

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

Examination Report and Financial Schedules

June 30, 2020

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

TABLE OF CONTENTS
June 30, 2020

	<u>Page Number</u>
Independent Accountants' Report	1
Combining Financial Statements and Schedules	
Combining Balance Sheet.....	3
Combining Statement of Revenues, Expenses and Changes in Net Position	4
Combining Schedule of Revenues for the Corporation for Public Broadcasting Annual Financial Report	5
Combining Schedule of Expenses/Capital Outlay for the Corporation for Public Broadcasting Annual Financial Report	6

INDEPENDENT ACCOUNTANTS' REPORT

To the Board Commissioners of
New Jersey Public Broadcasting Authority

We have examined New Jersey Public Broadcasting Authority's (the "Authority") compliance with the requirements of the Corporation for Public Broadcasting's ("CPB") Fiscal Year 2020 Financial Reporting Guidelines governing the amounts reported as Non-Federal Financial Support ("NFFS") during the year ended June 30, 2020. The Authority's management is responsible for (a) identifying applicable compliance requirements, (b) establishing and maintaining effective internal control over compliance with CPB's Fiscal Year 2020 Financial Reporting Guidelines governing the amounts reported as NFFS, (c) evaluating and monitoring the Authority's compliance with CPB's Fiscal Year 2020 Financial Reporting Guidelines governing the amounts reported as NFFS and providing us with a written assertion thereon, (d) specifying reports that satisfy legal, regulatory or contractual requirements, and (e) making all records and related information available to us. Our responsibility is to express an opinion concerning the Authority's compliance with CPB's Fiscal Year 2020 Financial Reporting Guidelines governing the amounts reported as NFFS.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about the Authority's compliance with the CPB's Fiscal Year 2020 Financial Reporting Guidelines governing amounts reported as NFFS, in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with the CPB's Fiscal Year 2020 Financial Reporting Guidelines governing amounts reported as NFFS. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Authority's compliance with the CPB's Fiscal Year 2020 Financial Reporting Guidelines governing amounts reported as NFFS, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Management prepared the attached combining financial statements and schedules listed in the table of contents. These combining financial statements and schedules were prepared for the specific purpose of presenting the financial results of the Authority, as well as Public Media NJ, Inc. ("PMNJ"), an organization considered "financially interrelated," as that term is used in the CPB's Fiscal Year 2020 Financial Reporting Guidelines. PMNJ, a New Jersey nonprofit, 501(c)(3) corporation, entered into a programming and services agreement with the Authority dated July 1, 2011. The combining financial statements include information extracted from the separately audited financial statements of the Authority and PMNJ. The amounts presented on the Combining Balance Sheet, Combining Statement of Revenues, Expenses and Changes in Net Position, and Combining Schedule of Expenses/Capital Outlay for the Corporation for Public Broadcasting Annual Financial Report as listed in the table of contents were not subject to our examination procedures.

In our opinion, the Authority is in compliance with the CPB's Fiscal Year 2020 Financial Reporting Guidelines governing amounts reported as NFFS during the year ended June 30, 2020, in all material respects. The Combining Schedule of Revenues for the Corporation for Public Broadcasting Annual Financial Report, as listed in the table of contents, presents amounts that were subject to our examination procedures.

INDEPENDENT ACCOUNTANTS' REPORT (CONTINUED)

This report is intended solely for the information and use of the Authority's Board of Commissioners, Authority Management, PMNJ and CPB and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Mercedien, P.C.
Certified Public Accountants

February 3, 2021

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

COMBINING BALANCE SHEET

June 30, 2020

	New Jersey Public Broadcasting Authority	Public Media NJ, Inc.	Elimination	Total
Assets				
Cash and cash equivalents	\$ -	\$ 3,168,340	\$ -	\$ 3,168,340
Accounts receivable, net	101,621	517,844	(278,160) (a)	341,305
Due from State of New Jersey	1,085,210	-	-	1,085,210
Grants and gifts receivable, net	-	960,597	-	960,597
Prepaid expense	174,170	51,018	-	225,188
Investments	-	5,866,934	-	5,866,934
Capital assets, net	3,762,360	1,891,003	-	5,653,363
Total Assets	<u>\$ 5,123,361</u>	<u>\$ 12,455,736</u>	<u>\$ (278,160)</u>	<u>\$ 17,300,937</u>
Liabilities				
Accounts payable and accrued expenses	\$ 546,809	\$ 1,057,947	\$ (278,160) (a)	\$ 1,326,596
Unearned revenue	174,170	-	-	174,170
Due to controlling entity	-	262,357	-	262,357
Total Liabilities	<u>720,979</u>	<u>1,320,304</u>	<u>(278,160)</u>	<u>1,763,123</u>
Net Position				
Investment in capital assets	3,762,360	-	-	3,762,360
Unrestricted	640,022	5,052,319	-	5,692,341
Temporarily restricted	-	6,033,113	-	6,033,113
Permanently restricted	-	50,000	-	50,000
Total Net Position	<u>4,402,382</u>	<u>11,135,432</u>	<u>-</u>	<u>15,537,814</u>
Total Liabilities and Net Position	<u>\$ 5,123,361</u>	<u>\$ 12,455,736</u>	<u>\$ (278,160)</u>	<u>\$ 17,300,937</u>

(a) Represents receivable/payable between the Authority and PMNJ.

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2020

	New Jersey Public Broadcasting Authority	Public Media NJ, Inc.	Elimination	Total
Support and Revenues				
New Jersey State support (direct)	\$ 1,933,688	\$ -	\$ -	\$ 1,933,688
New Jersey State support (in-kind)	622,860	-	-	622,860
New Jersey Public Broadcasting Authority Trust Fund support	376,533	-	-	376,533
Contributions and grants	1,617,997	4,106,590	-	5,724,587
Rental income	3,353,150	-	-	3,353,150
Programming and service fees	200,000	4,817,959	(4,817,959) (a)	200,000
Royalties	987	-	-	987
Other income	81,375	945,415	-	1,026,790
Total Support and Revenues	<u>8,186,590</u>	<u>9,869,964</u>	<u>(4,817,959)</u>	<u>13,238,595</u>
Expenses				
Programming and production	4,828,279	7,480,713	(4,817,959) (a)	7,491,033
Education	-	3,372	-	3,372
Broadcasting and engineering	2,394,493	505,138	-	2,899,631
Fundraising and membership development	-	1,321,899	-	1,321,899
General and administrative	706,593	916,988	-	1,623,581
Total Expenses	<u>7,929,365</u>	<u>10,228,110</u>	<u>(4,817,959)</u>	<u>13,339,516</u>
Changes in Net Position	257,225	(358,146)	-	(100,921)
Net Position-Beginning of Year	4,145,157	11,493,578	-	15,638,735
Net Position-End of Year	<u>\$ 4,402,382</u>	<u>\$ 11,135,432</u>	<u>\$ -</u>	<u>\$ 15,537,814</u>

(a) Public Media NJ, Inc. recorded \$4,817,959 in revenues from the New Jersey Public Broadcasting Authority. Revenue and programming and production expenses were reduced by the same amount.

See independent accountants' report.

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

COMBINING SCHEDULE OF REVENUES FOR THE CORPORATION FOR PUBLIC BROADCASTING ANNUAL
FINANCIAL REPORT
Year Ended June 30, 2020

Sch. #	Line #	Description	New Jersey Public Broadcasting Authority	Public Media NJ, Inc.	Elimination	Total
A	1(f)	Federal Funds - Other	\$ 97,840	\$ 93,830	\$ (93,830) (a)	\$ 97,840
A	2(a)	Community Service Grant	1,323,199	1,323,199	(1,323,199) (a)	1,323,199
A	2(b)	All other funds from CPB	230,701	30,701	(30,701) (a)	230,701
A	2(c)	PBS non-royalties	-	10,000	-	10,000
A	2(e)	Public Broadcasting Stations	88,739	124,097	(84,097) (a)	128,739
A	4	State Government	2,753,198	8,500	-	2,761,698
A	7	Private Colleges and Universities	57,372	56,330	(53,930) (a)	59,772
A	8	Foundations	-	1,134,515	-	1,134,515
A	9	Business	3,390,575	4,632,578	(3,232,202) (a)	4,790,951
A	10	Membership	-	1,628,880	-	1,628,880
A	14	Special Fundraising Activities	-	261,986	-	261,986
A	15(b)	Passive Income: Royalties	-	1,139	-	1,139
A	15(c)	PBS pass-through Royalties	622	11,263	-	11,885
A	16(c)	Gains and losses on investments	-	42,639	-	42,639
A	19	Major Individual Gifts	-	147,639	-	147,639
A	20	Other Direct Revenue	364	(14,947)	-	(14,583)
A	21	Spectrum Auction	64,097	106,115	-	170,212
B	1	Indirect Administrative Support	179,883	-	-	179,883
C	5D	In-Kind Contributions	-	271,500	-	271,500
			<u>\$ 8,186,590</u>	<u>\$ 9,869,964</u>	<u>\$ (4,817,959) (a)</u>	<u>\$ 13,238,595</u>

Total reported as NFFS (total Schedule A, Direct Revenue and Schedule B, Indirect Administrative Support less NFFS ineligible revenues): \$ 5,778,234

(a) Service fee revenue received from NJ Public Broadcasting Authority.

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

COMBINING SCHEDULE OF EXPENSES/CAPITAL OUTLAY FOR THE CORPORATION FOR
PUBLIC BROADCASTING ANNUAL FINANCIAL REPORT
Year Ended June 30, 2020

<u>Sch. #</u>	<u>Line #</u>	<u>Description</u>	<u>New Jersey Public Broadcasting Authority</u>		<u>Public Media NJ, Inc.</u>	<u>Elimination</u>	<u>Total</u>
		Expenses					
		Program Services					
E	1	Programing and Production	\$ 4,828,279	(a)	\$ 7,480,713	\$ (4,817,959)	(a) \$ 7,491,033
E	2	Broadcasting and Engineering	2,394,493		505,138	-	2,899,631
E	3	Program Information and Promotion	-		3,372	-	3,372
		Support Services					
E	4	Management and General	706,593		916,988	-	1,623,581
E	5	Fundraising and Membership Development	-		1,321,899	-	1,321,899
		Total Expenses	<u>\$ 7,929,365</u>		<u>\$ 10,228,110</u>	<u>\$ (4,817,959)</u>	<u>\$ 13,339,516</u>
		Due to controlling entity					
		Capital					
E	9(b)	Equipment	<u>\$ 315,211</u>		<u>\$ 962,899</u>		<u>\$ 1,278,110</u>

(a) \$4,817,959 of expenses recorded in programming that was recorded as revenue on PMNJ's books.