

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

Financial Statements

June 30, 2008 and 2007

(With Independent Auditors' Report Thereon)

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, 2008 and 2007, 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.

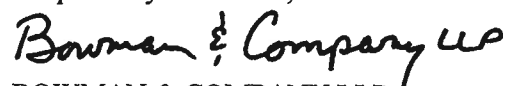
As discussed in note 1, the financial statements of WBJB-FM Radio are intended to present the financial position, and the changes in its financial position and its cash flows that are attributable to the transactions of this department of Brookdale Community College. They do not purport to, and do not, present fairly the financial position of Brookdale Community College as of June 30, 2008 and 2007, 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, 2008 and 2007, 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
Certified Public Accountants
& Consultants

Voorhees, New Jersey
October 21, 2008

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

Management's Discussion and Analysis
For fiscal years ended June 30, 2008, 2007, and 2006

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, 2008, 2007, and 2006. 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 National Public Radio (NPR) newscasts and local features which include traffic, news, weather, community bulletin boards, public service announcements, and pertinent College information – all of which is integrated into the Adult, Album Alternative musical format, publicly providing informative, educational and artistic programming.

General Financial Information

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

		2008	2007	2006	Change 2007-2008
Assets					
Current assets	\$	20,387	6,684	9,145	13,703
Net capital assets		100,377	119,895	139,411	(19,518)
Total assets		<u>120,764</u>	<u>126,579</u>	<u>148,556</u>	<u>(5,815)</u>
Current liabilities	\$	<u>-</u>	<u>6,684</u>	<u>9,145</u>	<u>(9,145)</u>

The increase in current assets was due to an increase in \$18,027 due from Brookdale Community College. The decrease in net capital assets was due to depreciation expense of \$19,518 in fiscal year 2008. No new capital assets were purchased during fiscal year 2008.

Summary of Revenues, Expenses, and Changes in Net Assets

The Station receives its revenue from three major sources: College Support and Appropriation, Service Revenue (membership and underwriting), and Center for Public Broadcasting Grants.

WBJB SUMMARY OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS AS OF JUNE 30, 2008

	2008	2007	2006	Change 2007-2008
Operating revenues:				
CPB Grant	\$ 100,402	54,651	65,539	45,751
Service revenue	124,703	132,203	144,046	(7,500)
General College appropriation	198,417	213,049	244,496	(14,632)
Institutional & administrative College support	48,081	45,749	45,213	2,332
Total operating revenues	<u>471,603</u>	<u>445,652</u>	<u>499,294</u>	<u>25,951</u>
Operating expenses:				
Programming & production	264,555	291,628	290,023	(27,073)
Broadcasting	72,215	64,079	56,758	8,136
Program information	14,211	10,541	10,522	3,670
Management & general	136,075	136,216	169,679	(141)
Fund raising & membership development	23,813	0		23,813
Depreciation	19,518	19,516	16,362	2
Total operating expenses	<u>530,387</u>	<u>521,980</u>	<u>543,344</u>	<u>8,407</u>
Operating loss	(58,784)	(76,328)	(44,050)	17,544
Nonoperating revenue				
Contributions	59,653	56,812	54,106	2,841
Net increase (decrease) in net assets	<u>869</u>	<u>(19,516)</u>	<u>10,056</u>	<u>20,385</u>
Net assets				
Net assets as of beginning of year	119,895	139,411	129,355	(19,516)
Net assets as of end of year	<u>\$ 120,764</u>	<u>119,895</u>	<u>139,411</u>	<u>869</u>

In fiscal year 2008, the CPB Grant increased \$45,751 over fiscal year 2007. This was a direct result of restricted expenses for programming and production, broadcasting, program information and membership development increasing.

Programming and production expenses decreased \$27,073 from fiscal year 2007 due to a concentrated effort on the part of management to focus more on membership development, as noted by an increase of \$23,813 in fiscal year 2008.

The Station continues to meet its challenges and qualifies for CPB funding by reaching the designated Listening Index or Direct Financial Support criteria. The Station has more effectively reallocated the CPG funds to cover other expenditures that were previously covered by the Auxiliary budget, thereby increasing the existing fund balance. In fiscal year 2007, the station made significant programming modifications, which resulted in a shift in memberships and listeners. It is anticipated that this shift will result in additional membership revenue in the upcoming fiscal years.

WBJB-FM RADIO
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Statements of Net Assets
As of June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets:		
Due from Brookdale Community College	\$ 18,027	\$ —
Due from customers	2,360	6,684
	20,387	6,684
Total current assets		
Noncurrent assets:		
Capital assets, net	100,377	119,895
	120,764	126,579
Total assets		
LIABILITIES		
Current liabilities:		
Due to Brookdale Community College	—	6,684
	—	6,684
NET ASSETS		
Invested in capital assets (note 2)	100,377	119,895
Unrestricted	20,387	—
	120,764	119,895
Total net assets	\$ 120,764	\$ 119,895

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, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating revenues:		
CPB Grant	\$ 100,402	\$ 54,651
Service revenue	124,703	132,203
General college appropriation	198,417	213,049
Institutional and administrative college support	<u>48,081</u>	<u>45,749</u>
Total operating revenues	<u>471,603</u>	<u>445,652</u>
Operating expenses:		
Programming and production	264,555	291,628
Broadcasting	72,215	64,079
Program information	14,211	10,541
Management and general	136,075	136,216
Fund raising and membership development	23,813	
Depreciation	<u>19,518</u>	<u>19,516</u>
Total operating expenses	<u>530,387</u>	<u>521,980</u>
Operating loss	<u>(58,784)</u>	<u>(76,328)</u>
Nonoperating revenues:		
Contributions	<u>59,653</u>	<u>56,812</u>
Increase (Decrease) in net assets	869	(19,516)
Net assets:		
Net assets as of beginning of year	<u>119,895</u>	<u>139,411</u>
Net assets as of end of year	<u>\$ 120,764</u>	<u>\$ 119,895</u>

See accompanying notes to financial statements.

WBJB-FM RADIO
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 Statements of Cash Flows
 For the fiscal years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Payments to suppliers	\$ (127,762)	\$ (74,517)
Payments for employee salaries and benefits	(274,738)	(296,248)
Contractual payments	(128,756)	(131,699)
Service Revenue	124,703	132,203
General College Appropriation	198,417	213,049
Institutional and administrative college support	48,081	45,749
Grants	100,402	54,651
	<hr/>	<hr/>
Net cash used in operating activities	(59,653)	(56,812)
	<hr/>	<hr/>
Cash flows from noncapital financing activities:		
Contributions	59,653	56,812
	<hr/>	<hr/>
Cash flows from capital financing activities:		
Purchases of equipment	—	—
	<hr/>	<hr/>
Net increase in cash	—	—
	<hr/>	<hr/>
Cash as of beginning of the year	<hr/>	<hr/>
Cash as of end of the year	\$ <u>—</u>	\$ <u>—</u>
	<hr/>	<hr/>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	(58,784)	(76,328)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	19,518	19,516
Change in assets and liabilities:		
Due from customers	4,324	2,461
Due to Brookdale Community College	(6,684)	
Due from Brookdale Community College	(18,027)	(2,461)
	<hr/>	<hr/>
Net cash used in operating activities	\$ (59,653)	\$ (56,812)
	<hr/>	<hr/>

See accompanying notes to financial statements.

WBJB-FM RADIO
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Notes to Financial Statements

For the fiscal years ended June 30, 2008 and 2007

(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)

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Notes to Financial Statements

For the fiscal years ended June 30, 2008 and 2007

(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.

Classification of Revenues

The Station has classified its revenues as either operating or nonoperating revenues in accordance with the guidelines established by GASB No. 34.

Income Taxes

The College is exempt from income taxes under section 115 (1) of the Internal Revenue Code, as amended. As a department of the College, the Station is also exempt from income taxes.

(2) Capital Assets

Capital asset activity for the years ended June 30, 2008 and 2007 was as follows:

	<u>June 30, 2007</u>	<u>Additions</u>	<u>June 30, 2008</u>
Equipment	\$ 644,815	—	644,815
Less accumulated depreciation	524,920	19,518	544,438
	<u>\$ 119,895</u>	<u>(19,518)</u>	<u>100,377</u>