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AUDIT TAX ADVISORY



NEWARK PUBLIC RADIO, INC.

Financial Statements

September 30, 2015 and 2014

With Independent Auditors' Reports

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Newark Public Radio, Inc.
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September 30, 2015 and 2014

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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, 2015 and 2014, 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, 2015 and 2014, 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.

Withum Smith & Brown, PC

January 11, 2016

Newark Public Radio, Inc.
Statements of Financial Position
September 30, 2015 and 2014

	2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$ 1,173,765	\$ 1,368,163
Investments - unrestricted	682,859	655,307
Underwriting receivables, less allowance for uncollectible accounts of \$27,625 for each of the years ended September 30, 2015 and 2014	107,939	110,823
Pledges receivable, current portion	285,521	315,098
Grants and contracts receivable	92,712	239,135
Loans receivable, current portion	499	1,819
Prepaid expenses	<u>73,792</u>	<u>21,532</u>
Total current assets	2,417,087	2,711,877
Property and equipment, net	1,642,019	1,740,713
Other assets		
Investments - permanently restricted	878,999	878,999
Debt financing costs, net	<u>--</u>	<u>3,978</u>
Total other assets	<u>878,999</u>	<u>882,977</u>
	<u>\$ 4,938,105</u>	<u>\$ 5,335,567</u>
Liabilities and Net Assets		
Current liabilities		
Current portion of bonds payable	\$ 41,732	\$ 138,731
Accounts payable and accrued expenses	70,914	70,558
Severance payable, current portion	50,000	52,504
Deferred revenue	<u>76,918</u>	<u>67,696</u>
Total current liabilities	239,564	329,489
Bonds payable, net of current portion	--	41,347
Severance payable, net of current portion	50,091	100,000
Deferred rent	35,382	31,774
Security deposits payable	<u>--</u>	<u>5,000</u>
Total liabilities	325,037	507,610
Net assets		
Unrestricted		
Board designated education fund	147,763	147,763
Board designated technical innovation fund	205,500	205,500
Available for general operations	<u>1,225,240</u>	<u>1,426,568</u>
	1,578,503	1,779,831
Investment in property and equipment	<u>1,600,287</u>	<u>1,564,613</u>
Total unrestricted net assets	3,178,790	3,344,444
Temporarily restricted	555,279	604,514
Permanently restricted	<u>878,999</u>	<u>878,999</u>
Total net assets	<u>4,613,068</u>	<u>4,827,957</u>
	<u>\$ 4,938,105</u>	<u>\$ 5,335,567</u>

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, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenues								
Contributions	\$ 2,089,088	\$ 534,234	\$ --	\$ 2,623,322	\$ 2,236,179	\$ 569,100	\$ --	\$ 2,805,279
Grants and contracts	752,395	--	--	752,395	712,483	--	--	712,483
Investment income, net	6,120	--	--	6,120	5,304	--	--	5,304
Underwriting revenue	663,777	--	--	663,777	658,705	--	--	658,705
Rental income	--	--	--	--	26,500	--	--	26,500
Special events	642,098	--	--	642,098	592,351	--	--	592,351
Trade revenue	348,595	--	--	348,595	397,639	--	--	397,639
In-kind contributions	5,250	--	--	5,250	127,008	--	--	127,008
Other income	12,910	--	--	12,910	8,173	--	--	8,173
	<u>4,520,233</u>	<u>534,234</u>	<u>--</u>	<u>5,054,467</u>	<u>4,764,342</u>	<u>569,100</u>	<u>--</u>	<u>5,333,442</u>
Net assets released from restrictions								
Satisfaction of purpose restrictions	583,469	(583,469)	--	--	424,911	(424,911)	--	--
	<u>5,103,702</u>	<u>(49,235)</u>	<u>--</u>	<u>5,054,467</u>	<u>5,189,253</u>	<u>144,189</u>	<u>--</u>	<u>5,333,442</u>
Expenses								
Program services	3,360,629	--	--	3,360,629	3,496,649	--	--	3,496,649
Administrative	574,481	--	--	574,481	889,319	--	--	889,319
Fundraising	1,334,246	--	--	1,334,246	1,203,954	--	--	1,203,954
	<u>5,269,356</u>	<u>--</u>	<u>--</u>	<u>5,269,356</u>	<u>5,589,922</u>	<u>--</u>	<u>--</u>	<u>5,589,922</u>
Changes in net assets	(165,654)	(49,235)	--	(214,889)	(400,669)	144,189	--	(256,480)
Net assets, beginning of year	<u>3,344,444</u>	<u>604,514</u>	<u>878,999</u>	<u>4,827,957</u>	<u>3,745,113</u>	<u>460,325</u>	<u>878,999</u>	<u>5,084,437</u>
Net assets, end of year	<u>\$ 3,178,790</u>	<u>\$ 555,279</u>	<u>\$ 878,999</u>	<u>\$ 4,613,068</u>	<u>\$ 3,344,444</u>	<u>\$ 604,514</u>	<u>\$ 878,999</u>	<u>\$ 4,827,957</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, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Changes in net assets	\$ (214,889)	\$ (256,480)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	158,333	170,231
Net realized/unrealized loss (gain) on investments	3,531	(11)
Donated investments	(29,223)	(1,127)
Bad debt expense	26,007	7,932
Changes in assets and liabilities		
Underwriting receivables	(23,123)	26,189
Pledges receivable	29,577	9,974
Grants receivable	146,423	(143,696)
Prepaid expenses	(52,260)	3,143
Accounts payable and accrued expenses	356	(66,920)
Severance payable	(52,413)	152,504
Security deposits payable	(5,000)	5,000
Deferred revenue	9,222	30,094
Deferred rent	3,608	4,905
Net cash provided (used) by operating activities	<u>149</u>	<u>(58,262)</u>
Cash flows from investing activities		
Purchases of property and equipment	(55,661)	(34,054)
Payments received on loan receivable	1,320	11,399
Purchase of investments	(1,627,513)	(701,098)
Proceeds from sale of investments	<u>1,625,653</u>	<u>700,425</u>
Net cash used by investing activities	(56,201)	(23,328)
Cash flows from financing activities		
Repayment of loan payable	--	(1,824)
Repayment of bonds payable	<u>(138,346)</u>	<u>(131,206)</u>
Net cash used by financing activities	<u>(138,346)</u>	<u>(133,030)</u>
Net change in cash and cash equivalents	(194,398)	(214,620)
Cash and cash equivalents		
Beginning of year	<u>1,368,163</u>	<u>1,582,783</u>
End of year	<u>\$ 1,173,765</u>	<u>\$ 1,368,163</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 6,532</u>	<u>\$ 13,729</u>
Noncash operating activities		
Donated services	<u>\$ 5,250</u>	<u>\$ 127,008</u>

No amounts were paid for income taxes for the years ended September 30, 2015 and 2014.

Newark Public Radio, Inc.
Statements of Functional Expenses
Years Ended September 30, 2015 and 2014

	2015				2014			
	Program Services	Supporting Services			Total	Program Services	Supporting Services	
	Station Operations	Administrative	Fundraising	Total		Station Operations	Administrative	Fundraising
Salaries	\$ 1,647,694	\$ 361,853	\$ 502,137	\$ 2,511,684	\$ 2,589,757	\$ 1,630,811	\$ 524,809	\$ 434,137
Payroll taxes and fringe benefits	319,346	78,624	135,243	533,213	514,658	332,932	72,757	108,969
Artist fees	76,742	--	--	76,742	51,353	51,353	--	--
Professional services	252,855	32,198	8,226	293,279	376,193	289,398	65,077	21,718
Donated services	--	5,250	--	5,250	127,008	27,008	100,000	--
Audience research	50,590	--	--	50,590	48,650	48,650	--	--
Office expense	22,286	2,640	3,088	28,014	47,579	42,434	2,345	2,800
Broadcast supplies	15,585	--	--	15,585	16,564	16,564	--	--
Program purchases	39,446	--	--	39,446	43,861	43,861	--	--
Internet streaming	27,780	--	--	27,780	32,755	32,755	--	--
Telephone	40,888	3,677	5,102	49,667	55,843	42,839	7,425	5,579
Printing	30,341	--	--	30,341	34,861	34,861	--	--
Fundraising supplies	--	--	49,874	49,874	47,381	--	--	47,381
Premiums	9,920	--	94,995	104,915	85,451	8,609	--	76,842
Postage and shipping	16,573	3,016	32,461	52,050	79,184	18,107	2,309	58,768
Dues and subscriptions	15,281	2,020	9,573	26,874	28,984	15,735	6,194	7,055
Satellite fee	8,683	--	--	8,683	8,380	8,380	--	--
News wire	27,779	--	--	27,779	28,199	28,199	--	--
Credit and administrative fees	30	2,057	64,632	66,719	53,673	1,011	1,788	50,874
Travel and entertainment	28,451	4,815	4,527	37,793	42,155	30,836	4,910	6,409
Meetings and conferences	--	1,132	--	1,132	667	--	667	--
Advertising and public relations	11,242	100	80	11,422	46,132	39,465	80	6,587
Advertising and public relations - trade	348,595	--	--	348,595	397,639	397,639	--	--
Staff development	2,411	1,385	4,742	8,538	9,699	1,275	590	7,834
Utilities	31,181	6,848	9,503	47,532	51,720	34,759	7,731	9,230
Space and equipment rental	156,482	6,021	8,354	170,857	166,305	154,121	5,554	6,630
Repairs and maintenance	26,708	21,400	--	48,108	48,375	20,023	28,352	--
Insurance	38,385	7,002	9,717	55,104	60,130	40,411	8,989	10,730
Depreciation and amortization	84,895	27,132	46,306	158,333	170,231	87,376	35,195	47,660
Interest expense	4,285	941	1,306	6,532	13,729	9,227	2,052	2,450
Special events	--	--	344,380	344,380	292,241	--	--	292,241
Bad debt expense	26,007	--	--	26,007	7,932	7,932	--	--
Miscellaneous	168	6,370	--	6,538	12,633	78	12,495	60
	<u>\$ 3,360,629</u>	<u>\$ 574,481</u>	<u>\$ 1,334,246</u>	<u>\$ 5,269,356</u>	<u>\$ 5,589,922</u>	<u>\$ 3,496,649</u>	<u>\$ 889,319</u>	<u>\$ 1,203,954</u>

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

Newark Public Radio, Inc.
Notes to Financial Statements
September 30, 2015 and 2014

1. Organization and Purpose

Newark Public Radio, Inc. ("WBGO") is a publicly-supported, cultural institution that champions jazz, an American art form, and news to a worldwide audience through radio at 88.3 fm and other technologies including its website at wbgo.org. Founded in 1979, WBGO continues to grow its reach into both the Newark, NJ and jazz communities and is the only full time broadcaster of jazz in the NY/NJ metro area as well as the producer of national programming in partnership with National Public Radio ("NPR").

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, 2015 and 2014 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. 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, 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.

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.

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, 2015 and 2014 and has incurred no interest or penalties related to income taxes for the periods presented in their financial statements.

Newark Public Radio, Inc.
Notes to Financial Statements
September 30, 2015 and 2014

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 \$11,422 and \$46,132 in 2015 and 2014, respectively. Additionally, during the years ended September 30, 2015 and 2014 WBGO had \$348,595 and \$397,639, 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

In accordance with the provisions of the accounting pronouncement on accounting for the impairment or disposal 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.

Reclassifications

Certain accounts in the 2014 financial statements have been reclassified for comparative purposes to conform with the presentation in the 2015 financial statements. These changes have had no effect on previously reported net assets and change in net assets.

Newark Public Radio, Inc.
Notes to Financial Statements
September 30, 2015 and 2014

3. Pledges Receivable

Pledges receivable amounted to \$285,521 and \$315,098 for the years ended September 30, 2015 and 2014, respectively and consist of pledges due within one year.

4. Grants and Contracts Receivable

WBGO was due certain amounts at September 30, 2015 and 2014 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:

	2015	2014
New Jersey Council on the Arts	\$ 51,335	\$ 51,335
National Endowment for the Arts	40,000	22,800
Foundation grants	<u>1,377</u>	<u>165,000</u>
	<u>\$ 92,712</u>	<u>\$ 239,135</u>

5. Investments

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

	2015		2014	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Equities	\$ 4,466	\$ 16,016	\$ 3,794	\$ 13,386
Mutual funds	16,534	22,767	--	--
Certificates of deposit	<u>1,525,261</u>	<u>1,523,075</u>	<u>1,523,955</u>	<u>1,520,920</u>
	<u>\$ 1,546,261</u>	<u>\$ 1,561,858</u>	<u>\$ 1,527,749</u>	<u>\$ 1,534,306</u>

Investment income 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, 2015 and 2014 and was comprised of the following:

	2015	2014
Interest and dividend income	\$ 9,801	\$ 5,443
Realized gains	526	318
Unrealized losses	(4,057)	(307)
Investment fees	<u>(150)</u>	<u>(150)</u>
	<u>\$ 6,120</u>	<u>\$ 5,304</u>

Newark Public Radio, Inc.
Notes to Financial Statements
September 30, 2015 and 2014

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, 2015 and 2014:

	2015			
	Total	Level 1	Level 2	Level 3
Equities	\$ 16,016	\$ 16,016	\$ --	\$ --
Mutual funds	22,767	22,767	--	--
Certificates of deposit (A)	1,523,075	--	--	--
Total investments	<u>\$ 1,561,858</u>	<u>\$ 38,783</u>	<u>\$ --</u>	<u>\$ --</u>
	2014			
	Total	Level 1	Level 2	Level 3
Equities	\$ 13,386	\$ 13,386	\$ --	\$ --
Certificates of deposit (A)	1,520,920	--	--	--
Total investments	<u>\$ 1,534,306</u>	<u>\$ 13,386</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
September 30, 2015 and 2014

6. Property and Equipment

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

	2015	2014
Land	\$ 47,855	\$ 47,855
Buildings	82,684	82,684
Building improvements	2,425,148	2,369,487
Broadcasting equipment	1,857,112	1,865,789
Office equipment	<u>502,308</u>	<u>516,544</u>
	4,915,107	4,882,359
Less: Accumulated depreciation	<u>3,273,088</u>	<u>3,141,646</u>
	<u>\$ 1,642,019</u>	<u>\$ 1,740,713</u>

Depreciation expense totaled \$154,354 and \$166,252 for the years ended September 30, 2015 and 2014, respectively.

7. Deferred Financing Costs

WBGO 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. Bond financing costs shown net of accumulated amortization were \$-0- and \$3,978 at September 30, 2015 and 2014, respectively. Amortization expense amounted to \$3,978 and \$3,979 for the years ended September 30, 2015 and 2014, respectively.

8. 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 WBGO 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 are secured by a mortgage on land and building. Bonds payable amounted to \$41,732 and \$180,078 as of September 30, 2015 and 2014, respectively. The bonds were paid in full in fiscal year 2016.

9. 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 amount to \$100,091 and \$152,504 for the years ended September 30, 2015 and 2014, respectively.

Newark Public Radio, Inc.
Notes to Financial Statements
September 30, 2015 and 2014

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 \$170,857 and \$166,305 for the years ended September 30, 2015 and 2014, respectively. Minimum future annual rentals to be paid under non-cancellable lease agreements for the remaining lease terms are as follows:

Year	Amount
2016	\$ 103,921
2017	80,168
2018	79,262
2019	71,594
2020	73,026
Thereafter	<u>346,919</u>
	<u>\$ 754,890</u>

10. 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 \$40,000 and \$44,000 for the years ended September 30, 2015 and 2014, respectively.

11. Net Assets

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

	2015	2014
Temporarily restricted -		
Restricted by donor for programmatic use as follows		
Signal Expansion Project	\$ 89,901	\$ 211,511
Jazz night in America/Jazzset	316,543	285,545
Children's music project	38,283	33,710
Live jazz productions	25,024	21,894
Communications/marketing	37,153	39,500
Cephas Bowles scholarship fund	28,375	--
Educational programs	20,000	--
Special projects	--	12,354
	<u>\$ 555,279</u>	<u>\$ 604,514</u>

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

	2015	2014
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	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:

	2015	2014
Jazz night in America/Jazzset	\$ 245,861	\$ 102,649
Children's Jazz Series	84,427	91,893
Alan Wolper Project	15,000	12,500
Jazzset New Year's Eve	--	4,000
Signal Expansion Project	121,610	175,390
Kids jazz @ play	25,000	--
Live jazz productions	6,870	8,025
Communications/marketing	52,347	10,500
Roof replacement	20,000	--
Special projects	12,354	19,954
	<u>\$ 583,469</u>	<u>\$ 424,911</u>

12. Related Party Transactions

WBGO received contributions from board members amounting to approximately \$176,000 and \$121,000 for the years ended September 30, 2015 and 2014, respectively.

13. 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 10.5 percent of total receivables for the year ended September 30, 2015. WBGO had receivables from one grantor amounting to 22.5 percent of total receivables for the year ended September 30, 2014.

14. 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.

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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.

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, 2015 and 2014 are as follows:

	National Endowment for the Arts	Jazznet Endowment	Prudential Endowment	NJ Cultural Trust	Total
Balance - 10/01/13	\$ 240,000	\$ 300,000	\$ 250,000	\$ 88,999	\$ 878,999
Contributions	--	--	--	--	--
Investment income	830	1,037	864	308	3,039
Appropriated for expenditure	<u>(830)</u>	<u>(1,037)</u>	<u>(864)</u>	<u>(308)</u>	<u>(3,039)</u>
Balance - 9/30/14	240,000	300,000	250,000	88,999	878,999
Contributions	--	--	--	--	--
Investment income	940	1,175	980	349	3,444
Appropriated for expenditure	<u>(940)</u>	<u>(1,175)</u>	<u>(980)</u>	<u>(349)</u>	<u>(3,444)</u>
Balance - 9/30/15	<u>\$ 240,000</u>	<u>\$ 300,000</u>	<u>\$ 250,000</u>	<u>\$ 88,999</u>	<u>\$ 878,999</u>

15. Subsequent Events

WBGO has evaluated subsequent events occurring after the statement of financial position date through the date of January 11, 2016, 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.