

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

Examination Report and Financial Schedules

June 30, 2023

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of 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 2023 Financial Reporting Guidelines governing the amounts reported as Non-Federal Financial Support ("NFFS") during the year ended June 30, 2023. 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 2023 Financial Reporting Guidelines governing the amounts reported as NFFS, (c) evaluating and monitoring the Authority's compliance with CPB's Fiscal Year 2023 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 2023 Financial Reporting Guidelines governing the amounts reported as NFFS, based on our examination.

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 2023 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 2023 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 2023 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 relating to the engagement.

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 2023 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 2023 Financial Reporting Guidelines governing amounts reported as NFFS during the year ended June 30, 2023, 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 13, 2024

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

COMBINING BALANCE SHEET

June 30, 2023

	New Jersey Public Broadcasting Authority	Public Media NJ, Inc.	Elimination	Total
Assets				
Cash and cash equivalents	\$ -	\$ 3,536,109	\$ -	\$ 3,536,109
Accounts receivable, net	105,566	562,344	(562,325) (a)	105,585
Due from State of New Jersey	1,897,215	-	-	1,897,215
Grants and gifts receivable, net	-	1,018,453	-	1,018,453
Costs incurred for programs not yet telecast	-	8,332	-	8,332
Prepaid expense and other assets	8,264	35,331	-	43,595
Investments	-	3,063,270	-	3,063,270
Capital assets, net	6,231,298	3,071,893	-	9,303,191
Lease right-of-use assets - operating	-	3,109,477	-	3,109,477
Total Assets	<u>\$ 8,242,343</u>	<u>\$ 14,405,209</u>	<u>\$ (562,325)</u>	<u>\$ 22,085,227</u>
Liabilities				
Accounts payable and accrued expenses	\$ 812,246	\$ 504,059	\$ (562,325) (a)	\$ 753,980
Unearned revenue	110,246	-	-	110,246
Due to controlling entity	-	449,341	-	449,341
Lease liability - operating	-	3,306,976	-	3,306,976
Total Liabilities	<u>922,492</u>	<u>4,260,376</u>	<u>(562,325)</u>	<u>4,620,543</u>
Net Position				
Investment in capital assets	6,231,298	-	-	6,231,298
Unrestricted	1,088,553	7,623,877	-	8,712,430
Temporarily restricted	-	2,470,956	-	2,470,956
Permanently restricted	-	50,000	-	50,000
Total Net Position	<u>7,319,851</u>	<u>10,144,833</u>	<u>-</u>	<u>17,464,684</u>
Total Liabilities and Net Position	<u>\$ 8,242,343</u>	<u>\$ 14,405,209</u>	<u>\$ (562,325)</u>	<u>\$ 22,085,227</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, 2023

	New Jersey Public Broadcasting Authority	Public Media NJ, Inc.	Elimination	Total
Support and Revenues				
New Jersey State support (direct)	\$ 2,964,833	\$ -	\$ (1,000,000) (a)	\$ 1,964,833
New Jersey State support (in-kind)	767,901	-	-	767,901
New Jersey Public Broadcasting Authority Trust Fund support	429,722	-	-	429,722
Contributions and grants	1,343,772	5,129,453	-	6,473,225
Rental income	3,619,435	-	-	3,619,435
Programming and service fees	200,000	5,018,176	(5,018,176) (a)	200,000
Royalties	45,741	-	-	45,741
Other income	345,013	1,001,887	-	1,346,900
Total Support and Revenues	<u>9,716,417</u>	<u>11,149,516</u>	<u>(6,018,176)</u>	<u>14,847,757</u>
Expenses				
Programming and production	6,042,644	9,574,179	(6,018,176) (a)	9,598,647
Education	-	-	-	-
Broadcasting and engineering	2,275,982	515,802	-	2,791,784
Fundraising and membership development	-	1,408,332	-	1,408,332
General and administrative	832,299	1,024,557	-	1,856,856
Total Expenses	<u>9,150,925</u>	<u>12,522,870</u>	<u>(6,018,176)</u>	<u>15,655,619</u>
Changes in Net Position	565,492	(1,373,354)	-	(807,862)
Net Position-Beginning of Year	<u>6,754,359</u>	<u>11,518,187</u>	<u>-</u>	<u>18,272,546</u>
Net Position-End of Year	<u>\$ 7,319,851</u>	<u>\$ 10,144,833</u>	<u>\$ -</u>	<u>\$ 17,464,684</u>

(a) Public Media NJ, Inc. recorded \$6,018,176 in revenues from the New Jersey Public Broadcasting Authority. Revenue and programming and production expenses were reduced by the same amount.

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

COMBINING SCHEDULE OF REVENUES FOR THE CORPORATION FOR PUBLIC BROADCASTING ANNUAL FINANCIAL REPORT Year Ended June 30, 2023

Sch. #	Line #	Description	New Jersey Public Broadcasting Authority	Public Media NJ, Inc.	Elimination	Total
A	1(f)	Federal Funds - Other	\$ 128,045	\$ 124,502	\$ (124,502) (a)	\$ 128,045
A	2(a)	Community Service Grant	1,314,730	1,314,730	(1,314,730) (a)	1,314,730
A	2(b)	All other funds from CPB	29,042	29,042	(29,042) (a)	29,042
A	2(c)	PBS non-royalties	-	-	-	-
A	2(e)	Public Broadcasting Stations	88,547	123,703	(83,703) (a)	128,547
A	4	State Government	3,997,420	1,045,808	(1,000,000) (b)	4,043,228
A	5	State Colleges and Universities	-	24,000	-	24,000
A	7	Private Colleges and Universities	62,604	64,317	(59,317) (a)	67,604
A	8	Foundations	-	584,647	-	584,647
A	9	Business	3,885,252	5,142,836	(3,406,882) (a)	5,621,206
A	10	Membership	-	1,683,720	-	1,683,720
A	15(a)	Interest and Dividends	-	113	-	113
A	15(b)	Passive Income: Royalties	-	192	-	192
A	16(b)	Realized gains/(losses) on investments (other than endowment funds)	-	84,293	-	84,293
A	16(c)	Unrealized gains/(losses) on investments and actuarial gains/(losses) on charitable trust and gift annuities (other than endowment funds)	-	31,638	-	31,638
A	19	Major Individual Gifts	-	507,864	-	507,864
A	20	Other Direct Revenue	45,741	10,250	-	55,991
A	21	Spectrum Auction	-	-	-	-
B	1	Indirect Administrative Support	165,036	-	-	165,036
C	5D	In-Kind Contributions	-	377,860	-	377,860
			<u>\$ 9,716,417</u>	<u>\$ 11,149,516</u>	<u>\$ (6,018,176)</u>	<u>\$ 14,847,757</u>

Total reported as NFFS (total Schedule A, Direct Revenue and Schedule B, Indirect Administrative Support less NFFS ineligible revenues)

\$ 7,229,462

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

(b) State appropriation allocated to PMNJ.

See independent accountants' report.

NEW JERSEY PUBLIC BROADCASTING AUTHORITY

COMBINING SCHEDULE OF EXPENSES/CAPITAL OUTLAY FOR THE CORPORATION FOR
PUBLIC BROADCASTING ANNUAL FINANCIAL REPORT
Year Ended June 30, 2023

<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	\$ 6,042,644	\$ 9,574,179	\$ (6,018,176) (a)	\$ 9,598,647
E	2	Broadcasting and Engineering	2,275,982	515,802	-	2,791,784
Support Services						
E	4	Management and General	832,299	1,024,557	-	1,856,856
E	5	Fundraising and Membership Development	-	1,408,332	-	1,408,332
		Total Expenses	<u>\$ 9,150,925</u>	<u>\$ 12,522,870</u>	<u>\$ (6,018,176)</u>	<u>\$ 15,655,619</u>
Capital						
E	9(b)	Equipment	<u>\$ 473,778</u>	<u>\$ 223,399</u>		<u>\$ 697,177</u>

(a) \$6,018,1760 of expenses recorded in programming that was recorded as revenue on PMNJ's books.