

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

Financial Statements

June 30, 2007 and 2006

(With Independent Auditors' Report Thereon)





Certified Public Accountants & Consultants
601 White Horse Road
Voorhees, NJ 08043-2493
(856) 435-6200
Fax: (856) 435-0440
E-Mail cpas@bowmanllp.com
www.bowmanllp.com

Members of:
American Institute of CPAs
New Jersey Society of CPAs

Independent Auditors' Report

The Board of Trustees
Brookdale Community College:

We have audited the accompanying statements of net assets of WBJB-FM Radio, a public radio station operated by Brookdale Community College (WBJB-FM Radio) as of June 30, 2007 and 2006, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years 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.

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, 2007 and 2006, and the changes in its financial position and its cash flows for the years 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, 2007 and 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.

The accompanying management's discussion and analysis (MD&A) is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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
October 29, 2007

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

Management's Discussion and Analysis
For fiscal year ended June 30, 2007

Introduction and Reporting Entity

The following Management Discussion and Analysis is an overview of the financial condition and operations of WBJB-FM Radio (the Station) for fiscal years ended June 30, 2007, 2006 and 2005. This discussion is supplemental to, and should be read with the financial statements and related footnotes that follow this section.

WBJB-FM Radio is a public radio station operated by Brookdale Community College. They first broadcasted on January 13, 1975. The radio station currently reaches approximately 39,000 listeners on a weekly basis, featuring informational top of the hour NPR newscasts, local features; traffic, news, weather, community bulletin boards, public service announcements and pertinent College information, integrated into the Adult, Album Alternative musical format, publicly providing informative, educational and artistic programming.

Overview of the Financial Statements

The Station's basic financial statements include a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. The financial statements are prepared in accordance with the accounting principles established by the Governmental Accounting Standards Board (GASB).

Summary of Assets and Liabilities

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>Change</u> <u>2006-2007</u>
Assets:				
Current Assets	\$ 6,684	9,145	24,692	(2,461)
Net Capital Assets	119,895	139,411	104,663	(19,516)
	<hr/>			
Total Assets	126,579	148,556	129,355	(21,977)
	<hr/>			
Liabilities:				
Current Liabilities	\$ 6,684	9,145	-	(2,461)
	<hr/>			

The change in assets was due to depreciation expense, of \$19,516. No new capital assets were purchased during fiscal year 2007.

Summary of Revenues, Expenses, and Changes in Net Assets

The Station receives its revenue from three major sources: College Appropriation, Service Revenue (membership and underwriting), and CPB Grants.

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating revenues:			
CPB Grant	\$ 54,651	\$ 65,539	\$ 93,040
Service revenue	132,203	144,046	169,426
General college appropriation	213,049	244,496	180,327
Institutional and administrative college support	45,749	45,213	40,916
	<u>445,652</u>	<u>499,294</u>	<u>483,709</u>
Operating expenses:			
Programming and production	291,628	290,023	234,415
Broadcasting	64,079	56,758	67,353
Program information	10,541	10,522	10,064
Management and general	136,216	169,679	172,607
Depreciation	19,516	16,362	25,444
	<u>521,980</u>	<u>543,344</u>	<u>509,883</u>
Total operating expenses	<u>521,980</u>	<u>543,344</u>	<u>509,883</u>
Operating loss	<u>(76,328)</u>	<u>(44,050)</u>	<u>(26,174)</u>
Nonoperating revenues:			
Contributions	<u>56,812</u>	<u>54,106</u>	<u>51,530</u>
Increase (Decrease) in net assets	(19,516)	10,056	25,356
Net assets:			
Net assets as of beginning of year	<u>139,411</u>	<u>129,355</u>	<u>103,999</u>
Net assets as of end of year	<u>\$ 119,895</u>	<u>\$ 139,411</u>	<u>\$ 129,355</u>

Overall, operating revenue decreased \$53,642 or 10.7 percent, this was due to a decrease in Service Revenue and College Appropriation. The College Appropriation decreased in FY07 because the College made an additional contribution to the Station of \$51,110 for the purchase of equipment in FY06. Service revenue decreased 8.2 percent or \$11,843 from 2006. This was due to a decrease in membership income. In an effort to correct this, the Station has increased its number of membership drives from 2 to 3 during FY08. In addition, major programming modifications were implemented January 2007 to: 1) broaden target audience demographics, 2) more efficiently utilize operating and grant funds, 3) increase listening audience and revenues

WBJB-FM RADIO
A PUBLIC RADIO STATION OPERATED BY
BROOKDALE COMMUNITY COLLEGE
 Statements of Net Assets
 As of June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets:		
Due from Customers	\$ 6,684	\$ 9,145
Noncurrent assets:		
Capital assets, net	<u>119,895</u>	<u>139,411</u>
Total assets	<u>126,579</u>	<u>148,556</u>
LIABILITIES		
Current liabilities:		
Due to Brookdale Community College	<u>6,684</u>	<u>9,145</u>
NET ASSETS		
Invested in capital assets (note 2)	\$ <u><u>119,895</u></u>	\$ <u><u>139,411</u></u>

See accompanying notes to financial statements.

WBJB-FM RADIO
A PUBLIC RADIO STATION OPERATED BY
BROOKDALE COMMUNITY COLLEGE
Statements of Revenues, Expenses, and Changes in Net Assets
For the fiscal years ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Operating revenues:		
CPB Grant	\$ 54,651	\$ 65,539
Service revenue	132,203	144,046
General college appropriation	213,049	244,496
Institutional and administrative college support	45,749	45,213
	445,652	499,294
Operating expenses:		
Programming and production	291,628	290,023
Broadcasting	64,079	56,758
Program information	10,541	10,522
Management and general	136,216	169,679
Depreciation	19,516	16,362
	521,980	543,344
Total operating expenses	521,980	543,344
Operating loss	(76,328)	(44,050)
Nonoperating revenues:		
Contributions	56,812	54,106
	56,812	54,106
Increase (Decrease) in net assets	(19,516)	10,056
Net assets:		
Net assets as of beginning of year	139,411	129,355
Net assets as of end of year	\$ 119,895	\$ 139,411

See accompanying notes to financial statements.

WBJB-FM RADIO
A PUBLIC RADIO STATION OPERATED BY
BROOKDALE COMMUNITY COLLEGE
Statements of Cash Flows
For the fiscal years ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Payments to suppliers	\$ (74,517)	\$ (56,062)
Payments for employee salaries and benefits	(296,248)	(274,968)
Contractual payments	(131,699)	(171,260)
Service Revenue	132,203	144,046
General College Appropriation	213,049	244,496
Institutional and administrative college support	45,749	45,213
Grants	54,651	65,539
	<hr/>	<hr/>
Net cash used in operating activities	(56,812)	(2,996)
	<hr/>	<hr/>
Cash flows from noncapital financing activities:		
Contributions	56,812	54,106
	<hr/>	<hr/>
Cash flows from capital financing activities:		
Purchases of equipment	—	(51,110)
	<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/>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	(76,328)	(44,050)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation	19,516	16,362
Change in assets and liabilities:		
Due from customers	2,461	2,828
Due from Brookdale Community College	(2,461)	21,864
	<hr/>	<hr/>
Net cash used in operating activities	\$ (56,812)	\$ (2,996)
	<hr/>	<hr/>

See accompanying notes to financial statements.

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

Notes to Financial Statements

For the fiscal years ended June 30, 2007 and 2006

(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.

(Continued)

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

Notes to Financial Statements

For the fiscal years ended June 30, 2007 and 2006

(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 years ended June 30, 2007 and 2006 was as follows:

	<u>June 30,</u> <u>2006</u>	<u>Additions</u>	<u>June 30,</u> <u>2007</u>
Equipment	\$ 644,815	—	644,815
Less accumulated depreciation	505,404	19,516	524,920
	<u>\$ 139,411</u>	<u>(19,516)</u>	<u>119,895</u>