</u>	<u>45,082</u>
Operating expenses:				
Programming and production	337,457	308,798	333,616	28,659
Broadcasting	129,801	119,670	106,945	10,131
Program information	6,288	13,251	9,349	(6,963)
Management and general	111,928	117,084	134,800	(5,156)
Fundraising and membership				
development	23,071	24,514	22,177	(1,443)
Depreciation	<u>20,121</u>	<u>16,630</u>	<u>14,141</u>	<u>3,491</u>
Total operating expenses	<u>628,666</u>	<u>599,947</u>	<u>621,028</u>	<u>28,719</u>
Operating loss	(31,707)	(48,070)	(36,771)	16,363
Nonoperating revenue:				
Contributions	<u>61,151</u>	<u>61,151</u>	<u>61,151</u>	<u>-</u>
Net increase in net assets	29,444	13,081	24,380	16,363
Net assets:				
Net assets as of beginning of year	<u>188,597</u>	<u>175,516</u>	<u>151,136</u>	<u>13,081</u>
Net assets as of end of year	<u>\$ 218,041</u>	<u>188,597</u>	<u>175,516</u>	<u>29,444</u>

(Continued)

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**Results of Operations**

In year 2012, total operating revenues increased overall by \$45,082 or 8.2% over year 2011 total operating revenues. CPB grant revenue decreased by \$10,622; this was due to a drawdown timing issue. Service revenue increased by \$36,881 or 29.8%, and was due to the following;

- The Station has changed the dates of its membership drives from FY11 along with adding "Member Events" which add listener interest in support of the Station.
- Underwriting increased substantially in FY11. Clients started spending more marketing dollars with WBJB-FM Radio, seeing the value of the Station. Also, the Station started target marketing to potential sponsors on a regular basis via a new e-mail system.

The General College appropriation increased \$22,025 or 7.5%, which was related to increases in salary and fringe benefits which the College funds.

Operating expenses in the net experienced an increase of \$28,719 or 4.8%. The operating loss decrease of \$16,363 or 34% was due to the increase in revenue.

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Statements of Net Assets  
As of June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current assets:		
Due from Brookdale Community College	\$ 137,891	104,656
Due from customers	26,820	—
Prepaid expenses	<u>9,025</u>	<u>11,372</u>
Total current assets	<u>173,736</u>	<u>116,028</u>
Noncurrent assets:		
Capital assets, net	<u>81,279</u>	<u>101,400</u>
<b>Total Assets</b>	<u>255,015</u>	<u>217,428</u>
<b>LIABILITIES</b>		
Current liabilities:		
Unearned revenue	<u>36,974</u>	<u>28,831</u>
Total current liabilities	<u>36,974</u>	<u>28,831</u>
<b>NET ASSETS</b>		
Invested in capital assets (note 2)	81,279	101,400
Unrestricted	<u>136,762</u>	<u>87,197</u>
Total net assets	<u>218,041</u>	<u>188,597</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 255,015</u>	<u>217,428</u>

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Statements of Revenues, Expenses, and Changes in Net Assets  
For the fiscal years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>Operating revenues:</b>		
CPB Grant	\$ 79,739	90,361
Service revenue	160,458	123,577
General College appropriation	316,547	294,522
Institutional and administrative College support	40,215	43,417
	<hr/>	<hr/>
Total operating revenues	596,959	551,877
	<hr/>	<hr/>
<b>Operating expenses:</b>		
Programming and production	337,457	308,798
Broadcasting	129,801	119,670
Program information	6,288	13,251
Management and general	111,928	117,084
Fund raising and membership development	23,071	24,514
Depreciation	20,121	16,630
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Total operating expenses	628,666	599,947
	<hr/>	<hr/>
Operating loss	(31,707)	(48,070)
<b>Nonoperating revenues:</b>		
Contributions	61,151	61,151
	<hr/>	<hr/>
Increase in net assets	29,444	13,081
<b>Net assets:</b>		
Net assets as of beginning of year	188,597	175,516
	<hr/>	<hr/>
Net assets as of end of year	\$ 218,041	188,597
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Statements of Cash Flows  
For the fiscal years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>Cash flows from operating activities:</b>		
Payments to suppliers	\$ (127,345)	(113,238)
Payments for employee salaries and benefits	(394,128)	(351,829)
Contractual payments	(136,637)	(123,070)
Service revenue	160,458	123,577
General College appropriation	316,547	294,522
Institutional and administrative College support	40,215	43,417
Grants	<u>79,739</u>	<u>90,361</u>
Net cash used in operating activities	<u>(61,151)</u>	<u>(36,260)</u>
<b>Cash flows from noncapital financing activities:</b>		
Contributions	<u>61,151</u>	<u>61,151</u>
<b>Cash flows from capital financing activities:</b>		
Purchases of equipment	<u>—</u>	<u>(24,891)</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>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	\$ (31,707)	(48,070)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	20,121	16,630
Change in assets and liabilities:		
Prepaid expenses	2,347	17,920
Due from customers	(26,820)	18,195
Unearned revenue	8,143	28,831
Due from Brookdale Community College	<u>(33,235)</u>	<u>(69,766)</u>
Net cash used in operating activities	\$ <u>(61,151)</u>	<u>(36,260)</u>

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Notes to Financial Statements  
For the fiscal years ended June 30, 2012 and 2011

**(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 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.

***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  
For the fiscal years ended June 30, 2012 and 2011

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

*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.

*Deferred Revenue*

Deferred 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.

*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.

**(2) Capital Assets**

Capital asset activity for the years ended June 30, 2012 and 2011 was as follows:

	<b>2011</b>	<b>Additions</b>	<b>2012</b>
Equipment	\$ 689,748	-	689,748
Less accumulated depreciation	(588,348)	(20,121)	(608,469)
	\$ 101,400	(20,121)	81,279

**(3) Fringe Benefits**

Fringe benefits for the Station employees are included in the General College appropriation for the years ended June 30, 2012 and 2011.

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Notes to Financial Statements  
For the fiscal years ended June 30, 2012 and 2011

**(4) Contributions**

Contributions represent the valuation of the rental costs associated with the commercial FM radio facilities similar to those operated by WBJB-FM and installed on the Crown Castle Transmission Facility located on Brookdale Community College's Lincroft campus. Contributions were \$61,151 for the fiscal years ended June 30, 2012 and 2011.

**(5) Subsequent Events**

The Station evaluated subsequent events through December 13, 2012, which is the date the financial statements were available to be issued.