

New Jersey Public Broadcasting Authority

Meeting of the Audit Committee

January 25, 2019 at 9:30 a.m.

New Jersey Public Broadcasting Authority
Conference Room and by Conference Call
25 S. Stockton Street
Trenton, NJ 08608

MINUTES

Michael DeCheser, Chair, Presiding

Minutes of the meeting of the New Jersey Public Broadcasting Authority (“NJPBA” or “Authority”) Audit Committee (the “Committee”) held at the New Jersey Public Broadcasting Authority Conference Room, 25 S. Stockton Street, Trenton, New Jersey 08608, and by Conference Call on Friday, January 25, 2019, at 9:40 a.m.

1. CALL TO ORDER, OPEN PUBLIC MEETINGS ACT STATEMENT AND ROLL CALL

Chair of the NJPBA Audit Committee, Mr. Michael DeCheser, called the meeting to order. Chair DeCheser read the Open Public Meetings Act statement as follows: “In accordance with the provisions of the Open Public Meetings Act of the State of New Jersey, notice of this meeting has been filed with the Office of the Secretary of State, has been posted on the appropriate bulletin boards maintained for such purposes by the Authority, and distributed by press release to two daily newspapers in New Jersey. Notice was made in advance of this meeting.”

Chair DeCheser then requested a roll call. NJPBA Audit Committee Members present and participating at the meeting were Michael DeCheser, Chair (*via phone*); Matthew Hoban; and Christopher Mathews (*via phone*). Also present and participating were Warren Broudy, Mercadien, P.C.; Stephen Noon, Mercadien, P.C.; Catherine Brennan, Deputy State Treasurer; Kavin Mistry, Deputy Director, Division of Law; Susan Wilkerson, Deputy Attorney General; Craig Ambrose, Governor’s Authorities Unit (*via phone*); and Nichol Gee, Assistant Chief of Office Services, NJPBA (*taking minutes*).

2. RESOLUTION APPROVING THE MINUTES OF THE JUNE 18, 2018 AUDIT COMMITTEE MEETING

**RESOLUTION APPROVING THE MINUTES
OF THE JUNE 18, 2018 AUDIT COMMITTEE MEETING**

WHEREAS, the New Jersey Public Broadcasting Authority (the “Authority”) was created pursuant to the New Jersey Public Broadcasting Authority Act of 1968, L. 1968, c. 405, as amended (the “Original Act”), including by the New Jersey Public Broadcasting System Transfer Act, L. 2010, c. 104 (the “Transfer Act,” and together with the Original Act, the “Act”); and

WHEREAS, the Members of the Audit Committee established pursuant to Article IX, Section 2 of the By-Laws of the Authority desire to approve the minutes of the June 18, 2018 meeting of the Audit Committee, attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUDIT COMMITTEE OF THE NEW JERSEY PUBLIC BROADCASTING AUTHORITY AS FOLLOWS:

1. The Members of the Audit Committee hereby approve the minutes of the June 18, 2018 meeting of the Audit Committee.
2. This resolution shall take effect immediately in accordance with the Act.

Chair DeCheser asked for a motion to approve a Resolution Approving the Minutes of the June 18, 2018 Audit Committee Meeting. Mr. Hoban made a motion to approve the resolution. Mr. Mathews seconded the motion. Chair DeCheser asked if there were any changes to the minutes. No changes were indicated. Chair DeCheser asked for a voice vote to approve the Resolution Approving the Minutes of the June 18, 2018 Audit Committee Meeting. The motion was voted upon and approved unanimously.

3. DISCUSSION OF THE NEW JERSEY PUBLIC BROADCASTING AUTHORITY FISCAL YEAR 2017 AUDIT REPORT

Chair DeCheser asked the Committee members if they had reviewed the audit from Mercadien, P.C. The members confirmed they had. Chair DeCheser asked Mr. Warren Broudy and Mr. Stephen Noon to present an overview of the NJPBA Fiscal Year 2018 (“FY18”) Audit Report. Mr. Broudy thanked the Committee and staff, then asked Mr. Noon to present a snapshot of the audit. Mr. Noon reviewed the Post-Audit Presentation, stating that it was an unmodified, clean opinion. He reviewed the open items which would be finalized after the Committee accepted the audit and the areas of audit emphasis.

Mr. Noon said the audit found no issues with management’s accounting processes or procedures, and he reviewed the audit adjustments, which were fewer than the previous year. The primary accounting estimates related to the calculation of depreciation expenses and functional classification of expenses in the financial statements. Mr. Noon reviewed

the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. There were no uncorrected misstatements. Mr. Noon referenced Mercadien, P.C.'s core values and contact information, and reviewed the required communications, which indicated that management followed generally accepted accounting principles ("GAAP") and selected preferable accounting practices. There were no changes in policies or practices. The auditors recommended a change in the depreciation of assets to be reviewed monthly or at year-end. There were no significant or unusual transactions, difficulties, material weaknesses, or control deficiencies. There were no disagreements, significant issues, or difficulties with management.

Mr. Noon asked if there were any questions. Ms. Brennan asked if there were any opportunities to increase revenue. Mr. Noon stated that revenue was primarily derived from tower lease contracts, and so, to raise more revenue, either more space would need to be rented or rates would need to increase. Ms. Brennan asked what contracts should be reviewed for increase. Mr. Noon said he was unsure and deferred to management. Ms. Brennan asked for an inventory of the Authority's assets. Ms. Gee said that would be provided.

4. RESOLUTION OF THE AUDIT COMMITTEE OF THE NEW JERSEY PUBLIC BROADCASTING AUTHORITY RECOMMENDING ACCEPTANCE OF THE FISCAL YEAR 2018 AUDIT REPORT

RESOLUTION OF THE AUDIT COMMITTEE OF THE NEW JERSEY PUBLIC BROADCASTING AUTHORITY RECOMMENDING ACCEPTANCE OF THE FISCAL YEAR 2018 AUDIT REPORT

WHEREAS, the New Jersey Public Broadcasting Authority (the "Authority") was created pursuant to the New Jersey Public Broadcasting Authority Act of 1968, L. 1968, c. 405, as amended (the "Original Act"), including by the New Jersey Public Broadcasting System Transfer Act, L. 2010, c. 104 (the "Transfer Act," and together with the Original Act, the "Act");

WHEREAS, the Audit Committee established pursuant to Article IX, Section 1 of the By-Laws and in accordance with the requirements of Executive Order No. 122 (McGreevey 2004) ("EO 122") has reviewed the Independent Auditor Report from the firm of Mercadien, P.C., the Independent Auditor to the Authority, for Fiscal Year 2018 ("Fiscal Year 2018 Audit Report"); and

WHEREAS, the Audit Committee recommends acceptance of the Fiscal Year 2018 Audit Report by the Members of the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE AUDIT COMMITTEE OF THE NEW JERSEY PUBLIC BROADCASTING AUTHORITY AS FOLLOWS:

1. The Audit Committee hereby recommends that the Members of the Authority accept the Fiscal Year 2018 Audit Report from the firm of Mercadien, P.C., the Independent Auditor to the Authority.
2. This resolution shall take effect immediately in accordance with the Act.

Chair DeCheser asked for a motion to approve a Resolution of the Audit Committee of the New Jersey Public Broadcasting Authority Recommending Acceptance of the Fiscal Year 2018 Audit Report. Mr. Mathews made a motion to approve the resolution. Mr. Hoban seconded the motion. Chair DeCheser asked for a roll call vote to approve the Resolution of the Audit Committee of the New Jersey Public Broadcasting Authority Recommending Acceptance of the Fiscal Year 2018 Audit Report. The motion was voted upon and approved unanimously.

5. OTHER BUSINESS

Chair DeCheser asked if there was any other business the Committee needed to discuss. The members demurred.

6. ADJOURNMENT

Chair DeCheser thanked everyone for their participation and asked for a motion to adjourn. Mr. Mathews made a motion to adjourn the meeting. Mr. Hoban seconded the motion. The motion was voted upon and approved unanimously. The meeting was adjourned at 9:55 a.m.