

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

Examination Report and Financial Schedules

June 30, 2021

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

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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 2021 Financial Reporting Guidelines governing the amounts reported as Non-Federal Financial Support ("NFFS") during the year ended June 30, 2021. 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 2021 Financial Reporting Guidelines governing the amounts reported as NFFS, (c) evaluating and monitoring the Authority's compliance with CPB's Fiscal Year 2021 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 2021 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 2021 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 2021 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 2021 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our examination agreement.

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 2021 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 2021 Financial Reporting Guidelines governing amounts reported as NFFS during the year ended June 30, 2021, 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,

Mercadieu, P.C.
Certified Public Accountants

Hamilton, New Jersey

February 9, 2022

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

COMBINING BALANCE SHEET

June 30, 2021

	New Jersey Public Broadcasting Authority	Public Media NJ, Inc.	Elimination	Total
Assets				
Cash and cash equivalents	\$ -	\$ 3,265,410	\$ -	\$ 3,265,410
Accounts receivable, net	23,734	308,214	(303,557) (a)	28,391
Due from State of New Jersey	1,534,999	-	-	1,534,999
Grants and gifts receivable, net	-	901,815	-	901,815
Prepaid expense	190,244	48,902	-	239,146
Investments	-	4,815,172	-	4,815,172
Capital assets, net	5,549,174	3,803,533	-	9,352,707
Total Assets	<u>\$ 7,298,151</u>	<u>\$ 13,143,046</u>	<u>\$ (303,557)</u>	<u>\$ 20,137,640</u>
Liabilities				
Accounts payable and accrued expenses	\$ 780,099	\$ 887,965	\$ (303,557) (a)	\$ 1,364,507
Unearned revenue - tower rentals	190,244	-	-	190,244
Unearned revenue - CPB grants	333,777	-	-	333,777
Due to controlling entity	-	780,985	-	780,985
Total Liabilities	<u>1,304,120</u>	<u>1,668,950</u>	<u>(303,557)</u>	<u>2,669,513</u>
Net Position				
Investment in capital assets	5,549,174	-	-	5,549,174
Unrestricted	444,857	7,403,701	-	7,848,558
Temporarily restricted	-	4,020,395	-	4,020,395
Permanently restricted	-	50,000	-	50,000
Total Net Position	<u>5,994,031</u>	<u>11,474,096</u>	<u>-</u>	<u>17,468,127</u>
Total Liabilities and Net Position	<u>\$ 7,298,151</u>	<u>\$ 13,143,046</u>	<u>\$ (303,557)</u>	<u>\$ 20,137,640</u>

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

See independent accountants' report.

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Year Ended June 30, 2021

	New Jersey Public Broadcasting Authority	Public Media NJ, Inc.	Elimination	Total
Support and Revenues				
New Jersey State support (direct)	\$ 1,863,796	\$ -	\$ -	\$ 1,863,796
New Jersey State support (in-kind)	718,263	-	-	718,263
New Jersey Public Broadcasting Authority Trust Fund support	2,060,559	-	-	2,060,559
Contributions and grants	1,366,877	4,223,607	-	5,590,484
Rental income	3,450,095	-	-	3,450,095
Programming and service fees	200,000	4,972,217	(4,972,217) (a)	200,000
Royalties	25,075	-	-	25,075
Other income	110,477	889,954	-	1,000,431
Total Support and Revenues	<u>9,795,142</u>	<u>10,085,778</u>	<u>(4,972,217)</u>	<u>14,908,703</u>
Expenses				
Programming and production	4,956,143	6,933,735	(4,972,217) (a)	6,917,661
Education	-	5,033	-	5,033
Broadcasting and engineering	2,496,962	508,578	-	3,005,540
Fundraising and membership development	-	1,246,326	-	1,246,326
General and administrative	750,388	1,159,847	-	1,910,235
Total Expenses	<u>8,203,493</u>	<u>9,853,519</u>	<u>(4,972,217)</u>	<u>13,084,795</u>
Changes in Net Position before Non-operating Activity	1,591,649	232,259	-	1,823,908
Non-operating Activity				
Board designated contributions	-	106,405	-	106,405
Changes in Net Position	1,591,649	338,664	-	1,930,313
Net Position-Beginning of Year	4,402,382	11,135,432	-	15,537,814
Net Position-End of Year	<u>\$ 5,994,031</u>	<u>\$ 11,474,096</u>	<u>\$ -</u>	<u>\$ 17,468,127</u>

(a) Public Media NJ, Inc. recorded \$4,972,217 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, 2021

<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>
A	1(f)	Federal Funds - Other	\$ 100,747	\$ 91,534	\$ (91,534) (a)	\$ 100,747
A	2(a)	Community Service Grant	1,205,289	1,205,289	(1,205,289) (a)	1,205,289
A	2(b)	All other funds from CPB	161,588	27,811	(27,811) (a)	161,588
A	2(c)	PBS non-royalties	-	-	-	-
A	2(e)	Public Broadcasting Stations	90,070	144,456	(83,176) (a)	151,349
A	4	State Government	4,423,980	115,217	-	4,539,197
A	5	State Colleges and Universities	-	19,000	-	19,000
A	7	Private Colleges and Universities	57,372	58,930	(53,930) (a)	62,372
A	8	Foundations	-	674,442	-	674,442
A	9	Business	3,512,383	4,996,440	(3,510,477) (a)	4,998,346
A	10	Membership	-	1,764,514	-	1,764,514
A	14	Special Fundraising Activities	-	274,500	-	274,500
A	15(b)	Passive Income: Royalties	-	271	-	271
A	15(c)	PBS pass-through Royalties	20,357	-	-	20,357
A	16(c)	Gains and losses on investments	-	(29,627)	-	(29,627)
A	19	Major Individual Gifts	-	348,454	-	348,454
A	20	Other Direct Revenue	4,719	45,768	-	50,487
A	21	Spectrum Auction	-	78,945	-	78,945
B	1	Indirect Administrative Support	218,638	-	-	218,638
C	5D	In-Kind Contributions	-	376,240	-	376,240
			<u>\$ 9,795,142</u>	<u>\$ 10,192,183</u>	<u>\$ (4,972,217) (a)</u>	<u>\$ 15,015,108</u>

Total reported as NFFS (total Schedule A, Direct Revenue and Schedule B, Indirect Administrative Support less NFFS ineligible revenues): \$ 6,174,073

(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, 2021

<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	\$ 4,956,143	(a)	\$ 6,933,735	\$ (4,972,217)	(a) \$ 6,917,661
E	2	Broadcasting and Engineering	2,496,962		508,578	-	3,005,540
E	3	Program Information and Promotion	-		5,033	-	5,033
Support Services							
E	4	Management and General	750,388		1,159,847	-	1,910,235
E	5	Fundraising and Membership Development	-		1,246,326	-	1,246,326
Total Expenses			<u>\$ 8,203,493</u>		<u>\$ 9,853,519</u>	<u>\$ (4,972,217)</u>	<u>\$ 13,084,795</u>
Due to controlling entity							
Capital							
E	9(b)	Equipment	<u>\$ 2,131,608</u>		<u>\$ 2,264,609</u>		<u>\$ 4,396,217</u>

(a) \$4,972,217 of expenses recorded in programming that was recorded as revenue on PMNJ's books.