

**THE ALUMNI ASSOCIATION OF  
BROOKDALE COMMUNITY COLLEGE**

**Financial Statements**

For the years ended June 30, 2007 and 2006

(With Independent Auditors' Report Thereon)



**THE ALUMNI ASSOCIATION OF  
BROOKDALE COMMUNITY COLLEGE**  
For the years ended June 30, 2007 and 2006

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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, 2007 and 2006 and the related statement of activities and cash flows for the years 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 audits.

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, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

Voorhees, New Jersey  
September 5, 2007

**THE ALUMNI ASSOCIATION OF  
BROOKDALE COMMUNITY COLLEGE**

Statements of Financial Position

As of June 30, 2007 and 2006

<b>Assets</b>	<b>2007</b>	<b>2006</b>
Cash and cash equivalents	\$ 94,220	106,052
Investments, at fair value (note 2)	120,747	112,516
Total assets	\$ 214,967	218,568
<b>Liabilities and Net Assets</b>		
Liabilities:		
Due to Brookdale Community College	\$ 4,502	4,794
Accounts payable - vendor	—	11,500
Total liabilities	4,502	16,294
Net assets:		
Unrestricted	104,291	97,669
Temporarily restricted	106,174	104,605
Total net assets	210,465	202,274
Total liabilities and net assets	\$ 214,967	218,568

See accompanying notes to financial statements.

**THE ALUMNI ASSOCIATION OF  
BROOKDALE COMMUNITY COLLEGE**

Statements of Activities

For the years ended June 30, 2007 and 2006

	2007			2006		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenues, gains/losses and other support:						
Contributions	\$ 56,621	—	56,621	50,564	145	50,709
Alumni sponsored events	28,787	—	28,787	9,906	—	9,906
Interest and dividends	2,152	3,992	6,144	1,437	3,422	4,859
Net unrealized gain (loss) on investments	3,669	577	4,246	1,355	(873)	482
Membership dues	4,190	—	4,190	4,651	—	4,651
Net assets released from restrictions for scholarships	3,000	(3,000)	—	625	(625)	—
Total revenues, gains/losses and other support	<u>98,419</u>	<u>1,569</u>	<u>99,988</u>	<u>68,538</u>	<u>2,069</u>	<u>70,607</u>
Expenses:						
Program:						
Scholarships	3,000	—	3,000	6,500	—	6,500
Alumni sponsored events	29,552	—	29,552	17,891	—	17,891
Fundraising - Buy-A-Brick campaign	3,373	—	3,373	2,737	—	2,737
Management and general	55,872	—	55,872	52,859	—	52,859
Total expenses	<u>91,797</u>	<u>—</u>	<u>91,797</u>	<u>79,987</u>	<u>—</u>	<u>79,987</u>
Increase (decrease) in net assets	6,622	1,569	8,191	(11,449)	2,069	(9,380)
Net assets as of beginning of year	97,669	104,605	202,274	109,118	102,536	211,654
Net assets as of end of year	<u>\$ 104,291</u>	<u>106,174</u>	<u>210,465</u>	<u>97,669</u>	<u>104,605</u>	<u>202,274</u>

See accompanying notes to financial statements.

**THE ALUMNI ASSOCIATION OF  
BROOKDALE COMMUNITY COLLEGE**

Statements of Cash Flows

For the years ended June 30, 2007 and 2006

	2007	2006
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 8,191	(9,380)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Net unrealized gain on investments	(4,246)	(482)
Increase (decrease) in total liabilities	(11,792)	2,115
Net cash used in operating activities	(7,847)	(7,747)
Cash flows from investing activities:		
Purchases of investments	(3,985)	(1,608)
Net cash used in investing activities	(3,985)	(1,608)
Net decrease in cash and cash equivalents	(11,832)	(9,355)
Cash and cash equivalents as of beginning of year	106,052	115,407
Cash and cash equivalents as of end of year	\$ 94,220	106,052
Supplemental disclosure of cash flow information:		
In-kind support	\$ 46,903	45,689

See accompanying notes to financial statements.

**THE ALUMNI ASSOCIATION OF  
BROOKDALE COMMUNITY COLLEGE**

Notes to Financial Statements

For the years ended June 30, 2007 and 2006

**(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 Alumni Association provides scholarships to students and alumni of the College and sponsors special events that benefit certain College programs and activities.

The 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 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 Association have been summarized on a functional basis in the statements of activities.

**THE ALUMNI ASSOCIATION OF  
BROOKDALE COMMUNITY COLLEGE**

Notes to Financial Statements

For the years ended June 30, 2007 and 2006

*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.

*Contributed Services*

The Association utilizes management services provided by the College. For 2007, in-kind support of \$46,903 has been reflected as unrestricted contributions and management and general expense in the accompanying financial statements. For 2006, in-kind support of \$45,689 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

For the years ended June 30, 2007 and 2006

**(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, 2007 and 2006, there were no significant uninsured cash balances.

**Investments**

The Alumni Association has an investment policy which establishes guidelines for permissible investments, which include certificates of deposits, mutual funds and taxable fixed income funds.

The fair values by investment type are as follows for June 30, 2007 and 2006:

Fair Value:	<u>2007</u>	<u>2006</u>
Money market funds	\$4,776	7,848
Taxable fixed income	96,147	88,513
Mutual funds	19,824	16,155
	<hr/>	<hr/>
	120,747	112,516
Cost	<hr/>	<hr/>
	116,501	112,034
Net unrealized gain on investments	<u>\$4,246</u>	<u>482</u>