



National Public Radio, Inc.

Consolidated Financial Statements,
Supplemental Schedules, and
Independent Auditors' Report
Year Ended September 30, 2014

National Public Radio, Inc.

**Consolidated Financial Statements,
Supplemental Schedules, and
Independent Auditors' Report**
Year Ended September 30, 2014

National Public Radio, Inc.

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Independent Auditors' Report

To the Board of Directors
National Public Radio, Inc.
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **National Public Radio, Inc.**, which comprise the consolidated statement of financial position as of September 30, 2014, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 the entity'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **National Public Radio, Inc.** as of September 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules of financial position, activities and cash flows for National Public Radio, Inc. (Parent Company Only) and NPR Foundation are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

BDO USA, LLP

December 18, 2014

National Public Radio, Inc.
Consolidated Statement of Financial Position

<i>September 30,</i>	2014
Assets	
Cash and cash equivalents	\$ 10,339,895
Restricted cash and cash equivalents	3,954,674
Accounts receivable, net	21,063,715
Contributions receivable, net	18,297,874
Investments	395,947,134
Property and equipment, net	231,347,191
Deferred financing costs, net	3,139,518
Prepaid expenses and other assets	3,779,492
Intangible assets, net	1,822,832
Total assets	\$ 689,692,325
Liabilities and Net Assets	
Liabilities	
Accounts payable and other liabilities	\$ 31,179,797
Deferred revenue	11,984,967
Accrued interest payable	3,793,062
Note payable	730,360
Bonds payable	171,701,547
Total liabilities	219,389,733
Net assets	
Unrestricted:	
Unrestricted net assets	156,169,475
Noncontrolling interest	1,078,704
Total unrestricted	157,248,179
Temporarily restricted	115,673,645
Permanently restricted	197,380,768
Total net assets	470,302,592
Total liabilities and net assets	\$ 689,692,325

See accompanying notes to consolidated financial statements.

National Public Radio, Inc.
Consolidated Statement of Activities

<i>For the year ended September 30,</i>	2014
Unrestricted Net Assets	
Operating revenues	
Membership dues	\$ 3,238,388
Station programming fees	71,827,751
Corporate sponsorships	43,137,905
Grants and contributions	17,385,261
Distribution and satellite interconnection	25,562,533
Commissions	4,755,317
Digital services	5,193,085
Return on long-term investments designated for current operations	1,520,649
Use of prior year return on long-term investments for operations	4,087,524
Donated goods and services	1,356,848
Return on working capital investments, net	9,378
Other	8,074,591
Net assets released from restrictions:	
Distribution from endowment to support operations	10,567,484
Grants and contributions	12,489,692
Total operating revenues	209,206,406
Operating expenses	
Program services:	
News and information	74,112,692
Programming	17,838,154
Distribution and satellite interconnection	27,482,242
Digital media	12,482,580
Content strategy and operations	9,915,551
Engineering	6,604,105
Digital services	6,350,370
NPR music	4,714,492
Member partnership	1,304,509
Consumer products	1,070,922
Total program services expenses	161,875,617
Support services:	
General and administrative	44,834,065
Fundraising	4,896,516
Total support services	49,730,581
Total operating expenses	211,606,198
Excess of operating expenses over operating revenues	(2,399,792)
Nonoperating activities	
Return on long-term investments, net	5,092,503
Change in noncontrolling interest	231,151
Use of prior year return on long-term investments for operations	(4,087,524)
Interest expense	(7,572,243)
Reorganization costs	(13,148,429)
Other, net	(292,766)
Total nonoperating activities, net	(19,777,308)
Change in unrestricted net assets	\$ (22,177,100)

Continued on the next page

National Public Radio, Inc.
Consolidated Statement of Activities

<i>For the year ended September 30,</i>	2014
Temporarily Restricted Net Assets	
Return on long-term investments, net	\$ 33,704,652
Grants and contributions	14,563,506
Net assets reclassification due to donor re-designation	(250,000)
Net assets released from restrictions:	
Distribution from endowment to support operations	(10,567,484)
Grants and contributions	(12,489,692)
Change in temporarily restricted net assets	24,960,982
Permanently Restricted Net Assets	
Return on long-term investments, net	11,759
Grants and contributions	1,388
Net assets reclassification due to donor re-designation	250,000
Change in permanently restricted net assets	263,147
Change in total net assets	3,047,029
Net assets at beginning of year	466,176,859
Noncontrolling interest	1,078,704
Net assets at end of year	\$ 470,302,592
Certain amounts disaggregated by net asset class above are presented below in the aggregate	
Grants and contributions	\$ 31,950,155
Return on long-term investments, net	\$ 40,329,563

See accompanying notes to consolidated financial statements.

National Public Radio, Inc.
Consolidated Statement of Cash Flows

<i>For the year ended September 30,</i>	2014
Cash flows from operating activities	
Change in net assets	\$ 3,047,029
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Permanently restricted contributions	(1,388)
Net realized gains on investments	(14,722,614)
Net unrealized gains on investments	(20,834,155)
Amortization of deferred financing costs	113,543
Amortization of discount on note payable	17,185
Amortization of premium on bonds payable	(49,002)
Depreciation	10,874,209
Change in allowance for doubtful accounts	(370,424)
Change in allowance for uncollectible contributions receivable	(17,486)
Change in discount to present value on multi-year contributions receivable	161,748
Loss on disposal of property and equipment	22,431
Investment return restricted for investment in endowment corpus	(11,759)
Change in noncontrolling interest	(231,151)
Decrease (increase) in assets:	
Accounts receivable	1,447,333
Contributions receivable	(4,637,290)
Deferred financing costs, net	(8,548)
Prepaid expenses and other assets	806,755
Increase (decrease) in liabilities:	
Accounts payable and other liabilities	5,673,282
Deferred revenue	(19,504,377)
Accrued interest payable	310,310
Total adjustments	(40,961,398)
Net cash used in operating activities	(37,914,369)
Cash flows from investing activities	
Purchases of investments	(195,396,419)
Sales and maturities of investments	231,329,998
Purchases of property and equipment	(5,358,268)
Net cash provided by investing activities	30,575,311
Cash flows from financing activities	
Draws from line of credit	9,000,000
Repayments to line of credit	(9,000,000)
Repayment under note payable	(250,000)
Change in restricted cash and cash equivalents—for interest payable	(312,826)
Distribution to members	(112,005)
Permanently restricted contributions	1,388
Investment return restricted for investment in endowment corpus	11,759
Net cash used in financing activities	(661,684)
Net change in cash and cash equivalents	(8,000,742)
Cash and cash equivalents, beginning of year	18,340,637
Cash and cash equivalents, end of year	\$ 10,339,895
Supplemental data	
Donated securities	\$ 868,080
Cash paid for interest	\$ 7,293,791
Cash paid for income taxes	\$ 7,600

See accompanying notes to consolidated financial statements.

National Public Radio, Inc.

Notes Consolidated Financial Statements

1. ORGANIZATION AND BACKGROUND

National Public Radio, Inc. (NPR Inc.) was incorporated in 1970 following passage of the Public Broadcasting Act of 1967 (see 47 U.S.C. §396). NPR Inc. works in partnership with member stations to create a more informed public, one that is challenged and invigorated by a deeper understanding and appreciation of events, ideas, and cultures. To accomplish its mission, NPR Inc. (i) produces, acquires, and distributes noncommercial programming that meets the highest standards of public service in journalism and cultural expression; (ii) represents its member stations in matters of their mutual interest; and (iii) provides satellite interconnection for the entire public radio system.

A 17-member Board of Directors (NPR Inc. Board) governs NPR Inc. The NPR Inc. Board consists of (i) 10 individual member station managers who are elected to the NPR Inc. Board by their fellow member stations and (ii) seven directors that include the President of NPR Inc., the Chairperson of the NPR Foundation (Foundation) Board of Trustees (Foundation Board), and five prominent members of the public selected by the NPR Inc. Board and confirmed by member stations.

The consolidated financial statements do not include the activities of member stations because those stations are independently-owned and operated. However, the net assets and activities of the following entities for which NPR Inc. maintains management and/or financial control, are included in the consolidated financial statements (hereinafter, NPR Inc. and the following organizations are collectively referred to as “NPR”):

- **Foundation**—Incorporated in 1992 as a “supporting organization,” the Foundation is organized and operated exclusively for the benefit of NPR Inc. and no other charitable organization. The Foundation supports NPR Inc. by raising charitable contributions, managing an endowment fund for the benefit of NPR Inc., and disbursing such funds to NPR Inc. for the operation, promotion, development, capital expansion, and other valid purposes of NPR Inc. The Foundation also conducts fundraising events and engages in related activities for the benefit of NPR Inc. The Foundation is governed by a Board of Trustees comprised of up to 60 public radio supporters from across the nation. NPR Inc.’s President and the Chairperson of the NPR Inc. Board are the official voting representatives of NPR Inc. (NPR Inc. Representatives) on the Foundation Board. Foundation Trustees are elected by the Foundation Board and the NPR Inc. Representatives. NPR Inc. is the sole member of the Foundation and separate Foundation financial statements are presented in the supplementary information.
- **NPR Media Berlin gGmbH (NPR Media Berlin)**—Formed by NPR Inc. in 2006, NPR Media Berlin is a German nonprofit limited liability company which broadcasts noncommercial educational radio programming, including news, talk, and cultural programming in Berlin, Germany. The programming consists primarily of NPR Inc.’s English language programming. The Media Authority of Berlin Brandenburg issued NPR Media Berlin an FM radio station license for the period April 1, 2006, through March 31, 2020. NPR Inc. is the sole shareholder of NPR Media Berlin.
- **National Public Media, LLC (NPM)**—After acquiring National Public Broadcasting, Inc. (NPB), NPR Inc. integrated NPB with NPR Inc.’s former corporate sponsorship staff to form NPM in 2007. NPM secures public broadcasting and digital sponsorship for public radio stations and television entities, and other like-minded entities, including NPR Inc. and its member stations. NPM has three members, including NPR Inc., WGBH Educational Foundation (WGBH), and Public Broadcasting Service (PBS). Each member holds one of three positions on the NPM Board of Directors. Member capital percentages are 72%, 18% and 10%, for NPR Inc., WGBH, and PBS, respectively.

All significant intercompany balances and transactions have been eliminated in consolidation.

National Public Radio, Inc.

Notes Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation

The consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, NPR classifies resources in the consolidated financial statements into three net asset categories pursuant to any donor-imposed restrictions and applicable law. These net asset categories are as follows:

- *Unrestricted*—Net assets not subject to either legal or donor-imposed restrictions.
- *Temporarily restricted*—Net assets subject to either legal or donor-imposed stipulations that will be satisfied either by actions of either NPR Inc. or the Foundation, the passage of time, or both. These net assets include gifts donated for a particular purpose, amounts subject to time restrictions, or amounts subject to legal restrictions such as accumulated appreciation on donor-restricted endowments which must be reported as temporarily restricted net assets until approved for distribution.
- *Permanently restricted*—Net assets subject to donor-imposed stipulations that require the net assets be invested to provide a perpetual source of income to NPR Inc. and the Foundation. Generally, donors of these assets require NPR to maintain and invest the original contribution in perpetuity, but permit the use of some or all of investment returns for either general or specific purposes.

Revenues from sources other than contributions are generally reported as increases in unrestricted net assets. Expenses, excluding investment-related expenses, are reported as decreases in unrestricted net assets and are recognized during the period incurred. Investment expenses are netted against “Return on long-term investments” in the consolidated statements of activities in the appropriate classification of net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets, unless the use is restricted either by donor stipulations or by law. Investment returns earned by donor restricted donor funds are initially classified as temporarily restricted net assets and then distributed to unrestricted net assets when expenses are incurred for their intended purpose.

Revenues from:

- *Corporate sponsorships* are considered exchange transactions and are recognized as revenue when credits either are aired or delivered digitally (e.g., online, mobile devices, podcasts). Corporate sponsorships paid in advance of crediting are reflected as deferred revenue until the credits either are aired or delivered digitally.
- *Commissions* represent amounts charged by NPM to customers other than NPR Inc. for securing corporate sponsorships.
- *Membership dues, station programming fees, digital services, distribution and satellite interconnection revenue* are recognized either ratably over the membership or service period, both of which generally coincide with NPR Inc.’s fiscal year or as services are provided.

Revenue from irrevocable contributions is reported as an increase in the appropriate classification of net assets. Contributions that impose restrictions that are met in the same fiscal year the contributions are received are reported as increases in unrestricted net assets. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift.

National Public Radio, Inc.
Notes Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of presentation (Continued)

Expirations of temporary restrictions on contributed net assets (i.e., the externally stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as “Net assets released from restriction” between the applicable classifications of net assets in the consolidated statements of activities.

B. Fair value measurements

Conceptually, fair value measurements reflected in the consolidated financial statements represent the price that would be received either to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. NPR uses a three-tiered hierarchy to categorize assets and liabilities based on the valuation methodologies employed. In addition, classification of certain investments within the fair value hierarchy is based on NPR’s ability to redeem timely its interest rather than the valuation inputs. The hierarchy is defined as follows:

- *Level 1*—Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities that are available at the measurement date.
- *Level 2*—Valuation based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, and also includes investments redeemable on or near the measurement date.
- *Level 3*—Valuation based on unobservable inputs used in situations in which little or no market data is available, and also includes alternative investments not redeemable near the measurement date.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. NPR utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Transfers between categories occur when there is an event that changes the inputs used to measure the fair value of an asset or liability, or when alternative investments become more or less redeemable due to the term or other changes. Transfers between fair values categories are recognized at the end of the reporting period.

C. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand in bank accounts, in temporary overnight investments, in interest and non-interest bearing liquid investment accounts, and in money market accounts with maturities of ninety days or less at the date of acquisition. Cash and cash equivalents are carried at cost.

As of September 30, 2014, NPR had \$5,157,715 of cash deposits in excess of the federal deposit insurance limit. Although these funds exceeded the federal deposit insurance limit, NPR believes there is minimum risk to the account balance.

Cash and cash equivalents that are part of NPR’s investment portfolio are included in “Investments” (see Note 4) as these funds are not used for operating needs.

National Public Radio, Inc.
Notes Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Restricted cash and cash equivalents

Restricted cash and cash equivalents consist of amounts deposited to satisfy interest obligations on NPR Inc.'s bonds payable (see Note 7(B)) and a deposit held as collateral for a standby letter of credit on NPM's New York office lease agreement.

E. Accounts receivable

Accounts receivable primarily include amounts due from (i) corporate sponsors, (ii) public radio stations for use of NPR's programming, (iii) third parties licensing NPR material, and (v) third parties for commissions, digital, and other services provided by NPR. NPR records an allowance for doubtful accounts based on its determination of the likelihood of collection for each receivable balance considering the age of the receivable and other factors impacting collection. These inputs represent Level 3 inputs on the fair value hierarchy. Accounts receivable are shown in the consolidated statements of financial position net of an allowance for doubtful accounts in the amount of \$970,180 as of September 30, 2014.

F. Contributions receivable

Unconditional promises to give are recognized at fair value as unrestricted, temporarily, or permanently restricted contribution revenue in the period such promises are made by donors. Contributions recognized as such and to be received after one year are discounted to present value using discount rates that approximate U.S. Treasury borrowing rates at the time of the gift for the respective duration of the donor's payment plan. Amortization of the discount is recorded as additional contribution revenue. NPR records an allowance for uncollectible contributions receivable based on its determination of the likelihood of collection for each contribution receivable balance considering the age of the receivable and other factors impacting collection. These inputs represent Level 3 inputs on the fair value hierarchy.

In contrast to unconditional promises to give, conditional promises to give are not recorded until donor conditions are substantially met. There were no conditional promises to give in existence as of September 30, 2014.

G. Property and equipment

Property and equipment includes land, construction-in-progress, technical equipment and software, building and improvements, office furniture, and vehicles. NPR capitalizes land, technical equipment, building and improvements, office furniture, and vehicles that cost \$1,000 or more. Land, technical equipment, building and improvements, office furniture, and vehicles are stated at cost on the dates of acquisition or if donated, at fair value on the dates of donation. NPR capitalizes software intended to be sold, leased or marketed that costs more than \$500,000. Software development costs below this threshold are expensed as incurred.

Depreciation is computed using the straight-line method with a mid-month convention over the assets' estimated useful lives. Useful lives range from (i) three to fifteen years for technical equipment, (ii) the greater of five years or the percentage of the product's current year revenues to its anticipated future revenues for software, (iii) ten to fifty years for buildings and building components, (iv) the shorter of the remaining useful life of the building or the life of the improvement for improvements, (v) five to eight years for office furniture, and (vi) five years for vehicles. Depreciation is not calculated on land and construction-in-progress.

National Public Radio, Inc.
Notes Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred financing costs

Costs related to the issuance of the District of Columbia Revenue Bonds (National Public Radio, Inc. Issue) Series 2010 (Series 2010 Bonds) and the District of Columbia Refunding Revenue Bonds (National Public Radio, Inc. Issue) Series 2013 (Series 2013 Bonds) were deferred and are being amortized over the remaining terms of the bonds, which is currently 21 years for the Series 2010 Bonds and 28 years for the Series 2013 Bonds (see Note 7(B)).

I. Inventory

Inventory is carried at the lower of cost or market. Item costs are determined using the first-in, first-out method. Inventory, which is reported in "Prepaid expenses and other assets" in the consolidated statement of financial position, consists of the following:

<i>As of September 30,</i>	2014
Equipment purchased for resale to participants in the Public Radio Satellite System (see Note 9(H))	\$ 306,800
Merchandise held for sale	799,934
Total inventory	\$ 1,106,734

J. Charitable gift annuity split-interest agreements

NPR's split-interest agreements with donors consist of charitable gift annuities for which NPR holds the assets. Assets held for the annuitants are included in "Prepaid expenses and other assets" in the consolidated statement of financial position. Contribution revenue is recognized on the date the donor accounts are established, after recording liabilities for the present value of the estimated future payments to be made to the donors or other beneficiaries.

Where required by states, NPR maintains separate annuitant asset accounts, reserves, and specific investment allocations. As of September 30, 2014, NPR satisfied all state reserve requirements.

NPR records the associated charitable gift annuity split-interest agreements liabilities at fair value using (i) a single life actuarial rate, adjusted by an annuity adjustment factor, provided in Section 7520 of the Internal Revenue Code of 1986, as amended (Code) and (ii) the 2000CM Mortality Table. Each year, NPR adjusts the estimated liability to reflect changes in the life expectancy of the donor (or other beneficiary) and amortization of the discount in subsequent periods. This change is recorded in the nonoperating section of the consolidated statement of activities. At September 30, 2014, NPR's charitable gift annuity split-interest agreement liabilities totaled \$64,072. These liabilities are reported in "Accounts payable and other liabilities" in the consolidated statement of financial position.

K. Federal awards and contracts

In 2014, NPR recorded unrestricted revenue from the U.S. Department of Homeland Security and the National Endowment for the Arts in the consolidated statement of activities as follows:

<i>For the year ended September 30,</i>	2014
Grants and contributions	\$ 110,000
Other operating revenue	148,197
Net assets released from restriction - Grants and contributions	66,667
Total revenue from federal agencies	\$ 324,864

National Public Radio, Inc.
Notes Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Tax status and uncertain tax positions

NPR Inc. and the Foundation are exempt from federal income taxes to the extent provided in Section 501(c)(3) of the Code. However, each organization is liable for income tax on unrelated business activities as described in Section 512 of the Code. Any potential tax liability resulting from the activities of NPR Inc. and the Foundation in 2014 will be offset by existing net operating loss (NOL) carry-forwards so no provision for income taxes has been recorded. As of September 30, 2014, NPR Inc. and the Foundation had available federal NOL carry-forwards totaling \$13,550,597 and \$882,309, respectively. The latest NOL carry-forwards will expire in fiscal year 2033. Because the realization of the NOL carry-forwards is uncertain, neither NPR Inc. nor the Foundation recorded a deferred tax asset as of September 30, 2014.

NPM is treated as a partnership for federal income tax purposes. Accordingly, NPR Inc. and the other members are required to report their shares of income or loss in their respective income tax returns. Each member is, therefore, separately liable for any related taxes thereon. Accordingly, no provision for federal income tax has been made. NPM is liable for income taxes in certain states and local jurisdictions where NPM operates. For the year ended September 30, 2014, NPM accrued state and local income taxes totaling \$9,800.

NPR Media Berlin is registered as a nonprofit limited liability company under German law which is designated by "gmbH". Similar to NPR Inc. and the Foundation, NPR Media Berlin, as a German registered nonprofit, is exempt from corporate income and trade taxes on all operations except those that do not serve the nonprofit purpose of the entity (i.e., unrelated business activities). Because returns are filed one year in arrears, the net operating loss carry-forward for NPR Media Berlin totaled \$802,769 as of September 30, 2013. Because the realization of the NOL carry-forward is uncertain, NPR Media Berlin has not recorded a deferred tax asset as of September 30, 2014.

Management believes that NPR is no longer subject to income tax examinations by U.S. federal, state and local, or non-U.S. taxing authorities for fiscal years prior to fiscal year 2011. For the year ended September 30, 2014, there were no material interest or penalties recorded or included in the consolidated statement of activities.

The effects of a tax position cannot be recognized in the financial statements unless it is "more-likely-than-not" to be sustained based solely on its technical merits as of the reporting date. The more-likely-than-not threshold represents a positive assertion by management that NPR is entitled to the economic benefits of a tax position. If a tax position is not considered more-likely-than-not to be sustained based solely on its technical merits, no benefits of the position are to be recognized. Moreover, the more-likely-than-not threshold must continue to be met in each reporting period to support continued recognition of a benefit. As of September 30, 2014, there were no uncertain tax positions for which a liability should be recorded.

M. Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period as well as the disclosure of contingent assets and liabilities. Actual results ultimately could differ from management's estimates and assumptions.

National Public Radio, Inc.
Notes Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Use of estimates (Continued)

Significant items in NPR's consolidated financial statements subject to such estimates and assumptions include (i) valuations for certain investments without readily determinable fair values, (ii) fair value considerations, (iii) allowances for uncollectible accounts and contributions receivables, (iv) discount rates used on long-term contributions receivable, and (v) useful lives of depreciable and amortizable assets.

N. Concentration of credit risk

Credit risk with respect to accounts and contributions receivable is partially mitigated by NPR through the creation of allowances for uncollectible receivables and the discounting of long-term contributions to present value. However, as of September 30, 2014, 21% of donors (13 donors) comprise approximately 78% of the contribution receivable balance. NPR believes that it has limited credit risk with respect to these donors given their relationship with and support of NPR and its activities. NPR believes that it has limited credit risk associated with the remaining balance of accounts and contributions receivable due to the diversity of its donor and customer base and the size of the amounts owed. For credit risk associated with NPR's investments, see discussion in Note 4.

O. Impairment of long-lived assets

NPR reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a nonoperating charge in the consolidated statements of activities, to its current fair value. During 2014, NPR determined that software acquired for use by NPR Inc.'s Human Resources department would no longer be used for its intended purpose because it was being replaced with a new, internally-developed application. NPR Inc. wrote-off the carrying amount of the asset at the time of the impairment and recorded a loss of \$163,283. The loss is included in "Other" in the nonoperating section of the consolidated statement of activities.

P. Restructuring costs

On September 13, 2013, the NPR Inc. Board approved an organization-wide Voluntary Buyout Program (VBP), which began on September 20, 2013. Employees were required to submit an application by October 15, 2013, to be considered for participation in the VBP. Management had the ability to either accept or reject applications based upon corporate needs and other factors. However, management elected to accept all VBP applications. Management also executed a number of involuntary separations during 2013. These combined actions were designed to reduce administrative costs, eliminate excess capacity, and align resources with NPR's strategic ambitions. As of September 30, 2014, the remaining liability associated with the restructuring activities totaled \$5,596,497 and is reported in "Accounts payable and other liabilities" in the consolidated statement of financial position.

Q. Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and support services benefited, based on direct salaries and fringe benefits.

National Public Radio, Inc.
Notes Consolidated Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Accounting pronouncements adopted and recent accounting pronouncements

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-11, *Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*. The update clarifies the scope of transactions that are subject to disclosures about offsetting and enables users of financial statements to evaluate the effect or potential effect of netting arrangements on an entity's financial position. The guidance was effective for NPR in fiscal year 2014 and NPR's adoption of this update did not have a material effect on NPR's consolidated financial statements.

In April 2013, the FASB issued ASU 2013-06, *Not-for-Profit Entities (Topic 958): Services Received from Personnel of an Affiliate*. The update relates to personnel services that are received from an affiliate (e.g., parent, subsidiary, common control entity) for which the affiliate does not charge the recipient nonprofit organization. The recipient nonprofit organization should recognize revenue related to those personnel services received equal to the cost incurred by the affiliate organization. Although the contributed services criterion is no longer applicable, organizations do have the option of using the fair value practicability exception if the cost incurred by the affiliate organization will significantly either overstate or understate the value of the services received. The guidance is effective for NPR's fiscal year 2015. Presently, NPR does not anticipate that the adoption of this update will have a material effect on NPR's consolidated financial statements.

In July 2013, the FASB issued ASU 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*. This update provides that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset. However, if the net unrecognized tax benefit is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purposes, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The guidance is effective for NPR's fiscal year 2016. Management continues to evaluate the potential impact of this update on NPR's consolidated financial statements.

In December 2013, the FASB issued ASU 2013-12, *Definition of a Public Business Entity*. The update excludes all nonprofit organizations from the definition of a public business entity so that a public versus nonpublic distinction will no longer be made between nonprofit entities in future standards. Instead, the FASB will consider factors such as user needs and nonprofit resources, on a standard-by-standard basis, when determining whether all, none or only some nonprofit organizations will be eligible to apply financial accounting and reporting alternatives within U.S. GAAP for private companies. There is no effective date for this guidance; however, FASB ASU 2014-01, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Qualified Affordable Housing Projects* was the first update to use the term *public business entity*.

In January 2014, the FASB issued ASU 2014-02, *Intangibles—Goodwill and Other (Topic 350): Accounting for Goodwill*. The update allows an accounting alternative for the subsequent measurement of goodwill; however, it is not applicable to nonprofit organizations. The FASB recently added a project to its agenda on the subsequent accounting for goodwill for nonprofit organizations. NPR will monitor the progress of the FASB's agenda.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Accounting pronouncements adopted and recent accounting pronouncements (Continued)

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The update establishes a comprehensive revenue recognition standard for virtually all industries under U.S. GAAP, including those that previously followed industry-specific guidance. The principle of the update is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for NPR's fiscal year 2018. Management continues to evaluate the potential impact of this update on NPR's consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern*. The update provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern. The update also provides related disclosures. The guidance is effective for NPR's fiscal year 2017. Presently, NPR does not anticipate that the adoption of this update will have a material effect on NPR's consolidated financial statements.

S. Subsequent events

NPR evaluated subsequent events from the date of the consolidated statements of financial position through December 18, 2014, the date at which NPR's consolidated financial statements were issued. No material subsequent events, other than the extension of the line of credit discussed in Note 6(C), were identified for either recognition or disclosure.

3. CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized below:

<i>As of September 30,</i>	2014
<hr/>	
Amounts due in:	
Less than one year	\$ 13,619,247
One to five years	4,993,039
<hr/>	
Subtotal	18,612,286
Less:	
Allowance for uncollectible contributions receivable	(112,650)
Discount to present value (with rates ranging from 0.40% to 4.56%)	(201,762)
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Contributions receivable, net	\$ 18,297,874
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4. INVESTMENTS

Investments consist almost entirely of the Foundation's investment portfolio. A smaller portion of the investment portfolio relates to a quasi-endowment fund, long-term reserves, operating reserve funds, and working capital funds.

National Public Radio, Inc.

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4. INVESTMENTS (CONTINUED)

Investment policy—The NPR Investment Committee implements the Statement of Investment Policy, Objectives and Guidelines (Investment Policies) as approved by the NPR Inc. Board and Foundation Board. The Investment Committee is comprised of individuals from both boards and it acts as the controlling body relative to each investment under management. Accordingly, the Investment Committee employs an investment advisor to assist it in these efforts. The investment advisor monitors investment managers, as well as benchmarks and evaluates each funds' performance, including investments in Level 3. Monthly evaluations are prepared for NPR's review and the results are communicated to the Investment Committee when the Investment Committee meets during the year. Each year, where available and applicable, NPR reviews the report on internal controls for fund managers and compares each fund's per share net asset value (NAV) to the fund's audited financial statements. There were no changes in valuation techniques noted for these funds for 2014.

Investment strategy—In addition to traditional cash and cash equivalent securities, money market funds, fixed-income securities, equities, mutual funds, and exchange traded funds (ETFs), NPR may also hold shares or units in either institutional funds or partnerships as well as in alternative investment funds involving hedged, private equity, credit alternatives, and real asset strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. Private equity funds employ buyout and venture capital strategies and may focus on investments in turnaround situations. Real asset funds generally hold interests in public real estate investment trusts, commercial properties or commodities, or oil and gas, generally through commingled funds. Private equity and real asset strategies often require the estimation of fair values by fund managers in the absence of readily determinable market values.

Basis of reporting—Investments are recorded at estimated fair value. If an investment is held directly by NPR and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Fair values for shares in registered mutual funds are based on published share prices. NPR's interests in alternative investment funds are generally reported at either NAV or its equivalent (e.g., partnership interest) reported by the fund managers and assessed as reasonable by NPR. NPR uses the NAV as a practical expedient to estimate the fair value of NPR's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different than NAV. As of September 30, 2014, NPR had no plans or intentions to sell investments at amounts different from NAV.

Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held.

National Public Radio, Inc.
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4. INVESTMENTS (CONTINUED)

Basis of reporting (Continued)—The following table summarizes NPR's investments within the fair value hierarchy as of September 30, 2014:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 9,006,546	\$ —	\$ —	\$ 9,006,546
Fixed income	83,431,459	—	—	83,431,459
Equities	19,130,414	38,311,384	55,107,102	112,548,900
Private equities	—	—	20,751,538	20,751,538
Diversifiers	40,278,807	—	99,472,663	139,751,470
Real assets	—	—	30,457,221	30,457,221
Total investments	\$ 151,847,226	\$ 38,311,384	\$ 205,788,524	\$ 395,947,134

Registered mutual funds, publicly held equities, ETFs, and directly held fixed income securities are classified in Level 1 of the fair value hierarchy. Most investments classified in Levels 2 and 3 consist of shares or units in non-registered investment funds as opposed to direct interests in the funds' underlying securities, which may be readily marketable or not difficult to value. Because the NAV reported by each fund is used as a practical expedient to estimate the fair value of NPR's interest therein, its classification in Level 2 or 3 is based on NPR's ability to redeem its interest at or near the date of the consolidated statement of financial position. If the interest can be redeemed in the near term, NPR classified the investment in Level 2. Accordingly, the inputs or methodology used for valuing or classifying investments for financial reporting purposes are not necessarily an indication of the risks associated with those investments or a reflection of the liquidity or degree of difficulty in estimating the fair value of each fund's underlying assets and liabilities.

Although no investments currently contain rolling lockup provisions, certain investments previously contained rolling lockup provisions. Under such provisions, tranches of the investment are available for redemption after a specified period of time, if NPR makes a redemption request prior to the next available withdrawal date in accordance with the notification terms of the agreement.

The following table presents the activities for NPR's investments classified in Level 3:

<i>For the year ended September 30,</i>	2014
Beginning balance	\$ 168,166,913
Net realized gains	5,658,338
Net unrealized gains	25,212,782
Purchases	6,096,357
Sales	(18,099,747)
Net transfers in	18,753,881
Ending balance	\$ 205,788,524

In 2014, NPR enhanced its valuation process by increasing the transparency threshold required for each fund. As a result, NPR concluded that it should reclassify two investment funds from Level 2 to Level 3.

National Public Radio, Inc.
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4. INVESTMENTS (CONTINUED)

Quantitative information—As of September 30, 2014, quantitative information with respect to assets measured and carried at fair value on a recurring basis using significant unobservable inputs (Level 3) follows:

Description	Fair Value	Principal Valuation Technique	Unobservable Inputs	Weighted Average
Equities	\$ 55,107,102	Market approach	Values assigned to underlying funds less liabilities	N/A
Private equities	\$ 20,751,538	Market approach	Values assigned to underlying funds less liabilities	N/A
Diversifiers	\$ 99,472,663	Market approach	Values assigned to underlying funds less liabilities	N/A
Real assets	\$ 30,457,221	Market approach	Values assigned to underlying funds less liabilities	N/A

Investment income—The components of investment income for fiscal year 2014 are summarized below:

<i>For the year ended September 30,</i>	2014
Interest and dividends	\$ 5,782,571
Net realized gains	14,722,614
Net unrealized gains	20,834,155
Investment expenses	(1,000,399)
Investment income	\$ 40,338,941

Investment income reported in the consolidated statement of activities was as follows:

<i>For the year ended September 30,</i>	2014
Operating activities:	
Return on working capital investments—unrestricted	\$ 9,378
Return on long-term investments designated for current operations—unrestricted	1,520,649
Nonoperating activities:	
Return on long-term investments, net:	
Unrestricted	5,092,503
Temporarily restricted	33,704,652
Permanently restricted	11,759
Investment income	\$ 40,338,941

National Public Radio, Inc.
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4. INVESTMENTS (CONTINUED)

Liquidity—Investment liquidity as of September 30, 2014, is aggregated below based on redemption or sale period:

	Total
Daily (consists of cash and cash equivalents, fixed income, and portions of equities and diversifiers)	\$ 151,847,227
Monthly (consists of a portion of equities)	38,311,384
Quarterly (consists of portions of equities and diversifiers)	67,405,679
Annually (consists of a portion of diversifiers)	39,093,773
Other (e.g., bi-annual; consists of portions of equities and diversifiers)	22,809,174
Amount of private equities, diversifiers, and real assets considered to be illiquid	76,479,897
Total investments	\$ 395,947,134

Investments with daily liquidity generally do not require advance notice prior to withdrawal. Investments with monthly, quarterly, annual, and other similar extended redemption frequencies typically require notice periods ranging from five to ninety days.

Commitments—Private equity, certain diversifiers, and real asset investments are generally made through limited partnerships. Under the terms of these agreements, NPR is obligated to remit additional funding periodically as capital calls are exercised by the manager. These partnerships have a limited existence, and such agreements may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund’s strategy, and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. As a result, the timing and amount of future capital liquidity calls expected to be exercised in any particular future year is uncertain. The aggregate amount of unfunded commitments associated with private equity, diversifiers, and real asset investments as of September 30, 2014, was \$5,376,750, \$1,800,000, and \$12,852,560, respectively. Unfunded commitments will be funded either by cash available in the investment portfolio or by liquidating other investments based on management’s assessment.

5. PROPERTY AND EQUIPMENT

Property and equipment is summarized below:

<i>As of September 30,</i>	2014
Land	\$ 55,753,180
Construction-in-progress	611,703
Technical equipment and software	65,044,740
Building and improvements	150,608,664
Office furniture	7,318,251
Vehicles	98,371
Total property and equipment	279,434,909
Less: Accumulated depreciation	(48,087,718)
Property and equipment, net	\$ 231,347,191

National Public Radio, Inc.
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5. PROPERTY AND EQUIPMENT (CONTINUED)

In April 2013, NPR completed construction of and occupied its new headquarters building. During the construction of the headquarters building, NPR capitalized interest totaling \$25,146,322. NPR is amortizing this interest over the remaining life of the building. In 2014, amortization of capitalized interest was \$502,926 and is included in "Depreciation expense" in the consolidated statement of activities. The unamortized balance of capitalized interest is \$24,412,887 as of September 30, 2014.

6. INTANGIBLE ASSETS

A. Goodwill

Upon the acquisition of NPB in 2007, NPM recorded goodwill of \$1,822,832 which represented the excess of the purchase price over the net amount assigned to identifiable assets acquired and liabilities assumed. NPM performs a qualitative assessment test either annually as of September 30th or more frequently if indicators of impairment exist. NPM's assessments of goodwill concluded that no goodwill impairment had occurred as of September 30, 2014.

B. Intangible assets other than goodwill

Intangible assets other than goodwill are initially recorded at fair value. Subsequent to initial measurement, these intangible assets are amortized on a straight-line basis over the estimated useful life of the intangible assets. The estimated useful lives of intangible assets other than goodwill are: (i) covenants not-to-compete, 60 months; (ii) contracts-in-force, 36 months; (iii) workforce-in-place, 24 months; and (iv) intellectual property with a finite useful life, 36 months.

No amortization expense was recorded in 2014 as all intangible assets were fully amortized as of September 30, 2013.

7. DEBT

A. Note payable

In 2008, NPR Inc. assumed a \$2 million term note with The Ford Foundation as a result of its acquisition of the nonprofit Public Interactive, which has since ceased operations and become NPR Inc.'s Digital Services division. The note originally matured in February 2013. In 2011, NPR Inc. and The Ford Foundation negotiated an amendment to the note which extended the maturity date until February 6, 2017.

The amended note continues to bear interest at a fixed annual rate of one percent and interest is payable each calendar quarter, in arrears, until maturity. Because the note bears interest at a below-market rate, NPR Inc. recorded the fair value of the note using the imputed interest rate of 3.09%. The carrying amount of the note at September 30, 2014, was \$730,360. Each year, NPR Inc. accretes the carrying amount of the note using the effective interest method and records a corresponding release of temporarily restricted net assets. In 2014, the accretion of the note carrying value totaled \$17,185 which was included in "Interest expense" in the consolidated statement of activities.

National Public Radio, Inc.
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7. DEBT (CONTINUED)

A. Note payable

NPR Inc. recognized \$25,518 total interest expense related to this note in the consolidated statement of activities for the year ended September 30, 2014. Future principal payments on the note as of September 30, 2014, were as follows:

2015	\$	250,000
2016		250,000
2017		250,000
Total	\$	750,000

B. Bonds payable

NPR Inc. financed the construction of its new headquarters building using the Series 2010 Bonds. Originally, the Series 2010 Bonds totaled \$162,125,000.

Early Extinguishment of Debt—In 2013, NPR Inc. completed an advance refunding of \$87,430,000 of the Series 2010 Bonds when the District of Columbia issued the Series 2013 Bonds. The proceeds of the Series 2013 Bonds were deposited into an irrevocable defeasance account to provide for all future debt service on the refunded portion of the Series 2010 Bonds, which will be complete on the optional redemption date of April 1, 2015. As a result, NPR Inc. considered the refunded portion of the Series 2010 Bonds defeased and reduced its liability on the Series 2010 Bonds.

Series 2010 Bonds—The unrefunded Series 2010 Bonds bear interest at fixed rates ranging from four to five percent. Interest, which is payable semi-annually, is due each October 1st and April 1st. Interest expense on the Series 2010 Bonds totaled \$3,877,656 in 2014.

The serial portion of the unrefunded Series 2010 Bonds has maturities ranging from April 1, 2017, through April 1, 2022. The term portion has maturities ranging April 1, 2023, through April 1, 2035.

Subject to the discretion of the issuer, the portions of the unrefunded Series 2010 Bonds that have maturities ranging from April 1, 2021, through April 1, 2035, are subject to an optional redemption either in whole or in part beginning on April 1, 2020. All Series 2010 Bonds outstanding as of April 1, 2020, are subject to an optional redemption either in whole or in part. Series 2010 Bonds with a maturity date either on or after April 1, 2025, are subject to mandatory sinking fund redemption prior to the April 1st maturities. The redemption price of these bonds equals 100% of the principal amount being redeemed, plus interest accrued through the redemption date.

Series 2013 Bonds—The Series 2013 Bonds bear interest at fixed rates ranging from three to five percent. Similar to the Series 2010 Bonds, interest is payable semi-annually and due each October 1st and April 1st. Interest expense on the Series 2013 Bonds totaled \$3,659,332 in 2014.

The serial portion of the Series 2013 Bonds has maturities ranging from April 1, 2017, through April 1, 2026. The term portion has maturities ranging April 1, 2027, through April 1, 2042.

Subject to the discretion of the issuer, the portions of the Series 2013 Bonds that have maturities either on or after April 1, 2024, are subject to an optional redemption either in whole or in part beginning on April 1, 2023. Series 2013 Bonds that have maturities either on or after April 1, 2034, are subject to mandatory sinking fund redemption prior to the April 1st maturities. The redemption price of these bonds equals 100% of the principal amount being redeemed, plus interest accrued through the redemption date.

National Public Radio, Inc.
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7. DEBT (CONTINUED)

B. Bonds payable (Continued)

Deferred financing costs—As previously stated, NPR Inc. deferred costs related to the issuance of the Series 2010 Bonds. These costs totaled \$3,446,496. During 2013, and as a result of the defeasance of a portion of the Series 2010 Bonds, NPR Inc. wrote off \$1,597,168 of the unamortized deferred financing costs. In 2013 and 2014, NPR Inc. deferred an additional \$1,762,690 and \$8,548, respectively, in costs related to the issuance of the Series 2013 Bonds. In 2014, bond issuance cost amortization expense was \$113,543 and is reported in “Other” in the nonoperating section of the consolidated statement of activities.

Unamortized deferred financing costs related to the Series 2010 Bonds and Series 2013 Bonds of \$1,684,535 and \$1,454,983, respectively, are included in “Deferred financing costs” in the consolidated statement of financial position at September 30, 2014.

Outstanding Principal and Unamortized Premium Balances—The outstanding principal and unamortized premium balances on the Series 2010 Bonds and Series 2013 Bonds were:

<i>As of September 30, 2014</i>	Series 2010 Bonds	Series 2013 Bonds	Total
Outstanding principal balance	\$ 79,250,000	\$ 87,430,000	\$ 166,680,000
Unamortized premium balance	3,734,517	1,287,030	5,021,547
Totals	\$ 82,984,517	\$ 88,717,030	\$ 171,701,547

Schedule of Maturities—Maturities of bonds payable as of September 30, 2014, were as follows:

<i>As of September 30, 2014</i>	Series 2010 Bonds	Series 2013 Bonds	Total
2015	\$ —	\$ —	\$ —
2016	—	—	—
2017	2,855,000	85,000	2,940,000
2018	2,970,000	90,000	3,060,000
2019	3,110,000	90,000	3,200,000
Thereafter	70,315,000	87,165,000	157,480,000
Totals	\$ 79,250,000	\$ 87,430,000	\$ 166,680,000

Total Interest Expense on Bonds Payable—NPR Inc. recognized \$7,536,988 of interest expense related to the bonds payable in the consolidated statement of activities for the year ended September 30, 2014.

C. Line of Credit

In November 2012, NPR Inc. established an unsecured revolving line of credit with SunTrust Bank to support either working capital or general corporate uses. The maximum loan amount is \$25 million, and any amounts borrowed are payable on November 30, 2014. The line of credit accrues interest at a rate equal to LIBOR plus 0.99%. The line of credit contains nonfinancial covenants with which NPR Inc. has complied in 2014. During fiscal year 2014, NPR Inc. made draws under the line of credit and, as a result, had interest expense of \$9,737. There was no balance outstanding on this credit facility on September 30, 2014.

Subsequent to the end of fiscal year 2014, NPR Inc. and SunTrust Bank extended the expiration date of the revolving line of credit from November 30, 2014, to March 31, 2015. All other terms of the existing line of credit remain the same.

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7. DEBT (CONTINUED)

D. Aggregate maturities on NPR Inc.'s debt obligations

The aggregate maturities on NPR Inc.'s debt obligations as of September 30, 2014, were as follows:

2015	\$ 250,000
2016	250,000
2017	3,190,000
2018	3,060,000
2019	3,200,000
Thereafter	157,480,000
Total debt obligations	\$ 167,430,000

8. RETIREMENT PLAN

NPR Inc. offers a defined contribution plan under Section 403(b) of the Code for its administrative and union employees (NPR Plan). Under the NPR Plan, NPR Inc. contributes a percentage of the base compensation of each properly enrolled employee who has completed two years of qualified service with NPR Inc. For the year ended September 30, 2014, NPR Inc. made contributions to the NPR Plan of \$5,150,110.

In fiscal year 2003, NPR Inc. established two deferred compensation plans to provide certain highly compensated employees with the ability to defer a portion of their compensation under Section 457(b) of the Code (NPR Deferred Plans). The assets of the NPR Deferred Plans are held by NPR Inc. until disbursed to the participating employees. The NPR Deferred Plans are funded entirely from the compensation of the participating employees. Contributions made by the participating employees either vest immediately or vest upon the completion of specified events. During 2014, one of the participating employees withdrew the balance of his funds. The remaining participating employee had a balance, including interest, of \$40,270 as of September 30, 2014. In the consolidated statement of financial position, the assets and liability associated with the NPR Deferred Plans are components of "Prepaid expenses and other assets" and "Accounts payable and other liabilities", respectively.

NPM offers a savings plan under Section 401(k) of the Code for its employees (NPM Plan). Participants may, voluntarily, contribute and defer a portion of their wages up to the maximum amount allowable. NPM, at the discretion of the NPM Board of Directors, may make contributions on behalf of the employees. For the year ended September 30, 2014, NPM made contributions to the NPM Plan of \$519,275.

9. CONTINGENCIES AND COMMITMENTS

A. Concentration of Employees Covered by Collective Bargaining Agreements

At the end of 2014, approximately 47% of NPR Inc.'s active employees were members of either the National Association of Broadcast Employees and Technicians union or Screen Actors Guild-American Federation of Television and Radio Artists, Washington-Baltimore union. Both union collective bargaining agreements expire during 2015. While not assured, NPR Inc. believes that it will successfully renegotiate and renew these union collective bargaining agreements.

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9. CONTINGENCIES AND COMMITMENTS (CONTINUED)

B. Leases and space licenses

NPR has operating leases for equipment and office space. Rental expense for equipment, office space, and program requirements included in the consolidated statement of activities for the year ended September 30, 2014, was \$2,945,153.

NPR licenses excess office space to organizations. The space license agreements expire at various times from 2015 through 2022. Income from space license agreements included in the consolidated statement of activities was \$406,142 for the year ended September 30, 2014.

The future minimum lease payments (FMLP), net of space license income, associated with NPR's equipment and space rental leases and office space licenses are as follows as of September 30, 2014:

	Office space rental FMLP	Less: Office space license Income	Total FMLP, net
2015	\$ 1,525,914	\$ (368,427)	\$ 1,157,487
2016	1,303,377	(218,630)	1,084,747
2017	1,245,261	—	1,245,261
2018	1,236,839	—	1,236,839
2019	1,239,989	—	1,239,989
Thereafter	2,274,137	—	2,274,137
Total	\$ 8,825,517	\$ (587,057)	\$ 8,238,460

C. Audits of costs incurred under select foundation and all government grants

Costs incurred under select foundation and all government grants are subject to audit. Two non-federal audits were performed in 2014, one of which resulted in a liability of approximately \$100,000 for NPR Inc. NPR Inc. satisfied this liability by reinvesting the questioned costs in the activities of the associated non-federal award. The ultimate liability, if any, from future audits is not expected to have a material adverse effect on NPR's financial position.

D. Litigation

NPR is subject to various legal claims and contingencies arising in the ordinary course of NPR's business. NPR's exposure is generally limited through insurance coverage. While the outcomes of such matters are uncertain, management believes that their ultimate resolution will not have a material adverse effect on the NPR's financial position.

E. Personal services contracts, contributor and employment agreements

Personal services contracts, contributor and employment agreements exist between NPR and news analysts, hosts, freelancers and story contributors. These agreements expire at various times through fiscal year 2017.

F. Indemnification

From time to time, NPR enters into agreements for the acquisition or sale (including licensing) of goods or services in which NPR agrees to indemnify the other party. During 2014, NPR Inc. had no losses as a result of its indemnification obligations. Additionally, NPR Inc. is not aware of any material liability arising from its indemnification obligations as of September 30, 2014.

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9. CONTINGENCIES AND COMMITMENTS (CONTINUED)

G. Letter of credit

In 2006, and to comply with the requirements of the lease of its New York Bureau office space, NPR Inc. entered into a letter of credit agreement with SunTrust Bank totaling \$149,804. From the inception of the letter of credit through September 30, 2014, there has been no activity on the letter of credit.

H. Public Radio Satellite System

The Public Radio Satellite System (PRSS) consists of a lease of satellite transponders and related ground equipment, through which public radio programming is distributed to interconnected public radio stations. The leasehold rights for the satellite transponders and ground equipment not owned by individual interconnected stations are owned by the Public Radio Satellite Interconnection System Charitable Trust (SuperTrust). The SuperTrust was created on July 16, 1990, then amended on May 13, 2014. The most recent amendment replaces all previous trust arrangements.

The SuperTrust is a qualified tax-exempt charitable trust that holds title to the leased and purchased satellite equipment and transponders in trust for the benefit of interconnected public radio stations. The power and duties to administer the SuperTrust are vested in three trustees duly elected by the participating interconnected public radio stations. Certain actions contemplated by the SuperTrust agreement, however, require a majority vote of the participating interconnected public radio stations.

Since inception, the SuperTrust has executed various agreements with NPR Inc. to either lease or sublease its assets to NPR Inc. These leases, under which NPR Inc. operates the PRSS, includes leases for the satellite transponders and the ground equipment not owned by individual interconnected stations. While the various agreements do not require NPR Inc. to make lease payments, NPR Inc. is responsible for the cost of maintaining and repairing the equipment covered by the lease.

On October 27, 2000, the SuperTrust and NPR executed a new transponder sublease agreement covering the satellite transponders on a Galaxy IVR satellite (since replaced by the Galaxy 16). The term of the transponder sublease parallels the terms of the transponder lease with the satellite's owner, Intelsat. In October 2008, a fourth C-band transponder was secured from Intelsat, after which the lease contract with Intelsat was extended to June 25, 2018. NPR Inc. made the final lease payment in December 2013 totaling approximately \$13 million. This payment covers the period from the end of fiscal year 2014 through June 25, 2018.

The SuperTrust lease covering the ground equipment not owned by individual interconnected stations automatically renews each year. The leases may be terminated, without cause, by a majority vote of the participating public radio stations at any time with 24 months' notice. In the event of an instance of default by NPR Inc., the leases may be terminated after conclusion of the specified cure period provided in the SuperTrust lease by a majority vote of the SuperTrust trustees.

Beginning in 1988, Congress has, periodically, authorized funds to replace, refurbish, and upgrade the public radio and television satellite interconnection systems. Typically, the authorizing legislation established a special fund administered by the Corporation for Public Broadcasting (CPB) which, in turn, contracted with NPR Inc. to carry-out the public radio portion of the project. The most recent of these Congressional funding arrangements for public radio occurred in 2008 and totaled \$72.9 million.

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9. CONTINGENCIES AND COMMITMENTS (CONTINUED)

H. Public Radio Satellite System (Continued)

In May 2008, NPR Inc. and CPB entered into an agreement to utilize these funds for not only the satellite lease agreement, but also for the upgrade of the ContentDepot® System (which is utilized by the stations and producers within PRSS), replacement of ground equipment, and business continuity planning and testing. CPB disbursed the following amounts to NPR for these purposes:

<i>For the year ended September 30,</i>	2014
2008	\$ 5,078,062
2009	3,430,000
2010	30,625,000
2011	19,550,801
2012	5,328,000
2013	2,369,653
2014	1,060,000
Total	\$ 67,441,516

10. NET ASSETS

A. Temporarily restricted net assets

Temporarily restricted net assets consisted of the following:

<i>As of September 30,</i>	2014
Purpose (e.g., international reporting, education reporting, NPR Music)	\$ 21,204,335
Charitable gift annuities	62,663
Time restricted for periods after fiscal year end	3,815,010
Earnings on donor-restricted endowment available for distribution (see Note 10(C))	90,591,637
Temporarily restricted net assets	\$ 115,673,645

Net assets released from donor-imposed restrictions are summarized below:

<i>For the year ended September 30,</i>	2014
Grants and contributions:	
Purpose restriction fulfilled	\$ 10,120,514
Time restrictions expired	2,369,178
Distribution from endowment to support operations	10,567,484
Contributions released from restrictions	\$ 23,057,176

National Public Radio, Inc.
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10. NET ASSETS (CONTINUED)

B. Permanently restricted net assets

Permanently restricted net assets consisted of the following:

<i>As of September 30,</i>	2014
NPR's general mission and operations	\$ 194,427,329
Digital innovations/new technologies	1,500,000
Cultural reporting	1,203,439
Operation of NPR facilities	250,000
Permanently restricted net assets	\$ 197,380,768

C. Endowment net assets

NPR's endowment consists of five funds established by donors for a variety of purposes as outlined in Note 10(B). The endowment balance also includes a quasi-endowment account that was established by the NPR Inc. Board in 1998 with the operating cash reserves of NPR Inc.'s Distribution division. The NPR Inc. Board directed that the quasi-endowment be maintained to provide long-term support of the PRSS. Because the NPR Inc. Board retains the authority to alter or eliminate the quasi-endowment fund, it is classified as a component of unrestricted net assets.

Endowment net assets consisted of the following as of September 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted				
endowment accounts	\$ —	\$ 90,591,637	\$ 197,380,768	\$ 287,972,405
Quasi-endowment account	13,626,876	—	—	13,626,876
Total endowment net assets	\$ 13,626,876	\$ 90,591,637	\$ 197,380,768	\$ 301,599,281

Interpretation of Relevant Law—The NPR Inc. Board requires the preservation of the corpus (historic dollar value) of donor-restricted endowment funds absent explicit donor stipulations to the contrary. NPR therefore classifies as permanently restricted net assets (i) the original value of gifts donated to the permanent endowment, (ii) the original value of subsequent gifts to the permanent endowment, and (iii) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment. Appreciation on donor-restricted endowment funds is classified in temporarily restricted net assets until those amounts are approved for distribution by the Foundation Board in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act incorporated into NPR's Investment Policies. The amounts appropriated for expenditure are based on the endowment distribution policy.

Distribution Policy—NPR utilizes the total return concept (income yield and appreciation) in the management of its endowment. NPR's distribution policy is designed to stabilize the annual spending levels and preserve the real value of the endowment over time. In accordance with NPR's policy, a predetermined endowment-distribution rate consistent with NPR's total return objective has been established and approved by the NPR Inc. Board. The distribution rate is calculated as 4% of the average March 31st fair value of investments for the preceding twelve fiscal quarters. This amount is reported as "Distribution from endowment to support operations" in the consolidated statement of activities.

National Public Radio, Inc.
Notes Consolidated Financial Statements

10. NET ASSETS (CONTINUED)

C. Endowment net assets (Continued)

Return Objectives and Risk Parameters—Under NPR’s Investment Policies, NPR invests its endowment assets in a manner that is intended to produce an average real rate of return that exceeds the 4% distribution rate over the long term and provides a predictable stream of funding to programs and operations supported by the endowment assets. Actual returns in any given year may vary from this amount.

Funds with Deficiencies—From time to time, the fair value of the investment assets associated with permanently restricted funds may fall below the fund’s corpus. Deficiencies of this nature are reported in unrestricted net assets. Subsequent gains that restore the fair value of such funds to the corpus will be reported as an increase in unrestricted net assets within the consolidated statements of activities. At September 30, 2014, there were no deficiencies.

Changes in endowment net assets—Changes in endowment net assets for the year ended September 30, 2014, were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, September 30, 2013	\$ 13,276,938	\$ 67,797,202	\$ 197,117,621	\$ 278,191,761
Investment income :				
Interest and dividends	210,844	4,411,687	—	4,622,531
Net realized and unrealized gain	718,561	29,577,581	—	30,296,142
Investment management expenses	(85,339)	(615,590)	—	(700,929)
Total investment income	844,066	33,373,678	—	34,217,744
Distribution from endowment to support operations	(494,128)	(10,567,484)	—	(11,061,612)
Contributions	—	—	1,388	1,388
Reclassification due to donor re-designation	—	—	250,000	250,000
Purchasing power addition	—	(11,759)	11,759	—
Ending endowment net assets	\$ 13,626,876	\$ 90,591,637	\$ 197,380,768	\$ 301,599,281

11. DONATED SERVICES AND MATERIALS

From time to time, NPR receives contributed professional services from third parties. Donated services and materials received during the year ended September 30, 2014, were measured at their estimated fair value based on similar value of like goods and have been included as support and expense in the consolidated statement of activities.

NPR receives other donated services from volunteers in connection with its operations. These services do not require specialized skills and, therefore, do not meet the requirement to be reported in the consolidated financial statements.

National Public Radio, Inc.

Notes Consolidated Financial Statements

11. DONATED SERVICES AND MATERIALS (CONTINUED)

NPR periodically receives contributed long-lived assets from donors. NPR does not imply a time restriction that expires over the useful life of a contributed long-lived asset unless otherwise stipulated by the donor. Generally, the value for contributed long-lived assets is recognized when the contributed long-lived asset is acquired and placed into service. For the year ended September 30, 2014, NPR did not receive a contributed long-lived asset.

12. BARTER TRANSACTIONS

Periodically, NPR enters into barter transactions with third parties. In these transactions, NPR and the third party exchange services in approximately the same value provided by each party. NPR records the value of the services provided under such agreements as support and expense in the consolidated statements of activities similar to the manner in which NPR records donated services and materials. During the year ended September 30, 2014, NPR recorded \$324,450 as support and expense.

13. NONRECURRING FAIR VALUE MEASUREMENTS

NPR's financial instruments that are not measured at fair value on a recurring basis as of September 30, 2014, consisted of (i) accounts and contributions receivable, (ii) other assets, (iii) accounts payable and accrued liabilities, (iv) deferred revenue, (v) note payable, and (vi) bonds payable.

The fair value of (i) accounts receivable, (ii) other assets, (iii) accounts payable and accrued liabilities, and (iv) deferred revenue approximates the carrying amount due to the standard terms and relatively short maturity of financial instruments in 2014. The carrying amount represents the amount at which the financial instrument is recorded on NPR's books. The fair value is the estimated amount at which an instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table presents the carrying amounts and the estimated fair values of NPR's remaining financial instruments:

<i>As of September 30, 2014</i>	Level in fair value hierarchy	Carrying amount	Fair value
Contributions receivable, net	2	\$ 18,297,874	\$ 18,300,798
Note payable	2	730,360	746,705
Bonds payable	2	171,701,547	179,142,763

NPR's fair value estimation methodology is detailed below.

- **Contributions receivable**—Fair value of contributions to be received within one year approximates the carrying amount due to the relatively short maturity of these financial instruments. Receivables for contributions to be received after one year are initially recorded using the present value of future cash flows, discounted using risk-free rates that approximate U.S. Treasury borrowing rates at the time of the gift for the respective periods of contribution. The estimated fair value of the contributions to be received after one year reflects the present value of the future cash flows using risk-free rates that approximate U.S. Treasury borrowing rates at the end of 2014 for the respective remaining period of contribution.

National Public Radio, Inc.
Notes Consolidated Financial Statements

13. NONRECURRING FAIR VALUE MEASUREMENTS (CONTINUED)

- *Note payable*—NPR Inc. utilized a third-party financial institution to determine the fair value of the note payable (see Note 7(A)). The third-party financial institution estimated the fair value by discounting the projected future cash outflows at a rate which approximated the taxable borrowing cost, as of the valuation date, for maturities equivalent to the note. Management has analyzed the various estimates and cash flow data provided by the 3rd party and concluded these estimates appropriately present the fair value of the notes payable.

- *Bonds payable*—NPR utilized a third-party financial institution to determine the fair value of the bonds payable (see Note 7(B)). The estimated fair value reflects current market values for bonds with similar maturities, credit quality, coupons, and call features. Management has analyzed the various estimates, assumed credit quality, call features and cash flow data provided by the 3rd party and concluded these estimates appropriately present the fair value of the bonds payable.

Supplemental Schedules

National Public Radio, Inc. (Parent-company only)

Supplemental Statement of Financial Position

<i>September 30,</i>	2014
Assets	
Cash and cash equivalents	\$ 6,776,127
Restricted cash and cash equivalents	3,792,997
Accounts receivable, net	18,228,507
Contributions receivable, net	12,676,185
Investments	73,287,452
Property and equipment, net	231,132,213
Deferred financing costs, net	3,139,518
Prepaid expenses and other assets	3,686,028
Investment in subsidiary	2,168,161
Total assets	\$ 354,887,188
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued liabilities	\$ 26,407,528
Deferred revenue	11,984,967
Accrued interest payable	3,793,062
Note payable	730,360
Bonds payable	171,701,547
Total liabilities	214,617,464
Net assets	
Unrestricted	120,362,217
Temporarily restricted	19,907,507
Total net assets	140,269,724
Total liabilities and net assets	\$ 354,887,188

National Public Radio, Inc. (Parent-company only)

Supplemental Statement of Activities

<i>For the year ended September 30,</i>	2014
Unrestricted Net Assets	
Operating revenues	
Membership dues	\$ 3,238,388
Station programming fees	71,827,751
Corporate sponsorships	43,137,905
Grants and contributions	19,989,209
Distribution and satellite interconnection	25,562,533
Distribution from endowment to support operations	10,312,118
Digital services	5,193,085
Return on long-term investments designated for current operations	1,520,649
Use of prior year return on long-term investments for operations	4,087,524
Donated goods and services	1,356,848
Return on working capital investments, net	6,147
Other	7,389,725
Net assets released from restrictions - Grants and contributions	9,884,393
Total operating revenues	203,506,275
Operating expenses	
Program services:	
News and information	74,112,692
Programming	17,838,154
Distribution and satellite interconnection	27,482,242
Digital media	12,482,580
Content strategy and operations	9,915,551
Engineering	6,604,105
Digital services	6,350,370
NPR music	4,714,492
Member partnership	1,304,509
Consumer products	1,070,922
Total program services expenses	161,875,617
Support services:	
General and administrative	39,937,529
Fundraising	4,641,156
Total support services	44,578,685
Total operating expenses	206,454,302
Excess of operating expenses over operating revenues	(2,948,027)
Nonoperating activities	
Return on long-term investments, net	1,143,562
Use of prior year return on long-term investments for operations	(4,087,524)
Interest expense	(7,572,243)
Reorganization costs	(12,269,512)
Other, net	(292,766)
Total nonoperating activities, net	(23,078,483)
Change in unrestricted net assets	\$ (26,026,510)

Continued on the next page

National Public Radio, Inc. (Parent-company only)

Supplemental Statement of Activities

<i>For the year ended September 30,</i>	2014
Temporarily Restricted Net Assets	
Grants and contributions	\$ 11,101,383
Return on long-term investments, net	342,734
Transfer of residual contribution from NPR Foundation	5,241,901
Net assets released from restrictions - Grants and contributions	(9,884,393)
Change in temporarily restricted net assets	6,801,625
Change in total net assets	(19,224,885)
Net assets at beginning of year	159,494,609
Net assets at end of year	\$ 140,269,724
Certain amounts disaggregated by net asset class above are presented below in the aggregate	
Grants and contributions	\$ 31,090,592
Return on long-term investments, net	3,006,945

National Public Radio, Inc. (Parent-company only)

Supplemental Statement of Cash Flows

<i>For the year ended September 30,</i>	2014
Cash flows from operating activities	
Change in net assets	\$ (19,224,885)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Net realized gains on investments	(1,540,851)
Net unrealized gains on investments	(936,274)
Amortization of deferred financing costs	113,543
Amortization of discount on note payable	17,185
Amortization of premium on bonds payable	(49,002)
Depreciation	10,828,052
Change in allowance for doubtful accounts	366,879
Change in discount to present value on multi-year contributions receivable	22,640
Loss on disposal of property and equipment	22,431
Change in investment in subsidiary	660,175
Decrease (increase) in assets:	
Accounts receivable	460,025
Contributions receivable	(3,016,649)
Deferred financing costs, net	(8,548)
Prepaid expenses and other assets	784,063
Increase (decrease) in liabilities:	
Accounts payable and other liabilities	101,691
Deferred revenue	(19,466,877)
Accrued interest payable	310,310
Total adjustments	(11,331,207)
Net cash used in operating activities	(30,556,092)
 Cash flows from investing activities	
Purchases of investments	(89,868,152)
Sales and maturities of investments	120,290,402
Purchases of property and equipment	(5,358,268)
Net cash provided by investing activities	25,063,982
 Cash flows from financing activities	
Draws from line of credit	9,000,000
Repayments to line of credit	(9,000,000)
Repayment under note payable	(250,000)
Change in restricted cash and cash equivalents—for interest payable	(315,249)
Distribution from subsidiary	288,000
Net cash used in financing activities	(277,249)
Net change in cash and cash equivalents	(5,769,359)
Cash and cash equivalents, beginning of year	12,545,486
Cash and cash equivalents, end of year	\$ 6,776,127
 Supplemental data	
Cash paid for interest	\$ 7,293,791
Cash paid for income taxes	750

NPR Foundation
Supplemental Statement of Financial Position

<i>September 30,</i>	2014
Assets	
Cash and cash equivalents	\$ 2,228,629
Contributions receivable, net	5,621,689
Investments	322,659,682
Total assets	\$ 330,510,000
 Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued liabilities	\$ 15,058
Due to NPR Inc.	1,540,785
Total liabilities	1,555,843
 Net assets	
Unrestricted	35,807,251
Temporarily restricted	95,766,138
Permanently restricted	197,380,768
Total net assets	328,954,157
Total liabilities and net assets	\$ 330,510,000

NPR Foundation
Supplemental Statement of Activities

<i>For the year ended September 30,</i>	2014
Unrestricted Net Assets	
Operating revenues	
Grants and contributions	\$ 9,754,371
Return on working capital investments, net	466
Other, net	(3,368)
Net assets released from restrictions:	
Distribution from endowment to support operations	10,567,484
Grants and contributions	2,605,626
Total operating revenues	22,924,579
Operating expenses	
Contributions to NPR Inc.:	
Annual support	12,358,318
Endowment support for operations	10,312,118
Total contributions to NPR Inc.	22,670,436
Total support services	255,361
Total operating expenses	22,925,797
Excess of operating expenses over operating revenues	(1,218)
Nonoperating activities	
Return on long-term investments, net	3,948,941
Reorganization costs	(97,820)
Total nonoperating activities, net	3,851,121
Change in unrestricted net assets	3,849,903
Temporarily Restricted Net Assets	
Grants and contributions	3,462,123
Return on long-term investments, net	33,361,918
Net assets reclassification due to donor re-designation	(250,000)
Transfer of residual contribution to NPR, Inc.	(5,241,901)
Net assets released from restrictions:	
Distribution from endowment to support operations	(10,567,484)
Grants and contributions	(2,605,626)
Change in temporarily restricted net assets	18,159,030
Permanently Restricted Net Assets	
Grants and contributions	1,388
Return on long-term investments, net	11,759
Net assets reclassification due to donor re-designation	250,000
Change in permanently restricted net assets	263,147
Change in total net assets	22,272,080
Net assets at beginning of year	306,682,077
Net assets at end of year	\$ 328,954,157
Certain amounts disaggregated by net asset class above are presented below in the aggregate	
Grants and contributions	\$ 13,217,882
Return on long-term investments, net	37,322,618

NPR Foundation
Supplemental Statement of Cash Flows

<i>For the year ended September 30,</i>	2014
Cash flows from operating activities	
Change in net assets	\$ 22,272,080
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Permanently restricted contributions	(1,388)
Net realized gains on investments	(13,181,763)
Net unrealized gains on investments	(19,897,881)
Change in allowance for uncollectible contributions receivable	(17,486)
Increase in discount to present value on multi-year contributions receivable	139,108
Investment return restricted for investment in endowment corpus	(11,759)
Decrease (increase) in assets:	
Contributions receivable	(1,620,726)
Due from NPR Inc.	4,379,490
Increase (decrease) in liabilities:	
Accounts payable and other liabilities	15,058
Deferred revenue	(37,500)
Due to NPR Inc.	1,540,785
Total adjustments	(28,694,062)
Net cash used in operating activities	(6,421,982)
Cash flows from investing activities	
Purchases of investments	(105,528,267)
Sales and maturities of investments	111,039,596
Net cash provided by investing activities	5,511,329
Cash flows from financing activities	
Permanently restricted contributions	1,388
Investment return restricted for investment in endowment corpus	11,759
Net cash provided by financing activities	13,147
Net change in cash and cash equivalents	(897,506)
Cash and cash equivalents, beginning of year	3,126,135
Cash and cash equivalents, end of year	\$ 2,228,629
Supplemental data	
Donated securities	\$ 868,080