

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

Financial Statements

June 30, 2006 and 2005

(With Independent Auditors' Report Thereon)

BOWMAN
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LLP



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Independent Auditors' Report

The Board of Trustees
Brookdale Community College:

We have audited the accompanying statement of net assets of WBJB-FM Radio, a public radio station operated by Brookdale Community College (WBJB-FM Radio) as of June 30, 2006, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of Brookdale Community College's management. Our responsibility is to express an opinion on these financial statements based on our audit. The basic financial statements of Brookdale Community College (WBJB-FM Radio), 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 audit 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 audit provides a reasonable basis for our opinion.

As discussed in note 1, the financial statements of WBJB-FM Radio are intended to present the financial position, and the changes in its financial position and its cash flows that are attributable to the transactions of this 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, 2006, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WBJB-FM Radio, a public radio station operated by Brookdale Community College as of June 30, 2006, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

WBJB-FM Radio has not presented the management's discussion and analysis required by accounting principles generally accepted in the United States of America that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

This report is intended solely for the information and use of the Board of Trustees and management of Brookdale Community College and the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Voorhees, New Jersey
November 9, 2006

WBJB-FM RADIO
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BROOKDALE COMMUNITY COLLEGE

Statements of Net Assets
June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
ASSETS		
Current assets:		
Due from Brookdale Community College	—	\$ 12,719
Due from Customers	\$ 9,145	11,973
Total current assets	9,145	24,692
Noncurrent assets:		
Capital assets, net	139,411	104,663
Total assets	148,556	129,355
LIABILITIES		
Current liabilities:		
Due to Brookdale Community College	9,145	—
Total liabilities	9,145	—
NET ASSETS		
Invested in capital assets (note 2)	139,411	104,663
Unrestricted	—	24,692
Total net assets	\$ 139,411	\$ 129,355

See accompanying notes to financial statements.

WBJB-FM RADIO
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BROOKDALE COMMUNITY COLLEGE
 Statements of Revenues, Expenses, and Changes in Assets
 For the fiscal years ended June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Operating revenues:		
CPB Grant	\$ 65,539	\$ 93,040
Service revenue	144,046	169,426
General college appropriation	244,496	180,327
Institutional and administrative college support	45,213	40,916
	499,294	483,709
Operating expenses:		
Programming and production	290,023	234,415
Broadcasting	56,758	67,353
Program information	10,522	10,064
Management and general	169,679	172,607
Depreciation	16,362	25,444
	543,344	509,883
Total operating expenses	543,344	509,883
Operating loss	(44,050)	(26,174)
Nonoperating revenues:		
Contributions	54,106	51,530
	54,106	51,530
Increase in net assets	10,056	25,356
Net assets:		
Net assets as of beginning of year	129,355	103,999
	129,355	103,999
Net assets as of end of year	\$ 139,411	\$ 129,355

See accompanying notes to financial statements.

WBJB-FM RADIO
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 Statements of Cash Flows
 For the fiscal years ended June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Payments to suppliers	\$ (56,062)	\$ (114,760)
Payments for employee salaries and benefits	(274,968)	(260,320)
Contractual payments	(171,260)	(97,379)
Service Revenue	144,046	169,426
General College Appropriation	244,496	180,327
Institutional and administrative college support	45,213	40,916
Grants	65,539	93,040
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(2,996)	11,250
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Cash flows from noncapital financing activities:		
Contributions	54,106	51,530
	<hr/>	<hr/>
Cash flows from capital financing activities:		
Purchases of equipment	(51,110)	(62,780)
	<hr/>	<hr/>
Net increase in cash	—	—
	<hr/>	<hr/>
Cash as of beginning of the year	—	—
	<hr/>	<hr/>
Cash as of end of the year	\$ —	\$ —
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	(44,050)	(26,174)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation	16,362	25,444
Change in assets and liabilities:		
Due from customers	2,828	15,162
Due from Brookdale Community College	12,719	(3,182)
Due to Brookdale Community College	9,145	—
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Net cash provided by (used in) operating activities	\$ (2,996)	\$ 11,250
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See accompanying notes to financial statements.

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Notes to Financial Statements

June 30, 2006 and 2005

(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.

Summary of Significant Accounting Policies

Basis of Presentation

The accounting policies of the Station conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities. In addition to complying with all applicable Governmental Accounting Standards Board (GASB) pronouncements, the Station's financial statements comply with the guidance provided by the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and the Committee on Accounting Procedure issued on or before November 30, 1989. GASB pronouncements take precedence when there is a conflict or contradiction between pronouncements. The College has elected not to apply FASB pronouncements issued after November 30, 1989.

Net Assets

The College classifies its resources into two net asset categories:

- ***Invested in Capital Assets*** – Capital assets, net of accumulated depreciation.
- ***Unrestricted*** – Net assets that are not subject to externally-imposed stipulations, unrestricted net assets may be designated for specific purposes by action of management to the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Measurement Focus and Basis of Accounting

The financial statements of the Station have been prepared on the accrual basis of accounting using the economic resources measurement focus. The Station reports 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.

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.

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Notes to Financial Statements

June 30, 2006 and 2005

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

Summary of Significant Accounting Policies (Cont'd)

Financial Dependency

The Station receives appropriations and support from the College, and is economically dependent on these amounts to carry on its operations.

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

(2) Capital Assets

Capital asset activity for the year ended June 30, 2006 and 2005 was as follows:

	<u>June 30,</u> <u>2005</u>	<u>Additions</u>	<u>June 30,</u> <u>2006</u>
Equipment	\$ 593,705	51,110	644,815
Less accumulated depreciation	489,042	16,362	505,404
	<u>\$ 104,663</u>	<u>34,748</u>	<u>139,411</u>