

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

Financial Statements

June 30, 2006 and 2005

(With Independent Auditors' Report Thereon)

The logo for Bowman & Company LLP is centered at the bottom of the page. It consists of a dark rectangular background. The word "Bowman" is written in a large, white, serif font. Below it, "& Company" is written in a smaller, white, serif font. At the bottom right of the rectangle, "LLP" is written in a small, white, sans-serif font.

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Independent Auditors' Report

The Board of Directors
The Alumni Association of Brookdale Community College
Lincroft, New Jersey 07738

We have audited the accompanying statements of financial position of the Alumni Association of Brookdale Community College (the Alumni association) (a nonprofit organization) as of June 30, 2006 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Alumni Association. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Alumni Association of Brookdale Community College, as of June 30, 2005, were audited by another auditor whose report dated September 30, 2005, expressed an unqualified opinion on those statements.

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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alumni Association of Brookdale Community College as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Respectfully Submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
October 16, 2006

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

Statements of Financial Position

June 30, 2006 and 2005

| Assets | <u>2006</u> | <u>2005</u> |
|-------------------------------------|-------------------|----------------|
| Cash and cash equivalents | \$ 106,052 | 115,407 |
| Investments, at fair value (note 2) | <u>112,516</u> | <u>110,426</u> |
| Total assets | <u>\$ 218,568</u> | <u>225,833</u> |
| Liabilities and Net Assets | | |
| Liabilities: | | |
| Due to Brookdale Community College | \$ 4,794 | 14,179 |
| Accounts payable - vendor | <u>11,500</u> | <u>—</u> |
| Total liabilities | <u>16,294</u> | <u>14,179</u> |
| Net assets: | | |
| Unrestricted | 97,669 | 109,118 |
| Temporarily restricted | <u>104,605</u> | <u>102,536</u> |
| Total net assets | <u>202,274</u> | <u>211,654</u> |
| Total liabilities and net assets | <u>\$ 218,568</u> | <u>225,833</u> |

See accompanying notes to financial statements.

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

Statements of Activities

Years ended June 30, 2006 and 2005

| | 2006 | | | 2005 | | |
|---|------------------|---------------------------|----------------|----------------|---------------------------|----------------|
| | Unrestricted | Temporarily restricted | Total | Unrestricted | Temporarily restricted | Total |
| Revenues, gains/losses and other support: | | | | | | |
| Contributions | \$ 50,564 | 145 | 50,709 | 55,234 | 50 | 55,284 |
| Alumni sponsored events | 9,906 | | 9,906 | 10,181 | | 10,181 |
| Interest and dividends | 1,437 | 3,422 | 4,859 | 926 | 4,280 | 5,206 |
| Net unrealized gain (loss) on investments | 1,355 | (873) | 482 | 1,644 | (1,432) | 212 |
| Membership dues | 4,651 | | 4,651 | 4,910 | | 4,910 |
| Net assets released from restrictions for scholarships | 625 | (625) | — | 1,000 | (1,000) | — |
| Total revenues, gains/losses and other support | <u>68,538</u> | <u>2,069</u> | <u>70,607</u> | <u>73,895</u> | <u>1,898</u> | <u>75,793</u> |
| Expenses: | | | | | | |
| Program: | | | | | | |
| Scholarships | 6,500 | | 6,500 | 1,000 | | 1,000 |
| Alumni sponsored events | 17,891 | | 17,891 | 18,785 | | 18,785 |
| Fundraising - Buy-A-Brick campaign | 2,737 | | 2,737 | 5,996 | | 5,996 |
| Management and general | 52,859 | | 52,859 | 56,351 | | 56,351 |
| Total expenses | <u>79,987</u> | <u>—</u> | <u>79,987</u> | <u>82,132</u> | <u>—</u> | <u>82,132</u> |
| Increase (decrease) in net assets | (11,449) | 2,069 | (9,380) | (8,237) | 1,898 | (6,339) |
| Net assets as of beginning of year | <u>109,118</u> | <u>102,536</u> | <u>211,654</u> | <u>117,355</u> | <u>100,638</u> | <u>217,993</u> |
| Net assets as of end of year | <u>\$ 97,669</u> | <u>104,605</u> | <u>202,274</u> | <u>109,118</u> | <u>102,536</u> | <u>211,654</u> |

See accompanying notes to financial statements.

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

Statements of Cash Flows

Years ended June 30, 2006 and 2005

| | <u>2006</u> | <u>2005</u> |
|---|--------------------------|-----------------------|
| Cash flows from operating activities: | | |
| Decrease in net assets | \$ (9,380) | (6,339) |
| Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities: | | |
| Net unrealized gain on investments | (482) | (212) |
| Increase (decrease) in total liabilities | <u>2,115</u> | <u>(6,884)</u> |
| Net cash provided by (used in) operating activities | <u>(7,747)</u> | <u>(13,435)</u> |
| Cash flows from investing activities: | | |
| Purchases of investments | <u>(1,608)</u> | <u>(3,364)</u> |
| Net cash used in investing activities | <u>(1,608)</u> | <u>(3,364)</u> |
| Net increase (decrease) in cash and cash equivalents | (9,355) | (16,799) |
| Cash and cash equivalents as of beginning of year | <u>115,407</u> | <u>132,206</u> |
| Cash and cash equivalents as of end of year | \$ <u><u>106,052</u></u> | <u><u>115,407</u></u> |
| Supplemental disclosure of cash flow information: | | |
| In-kind support | \$ 45,689 | 44,486 |

See accompanying notes to financial statements.

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

Notes to Financial Statements

June 30, 2006 and 2005

(1) Organization and Summary of Significant Accounting Policies

Organization

The Alumni Association of Brookdale Community College (the Alumni Association) was founded in 1973. The Alumni Association is a not-for-profit organization governed by a twenty-one member Board of Directors comprised of graduates and attendees of Brookdale Community College (the College). The Association provides scholarships to students and alumni of the College and sponsors special events that benefit certain College programs and activities.

The Alumni Association is an organization described under Section 501(c)(3) of the Internal Revenue Code and therefore is exempt from Federal income taxes under Section 501(a) of the Code.

Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and focus on the Alumni Association as a whole and present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- Unrestricted net assets - net assets not subject to any donor-imposed stipulations.
- Temporarily restricted net assets - net assets subject to donor-imposed stipulations that will be met by actions of the Association and/or by the passage of time.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets are reported as net assets released from restrictions.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution.

Functional Allocation of Expenses

The costs of providing program, fundraising and management and general services of the Alumni Association have been summarized on a functional basis in the statements of activities.

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

Notes to Financial Statements

June 30, 2006 and 2005

(1) Organization and Summary of Significant Accounting Policies (Cont'd)

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of contributions to be used for scholarships to students and alumni of the College.

Cash Equivalents

Cash equivalents are considered to be cash and are highly liquid investment instruments with original maturities of less than three months, with the exception of cash and cash equivalents that are held by the Association's investment custodian as part of its long-term investment portfolio.

Investments

Investments are recorded at fair value, based on quoted market values obtained from the investment manager.

Contributed Services

The Alumni Association utilizes management services provided by the College. For 2006, in-kind support of \$45,689 has been reflected as unrestricted contributions and management and general expense in the accompanying financial statements. For 2005, in-kind support of \$44,486 has been reflected as unrestricted contributions and management and general expense in the accompanying financial statements.

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 those estimates.

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

Notes to Financial Statements

June 30, 2006 and 2005

(2) Cash and Investments

Cash

During the year, the Alumni Association could have cash balances in excess of \$100,000 in their banking institutions, which are insured by the Federal Deposit Insurance Corporation (F.D.I.C.) up to \$100,000 per institution. At June 30, 2006, there were no significant uninsured cash balances.

Investments

The Alumni Association has an investment policy which establishes guidelines for permissible investments. It may invest in certificates of deposits and mutual funds.

The fair values by investment type are as follows as of June 30, 2006 and 2005:

| | 2006 | 2005 |
|-------------------------|------------------|----------------|
| Cash/money market funds | \$7,848 | 6,431 |
| Taxable fixed income | 88,513 | 89,387 |
| Mutual funds | 16,155 | 14,608 |
| | <u>\$112,516</u> | <u>110,426</u> |