



NEWARK PUBLIC RADIO, INC.

Financial Statements

September 30, 2017 and 2016

With Independent Auditors' Reports

Newark Public Radio, Inc.
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September 30, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,
Newark Public Radio, Inc.:

We have audited the accompanying financial statements of Newark Public Radio, Inc. ("WBGO"), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to WBGO's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WBGO's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Newark Public Radio, Inc. as of September 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



AUDIT TAX ADVISORY

Correction of an Error

As discussed in Note 12 of the financial statements, the beginning net asset balance has been restated to correct an error. Our opinion is not modified with respect to this matter.

Withum Smith & Brown, PC

February 7, 2018

Newark Public Radio, Inc.
Statements of Financial Position
September 30, 2017 and 2016

	2017	2016 (Restated)
Assets		
Current assets		
Cash and cash equivalents	\$ 1,026,361	\$ 1,239,871
Investments - unrestricted	717,330	688,959
Underwriting receivables, less allowance for uncollectible accounts of \$27,025 and \$27,625 for the years ended September 30, 2017 and 2016, respectively	297,204	109,904
Pledges receivable, net	251,359	263,716
Grants and contracts receivable	201,822	114,665
Prepaid expenses	63,278	57,556
Total current assets	<u>2,557,354</u>	<u>2,474,671</u>
Property and equipment, net	1,403,445	1,508,109
Other assets		
Investments - permanently restricted	878,999	878,999
Grants and contracts receivable, non-current	120,000	--
	<u>998,999</u>	<u>878,999</u>
Total assets	<u>\$ 4,959,798</u>	<u>\$ 4,861,779</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 74,943	\$ 71,499
Severance payable	--	50,091
Deferred revenue	75,293	48,414
Total current liabilities	<u>150,236</u>	<u>170,004</u>
Deferred rent	38,603	37,667
Security deposits payable	--	2,000
Total liabilities	<u>188,839</u>	<u>209,671</u>
Net assets		
Unrestricted		
Board designated education fund	147,763	147,763
Board designated technical innovation fund	205,500	205,500
Available for general operations	1,121,614	1,155,470
	<u>1,474,877</u>	<u>1,508,733</u>
Investment in property and equipment	1,403,445	1,508,109
Total unrestricted net assets	<u>2,878,322</u>	<u>3,016,842</u>
Temporarily restricted	1,013,638	756,267
Permanently restricted	878,999	878,999
Total net assets	<u>4,770,959</u>	<u>4,652,108</u>
Total liabilities and net assets	<u>\$ 4,959,798</u>	<u>\$ 4,861,779</u>

The Notes to Financial Statements are an integral part of these statements.

Newark Public Radio, Inc.
Statements of Cash Flows
Years Ended September 30, 2017 and 2016

	2017	2016 (Restated)
Cash flows from operating activities		
Changes in net assets	\$ 118,851	\$ 19,040
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	115,212	142,063
Net realized/unrealized (gain) loss on investments	(16,418)	2,964
Donated investments	(10,439)	(2,719)
Loss on disposal of property and equipment	926	1,347
Bad debt expense	5,626	7,820
Changes in assets and liabilities		
Underwriting receivables	(192,926)	(9,785)
Pledges receivable, net	12,357	21,805
Grants and contracts receivable	(207,157)	(1,953)
Prepaid expenses	(5,722)	16,236
Accounts payable and accrued expenses	3,444	585
Severance payable	(50,091)	(50,000)
Security deposits payable	(2,000)	2,000
Deferred revenue	26,879	(28,504)
Deferred rent	936	2,285
Net cash (used) provided by operating activities	<u>(200,522)</u>	<u>123,184</u>
Cash flows from investing activities		
Purchases of property and equipment	(11,474)	(9,500)
Payments received on loan receivable	--	499
Purchase of investments	(1,227,673)	(1,632,501)
Proceeds from sale of investments	1,226,159	1,626,156
Net cash used by investing activities	<u>(12,988)</u>	<u>(15,346)</u>
Cash flows from financing activities		
Repayment of bonds payable	<u>--</u>	<u>(41,732)</u>
Net cash used by financing activities	<u>--</u>	<u>(41,732)</u>
Net change in cash and cash equivalents	(213,510)	66,106
Cash and cash equivalents		
Beginning of year	<u>1,239,871</u>	<u>1,173,765</u>
End of year	<u>\$ 1,026,361</u>	<u>\$ 1,239,871</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ --</u>	<u>\$ 134</u>
Income taxes paid	<u>\$ --</u>	<u>\$ --</u>
Noncash operating activities		
Donated services	<u>\$ --</u>	<u>\$ 2,229</u>
Trade revenue and expense	<u>\$ 385,600</u>	<u>\$ 150,847</u>

The Notes to Financial Statements are an integral part of these statements.

**Newark Public Radio, Inc.
Statements of Functional Expenses
Years Ended September 30, 2017 and 2016**

	2017			2016		
	Program Services		Supporting Services	Program Services		Supporting Services
	Station Operations	Administrative	Fundraising	Station Operations	Administrative	Fundraising
Salaries	\$ 1,753,641	\$ 371,000	\$ 528,546	\$ 2,653,187	\$ 2,541,888	\$ 524,879
Payroll taxes and fringe benefits	353,574	92,864	124,501	570,939	342,332	132,550
Artist fees	54,585	--	--	54,585	58,234	--
Professional services	179,583	124,111	63,031	366,725	299,345	16,884
Donated services	--	--	--	--	2,229	--
Audience research	51,530	--	--	51,530	44,720	--
Office expense	22,917	3,734	4,864	31,515	28,826	3,373
Broadcast supplies	14,264	--	--	14,264	10,913	--
Program purchases	58,981	--	--	58,981	57,086	--
Internet streaming	36,815	--	--	36,815	27,840	--
Telephone	36,868	3,428	4,884	45,180	52,745	5,673
Printing	--	--	--	--	19,457	--
Fundraising supplies	--	--	52,183	52,183	78,430	78,430
Premiums	7,061	106,00	90,580	97,747	79,072	77,176
Postage and shipping	5,432	945	31,140	37,517	41,495	25,222
Dues and subscriptions	15,742	2,432	930	19,104	20,690	435
Satellite fee	10,130	--	--	10,130	8,953	--
News wire	27,853	--	--	27,853	27,739	--
Credit and administrative fees	30	1,625	74,632	76,287	66,481	65,165
Travel and entertainment	44,693	6,682	2,030	53,405	31,726	1,880
Meetings and conferences	--	955	--	955	2,313	--
Advertising and public relations	8,258	--	10,581	18,839	28,227	390
Advertising and public relations - trade	385,600	--	--	385,600	150,847	13,870
Staff development	425	1,648	5,023	7,096	8,868	6,684
Utilities	27,773	5,875	8,370	42,018	43,682	9,020
Space and equipment rental	154,859	6,488	9,243	170,590	164,487	8,684
Repairs and maintenance	24,072	24,695	--	48,767	55,361	--
Insurance	30,043	8,432	7,955	46,430	59,854	11,018
Depreciation and amortization	65,792	16,220	33,200	115,212	142,063	39,758
Interest expense	--	--	--	--	134	--
Special events	--	--	305,156	305,156	364,133	364,133
Bad debt expense	5,626	--	--	5,626	7,820	--
Miscellaneous	686	7,248	--	7,934	5,694	--
	\$ 3,376,833	\$ 678,488	\$ 1,356,849	\$ 5,412,170	\$ 5,103,488	\$ 1,384,834
				\$ 3,111,197	\$ 607,457	

The Notes to Financial Statements are an integral part of these statements.

Newark Public Radio, Inc.
Notes to Financial Statements
September 30, 2017 and 2016

1. Organization and Purpose

Newark Public Radio, Inc. ("WBGO") is a global leader in jazz radio, broadcasting from the jazz capital of the world. Founded in 1979, WBGO is a publicly-supported cultural institution that preserves and elevates America's music: jazz and blues. WBGO reaches a weekly audience of more than 400,000 in the New York/New Jersey metro area via 88.3FM. Through programs such as Jazz Night in America, produced in partnership with NPR and Jazz at Lincoln Center, and WBGO's position as content provider to NPR, its reach extends to millions more across the country. From its home base of Newark, New Jersey, Public Radio station WBGO has long been an anchor institution in community engagement through its partnerships, concerts, education and news programming.

2. Summary of Significant Accounting Policies

Basis of Presentation

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. The unrestricted net asset category represents net assets that are not subject to donor imposed restrictions, the temporarily restricted net asset category represents net assets that are subject to donor imposed time or purpose restrictions and the permanently restricted net asset category represents net assets that are subject to donor imposed restrictions that cannot be satisfied by either time or by actions of WBGO. For the years ended September 30, 2017 and 2016 WBGO had accounting transactions in all three net asset categories.

Revenue and Support Recognition

Contributions, including membership fees, are recognized as revenue when they are received or unconditionally pledged and revenues are recorded as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

WBGO accounts for those grant and contract revenues which have been determined to be exchange transactions in the statements of activities and changes in net assets to the extent that expenses have been incurred for the purpose specified by the grantor during the period. Revenues received in advance of their usage are classified as grant advances payable in the statements of financial position. In applying this concept, the legal and contractual requirements of each individual contract are used as guidance.

Unrestricted revenues are obtained from underwriting revenues, special events, rental income, program fees and investment income. These revenues are used to offset program expenses as well as the cost of property and equipment acquisitions and supporting services expenses and are recognized in the period when earned.

Trade revenue is recorded in the period products or services of equal value are exchanged and are valued based on the services provided by WBGO at standard rates.

Donated professional services and supplies are recorded as unrestricted revenue at the estimated fair market value in the period when received.

Investments

Investments in equity securities with readily determinable values and all investments in debt securities are measured at fair value in the statements of financial position. Donated investments are recorded at the fair value at the date of receipt. Investment income or loss (including realized and unrealized gains and losses on investments and interest and dividends) is included in unrestricted net assets unless the income or loss is restricted by donor or law.

Newark Public Radio, Inc.
Notes to Financial Statements
September 30, 2017 and 2016

Income Taxes

WBGO is exempt from Federal income tax under Section 501(c)(3) of the United States Internal Revenue Code and state income taxes under similar provisions. Accordingly, the accompanying financial statements do not reflect provisions for Federal or state income taxes. WBGO had no unrecognized benefits at September 30, 2017 and 2016 and has incurred no interest or penalties related to income taxes for the periods presented in their financial statements.

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 certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Property and Equipment and Depreciation

Property and equipment purchases are recorded at cost, except for donated items which are recorded at the fair value on the date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The principal rates for computing depreciation by major asset categories are as follows:

Description	Estimated Life (Years)
Buildings	40
Building improvements	5-40
Office equipment	3-7
Broadcast equipment	3-15

When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renewals are charged to operations as incurred.

Functional Allocation of Expenses

Costs of providing program and supporting services have been summarized on a functional basis based on a combination of a direct costing method for charging certain expenses to each function which is consistent with the benefit derived, and using salaries to allocate those expenses that do not have a direct association to a particular function.

Advertising

Advertising is expensed in the period incurred. Advertising amounted to \$18,839 and \$28,227 in 2017 and 2016, respectively. Additionally, during the years ended September 30, 2017 and 2016 WBGO had \$385,600 and \$150,847, respectively, of advertising trade, which represented a reciprocal arrangement between WBGO and other cultural organizations for promoting each other, based on the fair market value of the services provided and received.

Valuation of Long-Lived Assets

WBGO reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment for impairment was required for the periods presented in these financial statements.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including underwriting receivables, pledges receivable, grants and contracts receivable, loans receivable, prepaid expenses, accounts payable and accrued expenses and severance payable approximate their fair values because of the relatively short maturity of these instruments.

Cash and Cash Equivalents

Cash and cash equivalents include funds held in money market accounts and other instruments with an initial maturity of three months or less.

Newark Public Radio, Inc.
Notes to Financial Statements
September 30, 2017 and 2016

Pledges Receivable

Pledges receivable amounted to \$251,359 and \$263,716 for the years ended September 30, 2017 and 2016, respectively and consist of pledges due within one year.

New Accounting Pronouncements

In August 2016 the FASB issued ASU 2016-14 – Not-for-profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-profit Entities. ASU 2016-14, which is effective for fiscal years beginning after December 15, 2017 with early adoption permitted, will require a change to two areas of not-for-profit accounting and significant new financial statement presentation and disclosure requirements.

Under ASU 2016-14 (the "ASU") underwater funds will be accounted for within net assets with donor restrictions and not within net assets without donor restrictions as is the current practice. In addition, the ASU eliminates the accounting policy election to release donor imposed restrictions over the useful life of donated property and equipment when the donor does not explicitly specify the period of time the property must be used. Instead, entities will be required to relieve the donor's restrictions at the time the asset is placed in service. In addition to the above disclosures the ASU changes the presentation and disclosure requirements of not-for-profit entities in the following areas: expense disclosures, display of net asset classes, cash flow presentation, quantitative and qualitative liquidity disclosures and presentation of investment returns. WBGO is currently evaluating the impact these changes will have on its future financial statements.

3. Grants and Contracts Receivable

WBGO was due certain amounts at September 30, 2017 and 2016 from funding sources which resulted from expenditures incurred in excess of payments received or from donors' notifications of intent to give. Expenditures incurred in excess of payments received, recorded in grants and contracts receivable, are as follows at September 30:

	2017	2016 (Restated)
New Jersey Council on the Arts	\$ 51,335	\$ 51,332
National Endowment for the Arts	16,667	23,333
Foundation and other receivables	253,820	40,000
	<u>\$ 321,822</u>	<u>\$ 114,665</u>

4. Investments

The following summarizes the relationship between the market value and cost of investments at September 30:

	2017		2016	
	Cost	Market	Cost	Market
Equities	\$ 5,792	\$ 37,410	\$ 4,973	\$ 20,258
Mutual funds	16,534	31,335	16,534	25,589
Certificates of deposit	1,526,087	1,527,584	1,526,087	1,522,111
	<u>\$ 1,548,413</u>	<u>\$ 1,596,329</u>	<u>\$ 1,547,594</u>	<u>\$ 1,567,958</u>

Investment income consisted of the following at September 30:

	2017	2016
Interest and dividend income	\$ 12,368	\$ 12,184
Realized (losses) gains	(28)	309
Unrealized gains (losses)	16,446	(3,273)
Investment fees	(150)	(150)
	<u>\$ 28,636</u>	<u>\$ 9,070</u>

Newark Public Radio, Inc.
Notes to Financial Statements
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Fair Value Measurements

WBGO has provided fair value disclosure information for relevant assets and liabilities in these financial statements. For applicable assets and liabilities, WBGO values such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible. To the extent that such market prices are not available, WBGO values such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors. In the event that quoted market prices in active markets and other observable measurement criteria are not available, WBGO develops measurement criteria based on the best information available.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities WBGO has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own estimates about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include WBGO's own data.)

The following table summarizes assets which have been accounted for at fair value on a recurring basis along with the basis of the determination of fair value as of September 30, 2017 and 2016:

	2017			
	Total	Level 1	Level 2	Level 3
Equities	\$ 37,410	\$ 37,410	\$ --	\$ --
Mutual funds	31,335	31,335	--	--
Certificates of deposit (A)	1,527,584	--	--	--
Total investments	<u>1,596,329</u>	<u>68,745</u>	<u>\$ --</u>	<u>\$ --</u>
	2016			
	Total	Level 1	Level 2	Level 3
Equities	\$ 20,258	\$ 20,258	\$ --	\$ --
Mutual funds	25,589	25,589	--	--
Certificates of deposit (A)	1,522,111	--	--	--
Total investments	<u>\$ 1,567,958</u>	<u>\$ 45,847</u>	<u>\$ --</u>	<u>\$ --</u>

(A) Certificates of deposit are held at cost plus accrued interest, therefore, not included in the fair value hierarchy.

Newark Public Radio, Inc.
Notes to Financial Statements
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5. Property and Equipment

Property and equipment at September 30, consisted of the following:

	2017	2016
Land	\$ 47,855	\$ 47,855
Buildings	82,684	82,684
Building improvements	2,431,597	2,425,148
Broadcasting equipment	1,786,003	1,780,979
Office equipment	493,621	503,146
	<u>4,841,760</u>	<u>4,839,812</u>
Less: Accumulated depreciation	<u>3,438,315</u>	<u>3,331,703</u>
	<u>\$ 1,403,445</u>	<u>\$ 1,508,109</u>

Depreciation expense totaled \$115,212 and \$142,063 for the years ended September 30, 2017 and 2016, respectively.

6. Commitments

Severance Payable

WBGO signed a contract in 2014 to pay severance in the amount of \$150,000 over a 3 year period. Severance payable amounted to \$-0- and \$50,091 for the years ended September 30, 2017 and 2016, respectively.

Operating Leases - Rental Expense

WBGO leases office equipment and antenna space under a month to month and non-cancelable operating lease arrangement with an expiration in March 2025. Additionally, WBGO leases equipment and space for events held during the year. Rental expense amounted to \$170,590 and \$164,487 for the years ended September 30, 2017 and 2016, respectively. Minimum future annual rentals to be paid under non-cancellable lease agreements for the remaining lease terms are as follows:

Year	Amount
2018	\$ 79,262
2019	71,594
2020	73,026
2021	74,487
2022	75,976
Thereafter	<u>196,455</u>
	<u>\$ 570,800</u>

Operating Leases - Rental Income

WBGO leased a portion of its radio frequency to another radio station. There was no rental income for the year ended September 30, 2017. Rental income from this lease was \$9,000 for the year ended September 30, 2016.

7. Employee Retirement Plan

All full time employees of WBGO who have completed minimum service requirements are eligible to participate in Newark Public Radio, Inc.'s Retirement Plan (the "Plan"), a defined contribution plan. Participants in the Plan may contribute a percentage of their compensation up to the maximum allowed by I.R.S. regulations. WBGO makes discretionary contributions to each participant's account of up to 4 percent of the participant's compensation. Participants become vested immediately upon entry into the Plan. It is WBGO's policy to fund contributions currently. WBGO's discretionary contribution was approximately \$44,000 and \$47,000 for the years ended September 30, 2017 and 2016, respectively.

Newark Public Radio, Inc.
Notes to Financial Statements
September 30, 2017 and 2016

8. Net Assets

Components of temporarily restricted net assets were as follows at September 30:

	2017	2016 (Restated)
Restricted by donor for programmatic use as follows		
Jazz night in America/Jazzset	\$ 589,553	\$ 560,889
Children's jazz project	37,991	50,512
Live jazz productions	38,276	31,525
Capacity grant	26,349	16,838
Capacity grant - strategic plan	180,000	--
Community relations	42,603	14,329
Fellowship funds	60,152	54,385
Kids jazz @ play	6,254	9,254
Newark 350	6,960	13,035
Security system	5,500	5,500
Investigative reporting	20,000	--
	<u>\$ 1,013,638</u>	<u>\$ 756,267</u>

Components of permanently restricted net assets were as follows at September 30:

	2017	2016
Donor restricted endowed principal		
National Endowment for the Arts	\$ 240,000	\$ 240,000
Jazznet Endowment	300,000	300,000
Prudential Financial	250,000	250,000
NJ Cultural Trust	88,999	88,999
	<u>\$ 878,999</u>	<u>\$ 878,999</u>

Of the funds included in the permanently restricted net assets of WBGO \$430,000 represents donations certified by the New Jersey Cultural Trust.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows for the years ended September 30:

	2017	2016 (Restated)
Jazz night in America/Jazzset	\$ 314,271	\$ 252,663
Signal Expansion Project	--	89,901
Children's jazz project	95,021	77,771
Live jazz productions	3,249	3,499
Capacity grant	50,489	51,015
Community relations	16,726	14,971
Fellowship funds	20,158	26,812
Educational programs	--	20,000
Kids jazz @ play	15,100	15,746
Newark 350	6,075	14,465
Security system	--	9,500
Internship program	--	4,800
	<u>\$ 521,089</u>	<u>\$ 581,143</u>

Newark Public Radio, Inc.
Notes to Financial Statements
September 30, 2017 and 2016

9. Endowment Funds

WBGO's endowment consists of four individual funds established to support WBGO operations. The funds are donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of WBGO has interpreted state law as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, WBGO classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted net assets in accordance with the donor agreements. Income earned on the endowment funds is unrestricted.

Return Objectives and Risk Parameters

WBGO follows investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that WBGO must hold in perpetuity.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, WBGO relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Changes in endowment net assets for the years ended September 30, 2017 and 2016 are as follows:

	National Endowment for the Arts	Jazznet Endowment	Prudential Endowment	NJ Cultural Trust	Total
Balance - 10/01/15	\$ 240,000	\$ 300,000	\$ 250,000	\$ 88,999	\$ 878,999
Contributions	--	--	--	--	--
Investment income	1,389	1,735	1,446	515	5,085
Appropriated for expenditure	<u>(1,389)</u>	<u>(1,735)</u>	<u>(1,446)</u>	<u>(515)</u>	<u>(5,085)</u>
Balance - 9/30/16	240,000	300,000	250,000	88,999	878,999
Contributions	--	--	--	--	--
Investment income	3,415	4,268	3,557	1,266	12,506
Appropriated for expenditure	<u>(3,415)</u>	<u>(4,268)</u>	<u>(3,557)</u>	<u>(1,266)</u>	<u>(12,506)</u>
Balance - 9/30/17	<u>\$ 240,000</u>	<u>\$ 300,000</u>	<u>\$ 250,000</u>	<u>\$ 88,999</u>	<u>\$ 878,999</u>

10. Related Party Transactions

WBGO received contributions from board members amounting to approximately \$101,000 and \$112,000 for the years ended September 30, 2017 and 2016, respectively.

Newark Public Radio, Inc.
Notes to Financial Statements
September 30, 2017 and 2016

11. Concentrations

Financial investments which potentially subjects WBGO to concentrations of credit risk consist of cash and cash equivalents, investments and receivables. In an attempt to limit the credit risk, WBGO places all funds with high quality financial institutions. At various times throughout the years, WBGO had cash balances in excess of FDIC insurance coverage. The credit risk with regard to receivables is limited due to amounts being comprised of many immaterial balances from a wide range of individuals and organizations.

WBGO had receivables from one grantor amounting to 21 percent of total receivables for the year ended September 30, 2017. WBGO had receivables from one grantor amounting to 11 percent of total receivables for the year ended September 30, 2016.

12. Restatement

WBGO restated its September 30, 2016 financial statements to reflect a correction to revenue recognition on one of its grant contracts. As a result of this restatement, temporarily restricted net assets at October 1, 2015 have been increased by \$20,000. Revenue and temporarily restricted net assets for the year ending September 30, 2016 were increased by \$40,000. Grants and contracts receivable at September 30, 2016 were increased by \$23,333.

13. Subsequent Events

WBGO has evaluated subsequent events occurring after the statement of financial position date through the date of February 7, 2018, the date the financial statements were available for release. Based upon this evaluation, WBGO has determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.