



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

**FINANCIAL STATEMENTS AND
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2014 AND 2013

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, 2014 and 2013, 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, 2014 and 2013, 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 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, 2014 and 2013, 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

Required Supplementary Information

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.



Jenkintown, Pennsylvania
November 20, 2014

WBJB-FM RADIO
A PUBLIC RADIO STATION OPERATED BY
BROOKDALE COMMUNITY COLLEGE
Management's Discussion and Analysis
For the fiscal years ended June 30, 2014, 2013 and 2012

Introduction and Reporting Entity

The Management's Discussion and Analysis of WBJB-FM Radio (the "Station") provides an overview of the financial condition and operations of the Station for fiscal years ended June 30, 2014, 2013, and 2012. The information contained in this analysis 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. The Station's broadcasts feature informational top-of-the-hour National Public Radio ("NPR") newscasts as well as local features, which include traffic, news, weather, community bulletin boards, public service announcements, and pertinent College information – all of which are integrated into the Adult Album Alternative musical format, publicly providing informative, educational, and artistic programming. As of March 2010, the Station broadcasts in 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:

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>Change 2013-2014</u>
Assets:				
Current assets	\$ 186,651	172,371	173,736	14,280
Net capital assets	<u>41,037</u>	<u>61,158</u>	<u>81,279</u>	<u>(20,121)</u>
Total assets	<u>\$ 227,688</u>	<u>233,529</u>	<u>255,015</u>	<u>(5,841)</u>
Current liabilities	<u>\$ 31,897</u>	<u>26,712</u>	<u>36,974</u>	<u>5,185</u>

The increase in current liabilities of \$5,185 was due to an increase in unearned revenue relating to grants from the Corporation for Public Broadcasting ("CPB"). The increase in current assets of \$14,280 reflects the following:

- An increase of \$19,285 in the due from Brookdale Community College account.
- A decrease of \$4,640 in the due from customers account.
- A decrease of \$365 in various prepaid expenses.

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

(Continued)

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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.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>Change 2013-2014</u>
Operating revenues:				
CPB Grant	\$ 88,031	97,124	79,739	(9,093)
Service revenue	157,936	142,964	160,458	14,972
General College appropriation	335,946	346,187	316,547	(10,241)
Institutional and administrative College support	41,920	43,422	40,215	(1,502)
Other	<u>—</u>	<u>10,000</u>	<u>—</u>	<u>(10,000)</u>
Total operating revenues	<u>623,833</u>	<u>639,697</u>	<u>596,959</u>	<u>(15,864)</u>
Operating expenses:				
Programming and production	372,332	389,077	337,457	(16,745)
Broadcasting	143,913	139,818	129,801	4,095
Program information	8,207	6,617	6,288	1,590
Management and general	115,747	122,508	111,928	(6,761)
Fundraising and membership development	35,690	33,931	23,071	1,759
Depreciation	<u>20,121</u>	<u>20,121</u>	<u>20,121</u>	<u>—</u>
Total operating expenses	<u>696,010</u>	<u>712,072</u>	<u>628,666</u>	<u>(16,062)</u>
Operating loss	(72,177)	(72,375)	(31,707)	198
Nonoperating revenue:				
Contributions	<u>61,151</u>	<u>61,151</u>	<u>61,151</u>	<u>—</u>
Net increase (decrease) in net position	(11,026)	(11,224)	29,444	198
Net position:				
Net position as of beginning of year	<u>206,817</u>	<u>218,041</u>	<u>188,597</u>	<u>(11,224)</u>
Net position as of end of year	<u>\$ 195,791</u>	<u>206,817</u>	<u>218,041</u>	<u>(11,026)</u>

(Continued)

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Results of Operations

In fiscal year 2014, the overall decrease in operating revenues was \$15,864 or 2.5% under the fiscal year 2013 total operating revenues, due in part to the CPB grant revenue decrease of \$9,093 resulting from drawdown timing differences. Other income decreased by \$10,000 when compared with fiscal year 2013, in which one-time emergency relief funding from the Corporation for Public Broadcasting was received. The emergency funding helped maintain a vital public media service to the people of Monmouth and Ocean counties when there was limited access to vital information due to major power outages for an extended length of time. The CPB emergency funds provided the financial assistance to offset service revenue loss, which occurred in the wake of Super Storm Sandy.

Fiscal year 2014 service revenue rebounded to near pre-2013 levels. WBJB-FM Radio was fortunate to continue its level of direct financial support through donations and membership support. Many nonprofit organizations experienced a loss for the 18-24 months following Super Storm Sandy, as there was a shift in personal donations to support vital relief services.

The overall decrease in revenue of \$15,864 was offset by a decrease in operating expenses of \$16,062 or 2.3%, for a decrease in net operating loss of \$198.

WBJB-FM RADIO
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Statements of Net Position
As of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets:		
Due from Brookdale Community College	\$ 168,976	149,691
Due from customers	5,245	9,885
Prepaid expenses	<u>12,430</u>	<u>12,795</u>
Total current assets	<u>186,651</u>	<u>172,371</u>
Noncurrent assets:		
Capital assets, net	<u>41,037</u>	<u>61,158</u>
Total Assets	<u><u>\$ 227,688</u></u>	<u><u>233,529</u></u>
LIABILITIES		
Current liabilities:		
Unearned revenue	<u>\$ 31,897</u>	<u>26,712</u>
Total current liabilities	<u>31,897</u>	<u>26,712</u>
NET POSITION		
Net investment in capital assets (note 2)	41,037	61,158
Unrestricted	<u>154,754</u>	<u>145,659</u>
Total net position	<u>195,791</u>	<u>206,817</u>
Total Liabilities and Net Position	<u><u>\$ 227,688</u></u>	<u><u>233,529</u></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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
CPB grant	\$ 88,031	97,124
Service revenue	157,936	142,964
General College appropriation	335,946	346,187
Institutional and administrative College support	41,920	43,422
Other income	-	10,000
	<u>623,833</u>	<u>639,697</u>
Total operating revenues		
Operating expenses:		
Programming and production	372,332	389,077
Broadcasting	143,913	139,818
Program information	8,207	6,617
Management and general	115,747	122,508
Fundraising and membership development	35,690	33,931
Depreciation	20,121	20,121
	<u>696,010</u>	<u>712,072</u>
Total operating expenses		
Operating loss	(72,177)	(72,375)
Nonoperating revenues:		
Contributions	61,151	61,151
	<u>61,151</u>	<u>61,151</u>
Decrease in net position	(11,026)	(11,224)
Net position:		
Net position as of beginning of year	206,817	218,041
	<u>206,817</u>	<u>218,041</u>
Net position as of end of year	\$ <u>195,791</u>	\$ <u>206,817</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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Payments to suppliers	\$ (98,489)	(114,700)
Payments for employee salaries and benefits	(458,910)	(455,715)
Contractual payments	(127,585)	(130,433)
Service revenue	157,936	142,964
General College appropriation	335,946	346,187
Institutional and administrative College support	41,920	43,422
Grants	88,031	97,124
Other income	<u>—</u>	<u>10,000</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	\$ (72,177)	(72,375)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	20,121	20,121
Change in assets and liabilities:		
Prepaid expenses	365	(3,770)
Due from customers	4,640	16,935
Unearned revenue	5,185	(10,262)
Due from Brookdale Community College	<u>(19,285)</u>	<u>(11,800)</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, 2014 and 2013

(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.

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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

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Notes to Financial Statements
For the fiscal years ended June 30, 2014 and 2013

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

Financial Reporting and Summary of Significant Accounting Policies (continued)

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.

New Accounting Standards Adopted

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* ("GASB 65"), establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of GASB 65 had no effect on the Station's financial statements for the fiscal years ended June 30, 2014 and 2013.

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Notes to Financial Statements
For the fiscal years ended June 30, 2014 and 2013

(2) Capital Assets

The fiscal years 2014 and 2013 activity in capital assets and accumulated depreciation was as follows:

	<u>Balance, June 30, 2012</u>	<u>Additions</u>	<u>Balance, June 30, 2013</u>	<u>Additions</u>	<u>Balance, June 30, 2014</u>
Depreciable assets:					
Equipment	\$ 689,748	—	689,748	—	689,748
Less accumulated depreciation:					
Equipment	<u>(608,469)</u>	<u>(20,121)</u>	<u>(628,590)</u>	<u>(20,121)</u>	<u>(648,711)</u>
Capital assets, net	<u>\$ 81,279</u>	<u>(20,121)</u>	<u>61,158</u>	<u>(20,121)</u>	<u>41,037</u>

(3) Fringe Benefits

Fringe benefits for the Station employees are included in the General College appropriation for the fiscal years ended June 30, 2014 and 2013.

(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, 2014 and 2013.

(5) Subsequent Events

The Station evaluated subsequent events through November 20, 2014, which is the date the financial statements were available to be issued.