



**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

For the fiscal year ended June 30, 2011

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Alumni Association of Brookdale Community College
Lincroft, New Jersey

We have audited the accompanying statement of financial position of the Alumni Association of Brookdale Community College (the "Association") as of June 30, 2011, and the related statements of activities, changes in net assets, and cash flows for the year 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 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

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, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

Wall, New Jersey
December 1, 2011

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

Statement of Financial Position
As of June 30, 2011

Assets

Cash and cash equivalents	\$ 74,975
Investments, at fair value	117,368
	<hr/>
Total assets	\$ 192,343
	<hr/> <hr/>

Liabilities and Net Assets

Liabilities:	
Due to Brookdale Community College	\$ 4,848
	<hr/>

Net assets:

Unrestricted	80,042
Temporarily restricted	107,453
	<hr/>
Total net assets	187,495
	<hr/>
Total liabilities and net assets	\$ 192,343
	<hr/> <hr/>

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

Statement of Activities

For the Fiscal Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenues, gains and other support:			
Contributions	\$ 53,411	\$ -	\$ 53,411
Alumni sponsored events	10,910	-	10,910
Interest and dividends	346	1,807	2,153
Net realized and unrealized gain on investments	4,326	5,387	9,713
Membership dues	440		440
Net assets released from restrictions for:			
scholarships	2,024	(2,024)	-
Total revenues, gains and other support	<u>71,457</u>	<u>5,170</u>	<u>76,627</u>
Expenses:			
Program:			
Scholarships	6,500	-	6,500
Alumni sponsored events	5,805	-	5,805
Management and general	59,603	-	59,603
Total expenses	<u>71,908</u>	<u>-</u>	<u>71,908</u>
Increase (decrease) in net assets	(451)	5,170	4,719
Net assets as of beginning of year	<u>80,493</u>	<u>102,283</u>	<u>182,776</u>
Net assets as of end of year	<u>\$ 80,042</u>	<u>\$ 107,453</u>	<u>\$ 187,495</u>

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2011

Cash flows from operating activities:	
Increase in net assets	\$ 4,719
Adjustments to reconcile increase in net assets to net cash used in operating activities:	
Net realized and unrealized gain on investments	(9,713)
Decrease in total liabilities	<u>(6,341)</u>
Net cash used in operating activities	<u>(11,335)</u>
Cash flows from investing activities:	
Proceeds from sale of investments	2,000
Purchases of investments	<u>(1,800)</u>
Net cash provided by investing activities	<u>200</u>
Net decrease in cash and cash equivalents	(11,135)
Cash and cash equivalents as of beginning of year	<u>86,110</u>
Cash and cash equivalents as of end of year	<u>\$ 74,975</u>
Supplemental disclosure of cash flow information:	
In-kind support	\$ 53,411

**THE ALUMNI ASSOCIATION OF
BROOKDALE COMMUNITY COLLEGE**

Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011

(1) Organization and Summary of Significant Accounting Policies

Organization

The Alumni Association of Brookdale Community College (the “Association”) was founded in 1973. The Alumni Association is a not-for-profit Association governed by a five 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.

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 - Unrestricted net assets generally result from revenues derived from providing services, receiving unrestricted contributions, unrealized and realized gains and losses, and receiving dividends and interest from investing in income-producing assets, less expenses incurred in providing services, raising contributions and performing administrative functions.
- Temporarily Restricted Net Assets - Temporarily restricted net assets generally result from contributions and other inflows of assets whose use by the Association is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Association pursuant to those stipulations.
- Permanently Restricted Net Assets - Permanently restricted net assets generally represent the historical cost (market value at date of gift) of contributions and other inflows of assets whose use by the Association is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Association. The Association does not have any permanently restricted net assets.

Contributions

The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

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Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011

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 statement of activities.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of contributions to be used for scholarships to students and alumni of the College. Temporarily restricted net assets released from restrictions were \$2,024 for the year ended June 30, 2011.

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 stated at fair value.

Contributed Services

The Association utilizes management services provided by the College. For 2011, in-kind support of \$53,411 has been included 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.

Federal Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly does not record a provision for income taxes on its earnings. The Association is eligible to receive a charitable contribution deduction under Section 170(b)(1)(A) and is classified as an Association other than a private foundation under Section 509(a)(2).

**THE ALUMNI ASSOCIATION OF
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Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011

Uncertainty in Income Taxes

The Financial Accounting Standards Board's ("FASB") interpretation regarding *Accounting for Uncertainty in Income Taxes* clarifies the accounting of uncertainty in income taxes recognized in an enterprise's financial statements in accordance with Accounting for Income Taxes. The Association regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax exempt status, unrelated business income, and related matters. The Association believes that in the event of an examination by taxing authorities, the Association's positions would prevail based upon the technical merits of such positions. Therefore, the Association has concluded that no tax benefits or liabilities are required to be recognized in accordance with the accounting interpretation. The income tax returns of the Association for June 30, 2010, 2009 and 2008 are subject to examination by the IRS and other various taxing authorities, generally for three years after they were filed.

Subsequent Events

The Association evaluated subsequent events through December 1, 2011, which is the date the financial statements were available to be issued.

New Accounting Pronouncements

Fair Value Measurement

In May 2011, the FASB issued Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards - Fair Value Measurement. The new guidance relates to fair value measurements, related disclosures and consistent meaning of the term "fair value" in US GAAP and International Financial Reporting Standards. The amendment clarifies how to apply the existing fair value measurements and disclosures. For fair value measurements classified within Level 3, an entity is required to disclose quantitative information about the unobservable inputs. A reporting entity is also required to disclose additional information like valuation processes, a narrative description of the sensitivity of the fair value measurements to changes in unobservable inputs and the interrelationships between those unobservable inputs. The amendment is effective for annual periods beginning after December 15, 2011 and the Association is currently evaluating the impact of the adoption on its consolidated financial statements.

(2) Cash and Investments

Cash

During the year, the Alumni Association could have cash balances in excess of \$250,000 in their banking institutions, which are insured by the Federal Deposit Insurance Corporation (F.D.I.C.) up to \$250,000 per institution. At June 30, 2011, there were no significant uninsured cash balances.

**THE ALUMNI ASSOCIATION OF
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Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011

Investments

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

The fair values by investment type are as follows for June 30, 2011:

	2011
Money market funds	\$ 7,097
Domestic equity securities	15,150
Foreign equity securities	7,564
Taxable fixed income	65,638
Other investments	4,843
Mutual funds	17,076
	<hr/> 117,368
Cost	<hr/> 107,655
Net unrealized gain	<hr/> <u>\$ 9,713</u>

(3) Fair Value Measurements

Fair Value Measurements and Disclosure establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair Value Measurements and Disclosure defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants.

In determining fair value, the Association uses various valuation approaches, including market, income and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under *Fair Value Measurements and Disclosure* and the Association’s related types are described below:

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2. Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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Notes to Financial Statements

For the Fiscal Year Ended June 30, 2011

In January 2010, the FASB issued amended guidance on fair value measurements. The Association has adopted the amended provisions that are effective for interim and annual reporting periods beginning after December 15, 2009 regarding disclosures of significant transfers in and out of Level 1 and Level 2 assets and description of the reasons for the transfers. Additional disclosures that are effective for fiscal years beginning after December 15, 2010 regarding reporting purchases, sales, issuances, and settlements for Level 3 assets on a gross basis should not have a significant impact on the Association's consolidated financial statements. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis as of June 30, 2011:

Level 1	2011
Investments	
Mutual funds	
Large cap value fund	\$ 17,076
Money market funds	7,097
Domestic equity securities	15,150
Foreign equity securities	7,564
Taxable fixed income	
Certificates of deposits	55,584
U.S. government obligation	10,054
Other assets	4,843
	<u>\$ 117,368</u>

When available, the Association used quoted market prices to determine the fair value of investment securities. Such investments are included in Level 1. The Association's Level 1 investments include money market funds, fixed income funds and mutual funds, and are valued at quoted market values of the shares held by the Association at fiscal year-end.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets. For the year ended June 30, 2011, there were no significant transfers in or out of levels 1, 2 or 3.