

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

Financial Statements

June 30, 2010 and 2009

(With Independent Auditors' Report Thereon)

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

For the Years Ended June 30, 2010 and 2009

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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, 2010 and 2009, 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 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.

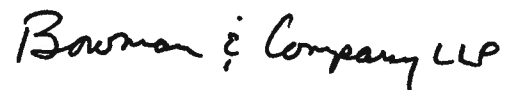
As discussed in note 1, the financial statements of WBJB-FM Radio are intended to present the financial position, and the changes in its financial position and its cash flows that are attributable to the transactions of this department of Brookdale Community College. They do not purport to, and do not, present fairly the financial position of Brookdale Community College as of June 30, 2010 and 2009, 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, 2010 and 2009, 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.

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 19, 2010

WBJB-FM RADIO
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BROOKDALE COMMUNITY COLLEGE

Management's Discussion and Analysis
For fiscal years ended June 30, 2010 and 2009

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, 2010 and 2009. 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. As of March, 2010 The Station now broadcasts three multicast HD channels: 90.5 The NIGHT, Altrok Radio, and student-run Brookdale Student Radio.

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

		2010	2009	2008	Change 2009-2010
Assets					
Current assets	\$	82,377	63,898	20,387	18,479
Net capital assets		93,139	87,238	100,377	5,901
Total assets		<u>175,516</u>	<u>151,136</u>	<u>120,764</u>	<u>24,380</u>
Current liabilities	\$	-	-	-	-

The increase in current assets of \$18,479 was due to the following:

- An increase of \$29,292 in various prepaid expenses.
- A decrease of \$27,021 in the due from the Brookdale Community College account.
- An increase of \$16,208 in the due from customers account, this was due to a fundraiser being held in June, 2010.

Net capital assets increased in the net by \$5,901. This was due to the purchase of \$20,042 in new capital assets less depreciation expense of \$14,141.

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Management's Discussion and Analysis
For fiscal years ended June 30, 2010, 2009, and 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 Corporation for Public Broadcasting Grants.

SUMMARY OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS
For fiscal years ended June 30,

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>Change 2009-2010</u>
Operating revenues:				
CPB Grant	\$ 101,135	89,639	100,402	11,496
Service revenue	151,156	152,170	124,703	(1,014)
General College appropriation	207,360	206,271	198,417	1,089
Institutional & administrative College support	47,674	51,187	48,081	(3,513)
Total operating revenues	<u>507,325</u>	<u>499,267</u>	<u>471,603</u>	<u>8,058</u>
Operating expenses:				
Programming & production	277,949	269,935	264,555	8,014
Broadcasting	85,680	80,237	72,215	5,443
Program information	9,349	10,077	14,211	(728)
Management & general	134,800	138,524	136,075	(3,724)
Fund raising & membership development	22,177	16,636	23,813	5,541
Depreciation	14,141	13,139	19,518	1,002
Total operating expenses	<u>544,096</u>	<u>528,548</u>	<u>530,387</u>	<u>15,548</u>
Operating loss	(36,771)	(29,281)	(58,784)	(7,490)
Nonoperating revenue				
Contributions	61,151	59,653	59,653	1,498
Net increase (decrease) in net assets	24,380	30,372	869	(5,992)
Net assets				
Net assets as of beginning of year	151,136	120,764	119,895	30,372
Net assets as of end of year	<u>\$ 175,516</u>	<u>151,136</u>	<u>120,764</u>	<u>24,380</u>

Fiscal Year 2009 to 2010

The operating loss of the Station increased by \$7,490 to \$36,771 in fiscal year 2010. This was the net result of operating expenses increasing \$15,548 and operating revenue increasing by \$8,058. Net assets increased \$24,380.

In Fiscal Year 2010 The Station was able to restore full Community Service Grant status with The Corporation for Public Broadcasting. This was due to an increase in their listenership and station management finding error in the reporting of the listener data. Those two items resulted in CPB restoring funding to the FY2008 level (adjusted for current year).

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Management's Discussion and Analysis
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Fiscal Year 2009 to 2010-con't

Total operating revenue increased \$8,058 or 1.6% in fiscal year 2010. This increase was due to an increase in grant income of \$11,496 which included a onetime Fiscal Stabilization Grant of \$7,717.

Operating expenses increased \$15,548 or 2.9%. Fund raising, advertising, and membership development costs increased \$5,541 or 33.3% as the Station continues to invest in the areas that will directly increase listenership, membership, and underwriting to meet listener indexes and direct financial support.

Fiscal Year 2008 to 2009

In fiscal year 2009, total operating revenues increased overall by \$27,664 or 5.9% over fiscal year 2008 total operating revenues. While CPB grant revenue decreased by \$10,763 due to a drawdown timing issue, service revenue increase 22.0%, as listenership rose to all-time station high as a result of program modifications. This increase led to a rise in listener donations, sponsorships and underwriting contracts. The General College appropriation increased \$7,854, or 4.0%, directly related to salary increases as prescribed by existing labor negotiations, which the College funds.

Operating expenses in the net experienced a decrease of \$1,839. Salary increases were responsible for modest increases in programming & productions, and broadcasting costs. Program information and fundraising & membership development decreased \$4,134 and \$7,177 respectively, because the majority of costs associated with the change in program format were in fiscal year 2008. Depreciation decreased \$6,379, or 32.7% due to an increase of assets fully depreciated.

The Station was successful in meeting its qualifications for the CPB funding due to significant program modifications, which will hopefully continue to result in additional membership revenue for the upcoming fiscal years.

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Statements of Net Assets
As of June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current assets:		
Due from Brookdale Community College	\$ 34,890	\$ 61,911
Due from customers	18,195	1,987
Prepaid Expenses	29,292	
	82,377	63,898
Total current assets		
Noncurrent assets:		
Capital assets, net	93,139	87,238
	175,516	151,136
Total assets		
NET ASSETS		
Invested in capital assets (note 2)	93,139	87,238
Unrestricted	82,377	63,898
	175,516	151,136
Total net assets	\$ 175,516	\$ 151,136

See accompanying notes to financial statements.

WBJB-FM RADIO
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 Statements of Revenues, Expenses, and Changes in Net Assets
 For the fiscal years ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating revenues:		
CPB Grant	\$ 101,135	\$ 89,639
Service revenue	151,156	152,170
General college appropriation	207,360	206,271
Institutional and administrative college support	47,674	51,187
	<hr/>	<hr/>
Total operating revenues	507,325	499,267
	<hr/>	<hr/>
Operating expenses:		
Programming and production	277,949	269,935
Broadcasting	85,680	80,237
Program information	9,349	10,077
Management and general	134,800	138,524
Fund raising and membership development	22,177	16,636
Depreciation	14,141	13,139
	<hr/>	<hr/>
Total operating expenses	544,096	528,548
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Operating loss	(36,771)	(29,281)
	<hr/>	<hr/>
Nonoperating revenues:		
Contributions	61,151	59,653
	<hr/>	<hr/>
Increase in net assets	24,380	30,372
	<hr/>	<hr/>
Net assets:		
Net assets as of beginning of year	151,136	120,764
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Net assets as of end of year	\$ 175,516	\$ 151,136
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See accompanying notes to financial statements.

WBJB-FM RADIO
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 Statements of Cash Flows
 For the fiscal years ended June 30, 2010 and 2009

	<u>2010</u>		<u>2009</u>
Cash flows from operating activities:			
Payments to suppliers	\$ (124,276)	\$	(136,234)
Payments for employee salaries and benefits	(282,943)		(283,336)
Contractual payments	(141,215)		(139,350)
Cash received from:			
Service revenue	151,156		152,170
General college appropriation	207,360		206,271
Institutional and administrative college support	47,674		51,187
Grants	101,135		89,639
	<u>(41,109)</u>		<u>(59,653)</u>
Net cash used in operating activities			
Cash flows from noncapital financing activities:			
Contributions	61,151		59,653
	<u>61,151</u>		<u>59,653</u>
Cash flows from capital financing activities:			
Purchases of equipment	(20,042)		—
	<u>(20,042)</u>		<u>—</u>
Net increase in cash	—		—
Cash as of beginning of the year	—		—
Cash as of end of the year	<u>\$ —</u>	<u>\$</u>	<u>—</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	(36,771)		(29,281)
Adjustment to reconcile operating loss to net cash used in operating activities			
Depreciation	14,141		13,139
Change in assets and liabilities:			
Prepaid expenses	(29,292)		(43,884)
Due from customers	(16,208)		
Due to Brookdale Community College	—		373
Due from Brookdale Community College	27,021		—
	<u>(41,109)</u>		<u>(59,653)</u>
Net cash used in operating activities	<u>\$ (41,109)</u>	<u>\$</u>	<u>(59,653)</u>

See accompanying notes to financial statements.

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Notes to Financial Statements

For the fiscal years ended June 30, 2010 and 2009

(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 Station has elected not to apply FASB pronouncements issued after November 30, 1989.

Net Assets

The Station 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, 2010 and 2009

(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, 2010 and 2009 was as follows:

	<u>June 30, 2009</u>	<u>Additions</u>	<u>June 30, 2010</u>
Equipment	\$ 644,815	20,042	664,857
Less accumulated depreciation	557,577	14,141	571,718
	<u>\$ 87,238</u>	<u>5,901</u>	<u>93,139</u>