NEWARK PUBLIC RADIO, INC.

Financial Statements

September 30, 2010 and 2009

With Independent Auditors' Reports

Newark Public Radio, Inc.
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September 30, 2010 and 2009

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Independent Auditors' Report

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

We have audited the accompanying statements of financial position of Newark Public Radio, Inc. as of September 30, 2010 and 2009 and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of Newark Public Radio, Inc.'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 audits 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.

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, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

January 6, 2011

Newark Public Radio, Inc.
Statements of Financial Position
September 30, 2010 and 2009

	2010	2009
Assets		
Current assets		
Cash and cash equivalents	$ 2,429,568	$ 2,460,044
Investments	584,211	592,648
Underwriting receivables, less allowance for uncollectible accounts of $14,622 and $22,000 in 2010 and 2009, respectively	122,973	129,140
Pledges receivable, less allowance for uncollectible accounts of $-0- and $10,000 in 2010 and 2009, respectively	279,188	278,561
Grants receivable	139,371	139,449
Prepaid expenses	29,770	32,203
Total current assets	3,585,081	3,632,045
Property and equipment, net	1,626,425	1,646,094
Other assets		
Investments	831,913	805,000
Debt financing costs, net	19,893	23,871
	$ 6,063,312	$ 6,107,010
Liabilities and Net Assets		
Current liabilities		
Bonds payable	$ 112,590	$ 106,843
Accounts payable and accrued expenses	103,494	97,384
Loan payable, current portion	3,205	--
Deferred revenue	45,843	25,075
Total current liabilities	265,132	229,302
Bonds payable, net of current portion	553,001	664,859
Loan payable	8,383	--
Security deposits payable	5,000	5,000
Total liabilities	831,516	899,161
Net assets		
Unrestricted		
Board designated for future expansion	700,000	400,000
Board designated education fund	205,500	205,500
Board designated technical innovation fund	205,500	205,500
Available for general operations	2,127,148	2,553,584
	3,238,148	3,364,584
Investment in property and equipment	980,727	898,263
Total unrestricted net assets	4,218,875	4,262,847
Temporarily restricted	181,008	140,002
Permanently restricted	831,913	805,000
Total net assets	5,231,796	5,207,849
	$ 6,063,312	$ 6,107,010

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

Newark Public Radio, Inc.
Statements of Activities and Changes in Net Assets
Years Ended September 30, 2010 and 2009

	2010				2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenues								
Contributions	$ 2,506,487	$ 294,652	$ 26,913	$ 2,828,052	$ 2,383,931	$ 230,173	$ --	$ 2,614,104
Grants and contracts	693,746	--	--	693,746	723,800	--	--	723,800
Investment income (loss)	23,192	--	--	23,192	(62,799)	--	--	(62,799)
Underwriting revenue	465,262	--	--	465,262	512,788	--	--	512,788
Rental income	130,950	--	--	130,950	148,450	--	--	148,450
Special events	325,432	--	--	325,432	651,017	--	--	651,017
Gain on sale of property	1,286	--	--	1,286	4,946	--	--	4,946
In-kind contributions	234,268	--	--	234,268	207,951	--	--	207,951
Other income	19,479	--	--	19,479	43,210	--	--	43,210
	4,400,102	294,652	26,913	4,721,667	4,613,294	230,173	--	4,843,467
Net assets released from restrictions								
Satisfaction of purpose restrictions	253,646	(253,646)	--	--	208,547	(223,547)	15,000	--
	4,653,748	41,006	26,913	4,721,667	4,821,841	6,626	15,000	4,843,467
Expenses								
Program services	2,911,026	--	--	2,911,026	2,950,522	--	--	2,950,522
Administrative	793,553	--	--	793,553	782,400	--	--	782,400
Fundraising	993,141	--	--	993,141	1,088,398	--	--	1,088,398
	4,697,720	--	--	4,697,720	4,821,320	--	--	4,821,320
Changes in net assets	(43,972)	41,006	26,913	23,947	521	6,626	15,000	22,147
Net assets, beginning of year	4,262,847	140,002	805,000	5,207,849	4,262,326	133,376	790,000	5,185,702
Net assets, end of year	$ 4,218,875	$ 181,008	$ 831,913	$ 5,231,796	$ 4,262,847	$ 140,002	$ 805,000	$ 5,207,849

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

Newark Public Radio, Inc.
Statements of Cash Flows
Years Ended September 30, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Changes in net assets	$ 23,947	$ 22,147
Adjustments to reconcile changes in net assets		
to net cash (used) provided by operating activities		
Depreciation and amortization	98,754	106,613
Net realized/unrealized losses on investments	760	117,585
Donated investments	(566)	(522)
Bad debt expense	37,142	14,014
Changes in assets and liabilities		
Underwriting receivables	(30,975)	45,423
Pledges receivable	(627)	(33,180)
Grants receivable	78	2,900
Prepaid expenses	2,433	28,321
Accounts payable and accrued expenses	6,110	(59,944)
Deferred revenue	20,768	(212,152)
Security deposit payable	--	3,500
Net cash provided by operating activities	157,824	34,705
Cash flows from investing activities		
Property and equipment additions	(63,519)	(25,441)
Purchase of investments	(1,106,294)	(1,267,507)
Proceeds from sale of investments	1,087,624	2,014,607
Net cash (used) provided by investing activities	(82,189)	721,659
Cash flows from financing activities		
Repayments of bonds payable	(106,111)	(100,619)
Net cash used by financing activities	(106,111)	(100,619)
Net (decrease) increase in cash and cash equivalents	(30,476)	655,745
Cash and cash equivalents		
Beginning of year	2,460,044	1,804,299
End of year	$ 2,429,568	$ 2,460,044
Supplemental disclosure of cash flow information		
Interest paid	$ 38,585	$ 44,079
Noncash investing and financing activities		
Purchase of van with loan financing	$ 11,588	$ --
Donated equipment and services	$ 234,268	$ 207,951

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

Newark Public Radio, Inc.
Statements of Functional Expenses
Years Ended September 30, 2010 and 2009

	2010				2009			
	Program Services	Supporting Services				Program Services	Supporting Services	
	Station Operations	Administrative	Fundraising	Total	Total	Station Operations	Administrative	Fundraising
Salaries	$ 1,363,262	$ 411,957	$ 379,292	$ 2,154,511	$ 2,166,839	$ 1,393,868	$ 411,352	$ 361,619
Payroll taxes and fringe benefits	242,858	59,893	72,896	375,647	373,037	235,327	58,955	78,755
Artist fees	65,471	--	--	65,471	84,743	84,743	--	--
Professional services	203,246	41,498	31,210	275,954	359,293	248,640	58,254	52,399
Donated services	73,649	160,619	--	234,268	200,066	75,680	124,386	--
Audience research	42,280	--	--	42,280	21,435	21,435	--	--
Office expense	50,466	3,261	3,201	56,928	57,619	51,890	3,014	2,715
Broadcast supplies	10,812	--	--	10,812	14,704	14,704	--	--
Program purchases	49,197	--	--	49,197	48,788	48,788	--	--
Telephone	47,714	6,307	5,807	59,828	59,161	38,985	10,789	9,387
Printing	45,589	--	--	45,589	49,924	49,924	--	--
Fundraising supplies	--	--	47,382	47,382	66,889	--	--	66,889
Premiums	2,461	--	103,020	105,481	96,411	9,656	--	86,755
Postage and shipping	37,914	6,106	80,505	124,525	96,972	30,689	5,352	60,931
Dues and subscriptions	13,779	9,753	--	23,532	37,282	17,132	5,943	14,207
Satellite fee	7,100	--	--	7,100	7,100	7,100	--	--
Newswire	24,098	--	--	24,098	20,425	20,425	--	--
Credit and administrative fees	328	3,822	43,591	47,741	44,668	82	5,157	39,429
Travel and entertainment	30,607	10,868	7,887	49,362	46,662	37,822	7,406	1,434
Meetings and conferences	--	1,510	--	1,510	1,988	656	1,332	--
Advertising and public relations	6,549	--	20,500	27,049	50,673	12,947	110	37,616
Advertising and public relations - trade	223,680	--	--	223,680	131,825	131,825	--	--
Staff development	4,700	--	6,283	10,983	8,176	1,559	495	6,122
Utilities	33,160	10,027	9,232	52,419	51,349	32,931	9,849	8,569
Space and equipment rental	130,800	6,364	5,860	143,024	136,642	125,385	6,019	5,238
Space and equipment rental - trade	37,600	--	--	37,600	98,100	98,100	--	--
Repairs and maintenance	13,095	25,337	--	38,432	44,883	21,268	23,615	--
Insurance	20,697	6,258	5,762	32,717	39,614	25,405	7,598	6,611
Depreciation and amortization	61,139	13,370	24,245	98,754	106,613	59,063	23,665	23,885
Interest expense	24,408	7,381	6,796	38,585	44,079	28,269	8,454	7,356
Special events	--	--	139,643	139,643	218,481	--	--	218,481
Bad debt expense	37,142	--	--	37,142	24,014	24,014	--	--
Miscellaneous	7,225	9,222	29	16,476	12,865	2,210	10,655	--
	$ 2,911,026	$ 793,553	$ 993,141	$ 4,697,720	$ 4,821,320	$ 2,950,522	$ 782,400	$ 1,088,398

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

1. Organization and Purpose

Newark Public Radio, Inc. is a not-for-profit corporation authorized to operate and distribute non-commercial WBGO FM (the "Station") locally at 88.3mHz and worldwide via the internet at www.wbgo.org. The Station is a publicly-supported cultural institution that champions jazz and presents news through radio and other technologies. An affiliate of National Public Radio, the Station's significant sources of revenue are received from contributions, membership fees and grants.

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 the Station. For the years ended September 30, 2010 and 2009 the Station 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.

The Station accounts for those 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. Program revenues received in advance of their usage are classified as liabilities 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, 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.

Investments

Investments, primarily consisting of certificates of deposit, mutual funds, and equity securities, are stated at fair value. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statements of activities and changes in net assets as increases or decreases in unrestricted net assets unless the use was restricted by explicit donor stipulations or by law.

Income Taxes

The Station is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements do not reflect provisions for Federal income taxes. The Station has evaluated uncertain tax positions in accordance with accounting standards regarding accounting for contingencies and determined there were none at September 30, 2010. The Station has no open tax years prior to September 30, 2006.

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 which range from five to thirty five years, 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	5-7
Broadcasting equipment	5-10

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 $27,049 and $50,673 in 2010 and 2009, respectively. Additionally, during the years ended September 30, 2010 and 2009 the Station had $223,680 and $131,825, respectively, of advertising trade, which represented a reciprocal arrangement between the Station 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

In accordance with the provisions of the accounting pronouncement on accounting for the impairment or disposal of long-lived assets, the Station 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 was required for the periods presented in these financial statements.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including cash and cash equivalents, grants and contracts, contribution and other receivables, and accounts payable and accrued expenses 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.

3. Grants and Pledges Receivable

The Station was due certain amounts at September 30, 2010 and 2009 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 receivable, are as follows at September 30:

	2010	2009
New Jersey Council on the Arts	$ 81,498	$ 103,116
National Public Radio	12,600	13,000
The Kennedy Center	10,000	--
New Jersey Department of State	15,273	--
Oris Watches	--	5,000
National Endowment for the Arts	20,000	18,333
	$ 139,371	$ 139,449

Donor notifications of intent to give, recorded in pledges receivable, amounted to $279,188 and $278,561 at September 30, 2010 and 2009, respectively, all of which are expected to be collected in the subsequent fiscal year.

4. Investments

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

	2010		2009	
	Cost	Market	Cost	Market
Equities	$ 2,865	$ 7,533	$ 2,191	$ 5,979
Certificates of deposit	1,409,728	1,408,591	1,390,091	1,391,669
	$ 1,412,593	$ 1,416,124	$ 1,392,282	$ 1,397,648

The annual return on investments inclusive of unrealized (losses) gains of $(506) and $115,829, based on market value, was approximately 1.64 percent and (1.50) percent for the years ended September 30, 2010 and 2009, respectively.

Investment income (loss) related to these investments is included with investment income earned by cash and cash equivalents on the statements of activities and changes in net assets at September 30, 2010 and 2009 and was comprised of the following:

	2010	2009
Interest and dividend income	$ 24,102	$ 56,782
Realized loss	(254)	(233,414)
Unrealized gain (loss)	(506)	115,829
Investment fees	(150)	(1,996)
	$ 23,192	$ (62,799)

5. Recurring Fair Value Measurements

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

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 the Organization 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 the Organization'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, 2010:

	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Stocks	$ 7,533	$ 7,533	$ --	$ --
Certificates of deposit	1,408,591	--	1,408,591	--
Total investments	$ 1,416,124	$ 7,533	$ 1,408,591	$ --

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, 2009:

	Total	Quoted Prices in Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Stocks	$ 5,979	$ 5,979	$ --	$ --
Certificates of deposit	1,391,669	--	1,391,669	--
Total investments	$ 1,397,648	$ 5,979	$ 1,391,669	$ --

6. Property and Equipment

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

	2010	2009
Land	$ 47,855	$ 47,855
Buildings	82,684	82,684
Building improvements	2,261,886	2,250,372
Boardcasting equipment	1,338,835	1,307,738
Office equipment	574,864	552,200
	4,306,124	4,240,849
Less: Accumulated depreciation	2,679,699	2,594,755
	$ 1,626,425	$ 1,646,094

Depreciation expense totaled $94,775 and $102,635 for the years ended September 30, 2010 and 2009, respectively.

7. Deferred Financing Costs

The Station incurred bond financing costs of $59,678 in conjunction with the issuance of New Jersey Economic Development Agency Bonds which are being amortized over fifteen years at an amount of $3,979 annually. Bond financing costs shown net of accumulated amortization were $19,893 and $23,871 at September 30, 2010 and 2009, respectively. Amortization expense amounted to $3,979 for each of the years ended September 30, 2010 and 2009. The subsequent five year amortization of the deferred financing costs are as follows:

Years Ending September 30,	Amount
2011	$ 3,979
2012	3,979
2013	3,979
2014	3,979
Thereafter	3,977
	$ 19,893

8. Operating Leases

The Station leases a portion of its radio frequency to two other radio stations under one lease that expired in November 2010 and then continued and one month-to-month lease. Rental income from these leases was $130,950 and $148,450 for the years ended September 30, 2010 and 2009, respectively. Minimum future annual rentals under these agreements are as follows:

Year	Amount
2011	$ 96,418
2012	16,135
	$ 112,553

The Station leases office equipment under various non-cancelable operating leases with expiration ranging from 2010 through 2025. Rental expenses related to these leases amounted to $148,036 and $17,868 for the years ended September 30, 2010 and 2009, respectively. Minimum future annual rentals for the remaining lease terms are as follows:

Year	Amount
2011	$ 118,069
2012	113,365
2013	81,414
2014	64,845
2015	66,142
Thereafter	698,007
	$ 1,141,842

9. Bonds Payable

In November 2000 the New Jersey Economic Development Authority ("NJEDA") issued $1,500,000 of variable rate, tax exempt revenue bonds (Newark Public Radio, Inc. – 2000 Project) to help pay for a portion of the estimated costs to construct, equip and staff the facility, renovate the administrative offices and radio station, acquire machinery and equipment and refinance existing debt.

Under the terms of the bond indenture agreement and the loan agreement between the Station and NJEDA the bonds require the monthly payment of principal and interest. The interest rate is currently 5.25 percent, pegged to the average U.S. Treasury five-year note yield plus 2 percent and resets every five years. The bonds mature in October 2015 and are secured by a mortgage on land and building.

Scheduled principal repayments of the bonds are as follows:

Years Ending September 30,	Amount
2011	$ 112,590
2012	118,645
2013	125,026
2014	131,750
2015	138,836
Thereafter	38,744
	$ 665,591

10. Loan Payable

The Station entered into a loan agreement to finance the purchase of a van. As of September 30, 2010, the Station owed $11,558. The loan is unsecured with no stated rate of interest.

Scheduled principal repayments of the van loan payable are as follows:

Years Ending September 30,	Amount
2011	$ 3,205
2012	3,221
2013	3,236
2014	1,926
	$ 11,588

11. Employee Retirement Plan

All full time employees of the Station 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. The Station 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 the Station’s policy to fund contributions currently. The Station's discretionary contribution was approximately $42,000 for each the years ended September 30, 2010 and 2009.

12. Net Assets

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

	2010	**2009**
Temporarily restricted -		
Restricted by donor for programmatic use as follows		
Jazzset CD Project	$ 30,705	$ 19,438
Jazzset	25,491	--
Digitization Project	100,000	100,000
Business Plan Project	10,000	10,000
Special Projects	14,812	10,564
	$ 181,008	$ 140,002
Permanently restricted net assets -		
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	41,913	15,000
	$ 831,913	$ 805,000

Of the funds included in the permanently restricted net assets of the Station, $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:

	2010	**2009**
Jazzset	$ 188,833	$ 188,250
Children's Music Project	10,000	15,000
Jazzset New Year's Eve	11,722	14,923
Internship	--	3,938
Special Projects	43,091	1,436
	$ 253,646	$ 223,547

13. Concentrations of Credit Risk

Financial investments which potentially subject the Station to concentrations of credit risk consist of cash and cash equivalents, investments, and receivables. In an attempt to limit the credit risk, the Station places all funds with high quality financial institutions. At various times throughout the years, the Station 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.

14. Endowment Funds

The Station's endowment consists of four individual funds established to support the Station 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 the Station 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, the Station 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.

Return Objectives and Risk Parameters

The Station 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 the organization must hold in perpetuity.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Station 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 year ended September 30, 2010:

	National Endowment for the Arts	Jazznet Endowment	Prudential Endowment	NJ Cultural Trust	Total
Balance - 9/30/09	$ 240,000	$ 300,000	$ 250,000	$ 15,000	$ 805,000
Contributions	--	--	--	26,913	26,913
Release - timing	--	--	--	--	--
Balance - 9/30/10	$ 240,000	$ 300,000	$ 250,000	$ 41,913	$ 831,913

15. Subsequent Events

The Station has evaluated subsequent events occurring after the statement of financial position date through the date of January 06, 2011, the date the financial statements were available for release. Based upon this evaluation, the Station has determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.