NEW YORK PUBLIC RADIO

Financial Statements and Supplemental Schedule

June 30, 2015 and 2014

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees
New York Public Radio:

We have audited the accompanying financial statements of New York Public Radio, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York Public Radio as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Report on Supplementary Information

Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in the schedule of functional expenses is presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 financial statements as a whole.

KPMG LLP

September 28, 2015

NEW YORK PUBLIC RADIO

Statements of Financial Position

June 30, 2015 and 2014

Assets		**2015**	**2014**
Current assets:			
Cash and cash equivalents	$	14,093,811	15,407,579
Pledges and grants receivable		7,411,833	7,444,609
Accounts receivable, less allowance for doubtful accounts of $428,951 and $267,391 at June 30, 2015 and 2014, respectively		4,750,653	4,659,931
Due from partner in collaborative arrangements		62,742	326,631
Investments		3,600,830	2,203,398
Prepaid expenses and other current assets		568,475	1,662,079
Total current assets		30,488,344	31,704,227
Noncurrent assets:			
Pledges receivable, net, long-term portion		514,481	1,338,694
Investments		42,419,774	39,882,753
Cash equivalents limited as to use		207,640	198,851
Fixed assets, net of accumulated depreciation and amortization		21,527,866	23,468,045
FCC licenses		29,242,387	29,242,387
Other assets		382,588	339,585
Total noncurrent assets		94,294,736	94,470,315
Total assets	$	124,783,080	126,174,542
Liabilities and Net Assets			
Current liabilities:			
Accounts payable, accrued expenses, and deferred revenue	$	13,051,616	10,839,635
Current portion of bonds payable		830,000	795,000
Due to partner in collaborative arrangements		226,352	119,570
Total current liabilities		14,107,968	11,754,205
Noncurrent liabilities:			
Refundable advance		1,000,000	1,000,000
Fair value of interest rate swap agreement		1,433,220	1,552,885
Bonds payable, less current portion		10,287,550	11,095,915
Deferred rent		2,482,187	2,332,398
Other liabilities		1,770,394	1,945,846
Total noncurrent liabilities		16,973,351	17,927,044
Total liabilities		31,081,319	29,681,249
Commitments			
Net assets:			
Unrestricted:			
Undesignated		66,292,501	70,658,192
Board-designated		16,336,557	15,596,849
Total unrestricted		82,629,058	86,255,041
Temporarily restricted		10,733,679	9,883,994
Permanently restricted		339,024	354,258
Total net assets		93,701,761	96,493,293
Total liabilities and net assets	$	124,783,080	126,174,542

See accompanying notes to financial statements.

NEW YORK PUBLIC RADIO

Statements of Activities

Years ended June 30, 2015 and 2014

	2015						2014					
	Undesignated	**Board-designated**	**Total unrestricted**	**Temporarily restricted**	**Permanently restricted**	**Total**	**Undesignated**	**Board-designated**	**Total unrestricted**	**Temporarily restricted**	**Permanently restricted**	**Total**
Operating activities:												
Operating support and revenue:												
Contributions	$ 48,990,537	1,413,242	50,403,779	10,603,082	—	61,006,861	45,695,471	284,842	45,980,313	13,349,805	—	59,330,118
Government grants	116,449	—	116,449	785,005	—	901,454	116,458	—	116,458	1,538,465	—	1,654,923
Donated services	98,150	—	98,150	—	—	98,150	159,411	—	159,411	—	—	159,411
Production and other income	3,172,368	—	3,172,368	—	—	3,172,368	5,357,093	—	5,357,093	—	—	5,357,093
Special events revenue, net of direct expenses of $549,499 and $387,858 in 2015 and 2014, respectively	957,273	—	957,273	112,500	—	1,069,773	933,942	—	933,942	—	—	933,942
Investment income	1,036,306	—	1,036,306	—	—	1,036,306	1,331,490	—	1,331,490	—	—	1,331,490
Revenues from collaborative arrangements	1,270,332	—	1,270,332	—	—	1,270,332	1,118,521	—	1,118,521	—	—	1,118,521
Net assets released from restrictions	10,025,902	625,000	10,650,902	(10,650,902)	—	—	12,151,186	451,508	12,602,694	(12,602,694)	—	—
Total operating support and revenue	65,667,317	2,038,242	67,705,559	849,685	—	68,555,244	66,863,572	736,350	67,599,922	2,285,576	—	69,885,498
Operating expenses:												
Program services:												
Programming	41,719,463	—	41,719,463	—	—	41,719,463	38,511,417	—	38,511,417	—	—	38,511,417
Technical operations	5,832,533	—	5,832,533	—	—	5,832,533	5,508,286	—	5,508,286	—	—	5,508,286
Marketing	2,853,260	—	2,853,260	—	—	2,853,260	3,298,489	—	3,298,489	—	—	3,298,489
Total program services	50,405,256	—	50,405,256	—	—	50,405,256	47,318,192	—	47,318,192	—	—	47,318,192
Supporting services:												
Fund-raising	14,621,471	—	14,621,471	—	—	14,621,471	12,363,279	—	12,363,279	—	—	12,363,279
Management and general	5,185,272	—	5,185,272	—	—	5,185,272	5,224,028	—	5,224,028	—	—	5,224,028
Total supporting services	19,806,743	—	19,806,743	—	—	19,806,743	17,587,307	—	17,587,307	—	—	17,587,307
Total operating expenses	70,211,999	—	70,211,999	—	—	70,211,999	64,905,499	—	64,905,499	—	—	64,905,499
Increase (decrease) in operating activities	(4,544,682)	2,038,242	(2,506,440)	849,685	—	(1,656,755)	1,958,073	736,350	2,694,423	2,285,576	—	4,979,999
Nonoperating activities:												
Investment return (less than) in excess of amounts appropriated for operations	(1,239,208)	—	(1,239,208)	—	(15,234)	(1,254,442)	3,571,853	—	3,571,853	—	4,781	3,576,634
Change in fair value of interest rate swap agreement	119,665	—	119,665	—	—	119,665	151,510	—	151,510	—	—	151,510
Transfers	1,298,534	(1,298,534)	—	—	—	—	1,352,935	(1,352,935)	—	—	—	—
Change in net assets	(4,365,691)	739,708	(3,625,983)	849,685	(15,234)	(2,791,532)	7,034,371	(616,585)	6,417,786	2,285,576	4,781	8,708,143
Net assets at beginning of year	70,658,192	15,596,849	86,255,041	9,883,994	354,258	96,493,293	63,623,821	16,213,434	79,837,255	7,598,418	349,477	87,785,150
Net assets at end of year	$ 66,292,501	16,336,557	82,629,058	10,733,679	339,024	93,701,761	70,658,192	15,596,849	86,255,041	9,883,994	354,258	96,493,293

See accompanying notes to financial statements.

NEW YORK PUBLIC RADIO

Statements of Cash Flows

Years ended June 30, 2015 and 2014

		2015	2014
Cash flows from operating activities:			
Change in net assets	$	(2,791,532)	8,708,143
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation and amortization of fixed assets		3,488,441	3,306,119
Amortization of deferred financing costs		21,635	(26,680)
Bad debt expense, net of recoveries		166,976	134,283
Net expense from barter arrangements		(52,927)	(363,556)
Deferred rent		149,789	128,503
Lease incentive obligation (in other liabilities)		(27,068)	(27,068)
Donated fixed assets		(5,652)	(778,155)
Change in fair value of interest rate swap agreement		(119,665)	(151,510)
Change in unrealized and realized losses (gains) on investments		1,114,591	(4,434,976)
Changes in operating assets and liabilities:			
Current pledges and grants receivable		27,360	(1,218,919)
Accounts receivable		(929,804)	(361,574)
Prepaid expenses and other current assets		98,511	141,100
Due from partner in collaborative arrangements		370,671	(103,785)
Long-term pledges receivable, net		824,213	(59,686)
Other assets		(47,910)	(87,144)
Accounts payable, accrued expenses, and deferred revenue		1,593,611	(31,486)
Other liabilities		(148,384)	57,612
Net cash provided by operating activities		3,732,856	4,831,221
Cash flows from investing activities:			
Net increase in cash equivalents limited as to use		(8,789)	(2,917)
Purchase of fixed assets		(871,313)	(1,225,550)
Purchase of investments		(15,755,497)	(6,251,204)
Sale of investments		10,706,453	6,005,719
Investment receivable		1,677,522	(1,888,314)
Purchase of FCC license		—	(440,133)
Net cash used in investing activities		(4,251,624)	(3,802,399)
Cash flows from financing activity:			
Repayment of bonds payable		(795,000)	(755,000)
Net cash used in financing activity		(795,000)	(755,000)
Net (decrease) increase in cash and cash equivalents		(1,313,768)	273,822
Cash and cash equivalents at beginning of year		15,407,579	15,133,757
Cash and cash equivalents at end of year	$	14,093,811	15,407,579
Supplemental disclosure of cash flow information:			
Cash paid for interest	$	399,317	424,892
Noncash investing and financing activities:			
Fixed assets purchased through accounts payable	$	805,413	134,116
Donated fixed assets		5,652	778,155

See accompanying notes to financial statements.

(1) Nature of Business and Organization

New York Public Radio was incorporated in the State of New York in September 1979 as a not-for-profit corporation, primarily for the purpose of providing monetary and operational support for the City of New York Municipal Broadcasting System, later known as the New York Public Communications Group, through fund-raising activities and the rendering of services.

On January 7, 1997, the City of New York transferred the licenses and all the assets associated with WNYC-AM and WNYC-FM to New York Public Radio for $20 million payable over six years. The Federal Communications Commission (FCC) granted the transfer of the licenses in fiscal 1997.

On October 6, 2009, New York Public Radio purchased certain assets used in the operation of the radio station WQXR-FM from The New York Times Company. New York Public Radio paid a purchase price of approximately $11,626,000 in cash inclusive of direct expenses.

On July 1, 2011, New York Public Radio assumed operations under a managing program agreement of four New Jersey network radio stations, WNJT-FM, WNJP-FM, WNJY-FM, and WNJO-FM, owned by the State of New Jersey. On December 5, 2011, the FCC licenses and certain other assets were purchased from the State of New Jersey for approximately $1 million in cash and $1.8 million in in-kind services.

New York Public Radio is a Section 501(c)(3) organization, which is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the Code). It is a publicly supported organization as described in Section 509(a)(1) of the Code. New York Public Radio is also exempt from state and local income taxes. Accordingly, it is not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purpose. New York Public Radio recognizes the effect of income tax positions only if these positions are more likely than not of being sustained.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

(b) Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates are used for, but not limited to, accounts and pledges receivable allowances, fair value of investments and interest rate swaps, depreciation rates for fixed assets, and functional expenses.

New York Public Radio allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be readily identified with a specific program or supporting service are allocated directly. Other expenses that are common to several functions are allocated by various statistical bases.

(c) Net Assets

To ensure compliance with limitations and restrictions placed on the use of resources, New York Public Radio reports its financial resources in three net asset classes: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted Net Assets: Unrestricted net assets include expendable resources over which New York Public Radio's Board of Trustees has discretionary control and are used to carry out New York Public Radio's operations in accordance with its Articles of Incorporation and the related bylaws.

In fiscal year 2006, New York Public Radio's Board of Trustees designated a portion of unrestricted net assets for the Campaign for New York Public Radio. Funds received in association with this campaign are to be allocated at the discretion of the Board of Trustees to the fit-out and construction of New York Public Radio's facility, debt service related to the March 2006 bond offering, lease, and operating expenses associated with the facility, and programming initiatives.

In fiscal year 2013, all charitable gift annuities in excess of liability were classified as board designated by the Board of Trustees. Upon maturity of a gift annuity agreement, the revenue will be allocated at the discretion of the Board of Trustees.

In fiscal year 2015, the Board of Trustees designated unrestricted funds received in association with a future campaign and other unrestricted funds as it deems appropriate, as unrestricted funds to be allocated at its discretion in association with strategic initiatives.

Temporarily Restricted Net Assets: Temporarily restricted net assets include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of New York Public Radio.

Permanently Restricted Net Assets: Permanently restricted net assets represent funds that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity and that only the income be used.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation or by law.

(d) Grants and Contributions

Grants and contributions (including unconditional promises to give) are recorded initially at fair value when received or pledged. Contributions received with donor stipulations that limit the use of donated assets are reported as either temporarily or permanently restricted support. Unconditional promises to give, with payments due in future years, are reported as temporarily restricted support, discounted to their present value. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contribution. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. The fair values are measured as discussed in note 4. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

The details of unrestricted contributions for the years ended June 30, 2015 and 2014 are as follows:

		2015	2014
Membership	$	21,890,367	20,692,018
Underwriting		17,073,817	15,911,850
Underwriting trade		584,254	770,409
Campaign for New York Public Radio		250,000	175,000
Major donors		5,429,428	4,932,126
Bequests and planned giving		1,861,781	602,253
Foundations and not-for-profit organizations		3,314,132	2,896,657
	$	50,403,779	45,980,313

Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met. As of June 30, 2015, New York Public Radio has received conditional pledges and payments totaling approximately $1,766,000 for future support for which the conditions stipulated by the donors have not yet been met.

(e) Donated Services and Support

Volunteers have donated significant amounts of their time to New York Public Radio's program services and supporting services. No amounts have been reflected in the accompanying financial statements for these donated services because they do not meet the criteria for revenue recognition established by U.S. generally accepted accounting principles.

(f) Cash Equivalents

New York Public Radio considers all highly liquid investments, consisting primarily of money market funds, with a maturity of three months or less when purchased, and other than those intended to be held as part of the investment portfolio or those restricted as to use, to be cash equivalents. All cash and cash equivalents are held at three financial institutions at June 30, 2015 and 2014. The amount of cash and cash equivalents at these banks may exceed federally insured limits. At June 30, 2015 and 2014, approximately, $10.1 million and $12.2 million, respectively, of the balance in cash and cash equivalents is held in money market funds that are invested in underlying U.S. government or U.S. government and agency securities.

(g) Accounts Receivable

Accounts receivable consist primarily of on-air acknowledgments of corporate underwriting. The allowance for doubtful accounts is determined based upon specific analysis of past-due accounts and historical collections experience.

(h) Investments

In 2015, New York Public Radio early adopted Accounting Standards Update (ASU) No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*, which removes the requirements to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient and removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. New York Public Radio applied the provision of the update retrospectively to 2014.

Investments are reported at estimated fair market value based upon quoted market prices or at estimated fair value using net asset value (NAV), as a practical expedient, provided by the general partners of limited partnerships or other external investment managers. These NAVs are reviewed and evaluated by New York Public Radio. Due to the inherent uncertainties of these estimates, these values may differ from the values that would have been used had a ready market existed for such investments. Short-term investments are investments with maturities less than one year, which are not held by long-term investment managers.

New York Public Radio maintains a spending policy on its long-term investment portfolio. The spending policy used for operations may be up to 4% of a 12-quarter rolling average market value as of June 30. In addition to the spending policy on the long-term investment portfolio, investment return used for operations includes investment income on working capital cash, short-term investments and any other long-term investments not maintained as part of the long-term investment portfolio.

(i) FCC Licenses

Identifiable intangible assets with indefinite lives consist of the FCC licenses for New York Public Radio. Such intangible assets are no longer amortized but instead are subject to annual impairment tests. There were no indications of impairment noted in the annual impairment test performed for the years ended June 30, 2015 and 2014.

(j) Depreciation and Amortization

Furniture, fixtures, equipment, and leasehold improvements are stated at cost, less accumulated depreciation and amortization. New York Public Radio provides for depreciation of fixed assets on the straight-line basis over the estimated useful lives of the assets ranging from three to seventeen years. Amortization of leasehold improvements is provided on the straight-line basis over the lesser of the terms of the related leases or estimated useful lives of the improvements.

(k) Marketing and Public Relations

Marketing and public relations costs are expensed as incurred. For the years ended June 30, 2015 and 2014, total marketing and public relations costs amounted to approximately $1,205,000 and $1,501,000, respectively.

(l) Barter Transactions

Revenue from barter transactions (underwriting acknowledgments provided in exchange for goods and services) is recognized when underwriting is broadcast and is valued based on fair value (comparable cash revenue). Goods and services received are recorded as a capital asset or prepaid expense, depending on the nature of the goods or services received, and are charged to expense when rendered or used. Barter revenues were $584,254 and $770,409 and barter expenses were $531,328 and $406,853 for the years ended June 30, 2015 and 2014, respectively. A liability of $301,421 and $354,348 is included in accounts payable at June 30, 2015 and 2014, respectively, in the accompanying statements of financial position, representing the acknowledgements under barter arrangements to be broadcast in the future.

(m) Interest Rate Swap Agreement

New York Public Radio calculates and records the fair value of its interest rate swap agreement based on the differences between market interest rates at the date of the agreement and interest rates in effect at June 30.

(n) Collaborative Arrangements

New York Public Radio accounts for its collaborative arrangements in accordance with *Accounting for Collaborative Arrangements* (note 12), which prescribes that for costs incurred and revenue generated from third parties, the participant in a collaborative arrangement that is deemed to be the principal participant for a given transaction should record that transaction on a gross basis in the financial statements. Payments from New York Public Radio's partners in the collaborative arrangements are recorded as revenues from collaborative arrangement in the period in which such payments are due to cover expenditures of the arrangement.

(o) Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The three levels of inputs that may be used to measure fair value are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

(p) Reclassification

Certain prior year amounts may have been reclassified to conform with the current year presentation.

(q) Investment Return

New York Public Radio includes in operations all revenue and expenses that are an integral part of its program and supporting activities. Investment return, including net realized and unrealized gains and losses, in excess of or less than the authorized spending policy, are recognized as nonoperating activities.

(r) Debt Issuance Costs

In 2015, New York Public Radio early adopted ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which requires debt issuance costs related to a recognized debt liability to be presented on the statements of financial position as a direct deduction from the debt liability. New York Public Radio applied the provision of the update retrospectively to 2014.

(3) Investments

New York Public Radio held the following investments at June 30:

	Fair value	
	2015	**2014**
Investments:		
U.S. Equity	$ 9,938,636	8,787,251
Global equity	7,999,195	7,379,346
Emerging markets	2,787,504	2,869,508
Hedge funds	8,854,780	7,618,547
Inflation hedging	1,615,500	2,938,731
Fixed income	14,680,249	12,136,175
Cash and equivalents	144,740	356,593
	$ 46,020,604	42,086,151

Investments measured at NAV by major category, at June 30 are as follows:

Strategy		2015	2014	Redemption frequency (if currently eligible)	Redemption notice period
U.S. Equity	$	4,363,369	3,203,868	Semi monthly/Quarterly	5–30 days
Global equity		3,438,099	3,096,984	Semi monthly/Monthly	3–90 days
Emerging markets		1,045,906	1,068,483	Monthly	30 days
Hedge funds		8,854,780	7,618,547	Annually/Bi annually	60–95 days
Inflation hedging		355,719	730,130	Monthly	5 days
Fixed income		622,334	682,657	Daily	10 days
	$	18,680,207	16,400,669		

Investment income consists of the following in fiscal 2015 and 2014:

		2015	2014
Interest and dividend	$	896,455	473,148
Net (depreciation) appreciation in fair value of investments		(1,114,591)	4,434,976
	$	(218,136)	4,908,124

Valuation Hierarchy

The following tables provide the assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2015 and 2014:

			Fair value measurements at June 30, 2015 using	
		Carrying value (fair value at June 30, 2015)	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)
Investments:				
U.S. Equity	$	5,575,268	5,575,268	—
Global equity		4,561,096	4,561,096	—
Emerging markets		1,741,598	1,741,598	—
Inflation hedging		1,259,781	1,259,781	—
Fixed income		14,057,914	14,057,914	—
Cash and equivalents		144,740	144,740	—
Investments measured at net asset value (or its equivalent)		18,680,207		—
Total investments	$	46,020,604	27,340,397	—
Fair value of interest rate swap agreement	$	(1,433,220)	—	(1,433,220)

	Carrying value (fair value at June 30, 2014)	Fair value measurements at June 30, 2014 using: Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)
Investments:			
U.S. Equity	$ 5,583,383	5,583,383	—
Global equity	4,282,362	4,282,362	—
Emerging markets	1,801,025	1,801,025	—
Inflation hedging	2,208,601	2,208,601	—
Fixed income	11,453,518	11,453,518	—
Cash and equivalents	356,593	356,593	—
Investments measured at net asset value (or its equivalent)	16,400,669		—
Total investments	$ 42,086,151	25,685,482	—
Fair value of interest rate swap agreement	$ (1,552,885)	—	(1,552,885)

Valuation Techniques

New York Public Radio's derivative instrument consists of an over-the-counter interest rate swap agreement, which is not publicly traded on a public exchange. The fair value of New York Public Radio's interest rate swap agreement was determined based on inputs to a model that can be corroborated with observable market data (note 4). As such, New York Public Radio categorized its interest rate swap agreement as Level 2.

(4) Fair Values of Financial Instruments

The following methods and assumptions were used by New York Public Radio for fair value measurements made in the accompanying financial statements in accordance with Accounting Standards Codification (ASC) Subtopic 820-10, *Fair Value Measurements*:

Cash equivalents: Carrying amounts of cash equivalents are based on quoted market prices, which are considered Level 1 in the fair value hierarchy.

Pledges and grants receivable: Pledges and grants receivable are reported at their fair values at the date of gift. Fair values are measured based on present value of future cash flows, with consideration of expectations about possible variations in the amount and/or timing of the cash flows and other specific factors that would be considered by market participants. The fair value measurements also include consideration of donors' credit risk. The inputs to this estimate are considered Level 3 in the fair value hierarchy.

Investments: These assets consist primarily of marketable securities, which are reported at fair values based on quoted market prices, and comingled funds, fund of funds, and limited partnerships, which are recorded based on NAVs provided by the fund manager or general partner.

Cash equivalents limited as to use: The carrying amounts reported in the accompanying statements of financial position represent fair values based on quoted market prices, which are considered Level 1 in the fair value hierarchy.

Interest rate swap agreement: The fair value has been calculated based on the difference between market interest rates at the date of the agreement and interest rates in effect at June 30, 2015 and 2014. The fair value reported also includes consideration of New York Public Radio's credit risk.

The following methods and assumptions were used by New York Public Radio to estimate its fair value disclosures for financial instruments that are not measured and recorded at fair value:

Accounts receivable: The carrying values of accounts receivable approximate fair value, due to the short maturity of these instruments. The inputs to this estimate are considered Level 3 in the fair value hierarchy.

Due to/from partner in collaborative arrangement: The carrying value of amounts due from partner in collaborative arrangement approximates fair value, due to the short maturity of these instruments. The inputs to this estimate are considered Level 3 in the fair value hierarchy.

Refundable advance: The carrying value of the refundable advance approximates fair value. The inputs to this estimate are considered Level 3 in the fair value hierarchy.

Bonds payable: The carrying amount of New York Public Radio's variable rate bonds payable approximates market. The fair value approximates carrying value as the bonds are remarketed weekly and have a 30-day notice of redemption. The inputs to this estimate are considered Level 2 in the fair value hierarchy.

(5) Pledges and Grants Receivable

Pledges and grants receivable consist substantially of promises to give and are due from individuals and foundations. Pledges and grants receivable, net of allowance for uncollectible pledges, are due to be collected as follows at June 30:

	2015	2014
Pledges and grants receivable:		
Less than one year	$ 7,411,833	7,444,609
One to five years	559,144	1,498,889
	7,970,977	8,943,498
Less:		
Discount (1.4%–1.7%)	(20,673)	(37,688)
Credit rate adjustments	(23,990)	(122,507)
Allowance for uncollectible pledges	—	—
Pledges and grants receivable, net	$ 7,926,314	8,783,303

One donor accounted for 13% and 11% of gross pledges and grants receivable at June 30, 2015 and 2014, respectively.

(6) Fixed Assets

Fixed assets consist of the following at June 30:

		2015	2014
Computer hardware	$	3,196,403	2,860,490
Leasehold improvement		24,356,803	23,836,856
Furniture and fixtures		2,366,392	2,301,323
Equipment		14,535,320	13,907,987
Vehicles		29,456	29,456
		44,484,374	42,936,112
Less accumulated depreciation and amortization		(22,956,508)	(19,468,067)
	$	21,527,866	23,468,045

New York Public Radio received capital appropriations from the City of New York, which obligated the recipient organization to operate the facility and/or maintain equipment for the respective bonding term as a nonprofit entity, open to and used and maintained for the benefit of the people of the City of New York for cultural, educational, or artistic uses, and/or related purposes approved by the City.

At June 30, 2015, the City of New York and a government entity held a security interest in leasehold improvements of $1,087,500 and in equipment of approximately $178,700.

(7) Bonds Payable

In March 2006, New York Public Radio issued tax-exempt Series 2006 revenue bonds (Series 2006 Revenue Bonds) through the Trust for Cultural Resources of the City of New York in the amount of $23,000,000. Proceeds from the Series 2006 Revenue Bonds, as well as any interest income earned on the proceeds, were used to finance issuance costs, a portion of interest costs, and a portion of the cost of the renovation, construction, studio technical fit-out, and furnishing of approximately 76,000 square feet of leased space in a building that is used as New York Public Radio’s principal office and broadcast studios.

The Series 2006 Revenue Bonds are secured by an irrevocable direct pay letter of credit from a bank (Wells Fargo Bank, N.A.) with a credit rating at June 30, 2015 that meets the requirements of the bond indentures. The letter of credit expires on March 29, 2018 and is secured by certain assets pledged by New York Public Radio. The letter of credit agreement also requires New York Public Radio to maintain compliance with certain financial covenants and other restrictions. At June 30, 2015, New York Public Radio was in compliance with the financial covenants contained in its credit agreement.

As a condition of this borrowing, beginning in April 2008, New York Public Radio was required to make monthly deposits into a debt service fund. At June 30, 2015 and 2014, approximately, $208,000 and $199,000, respectively, of debt service funds are included in cash equivalents limited as to use in the accompanying statements of financial position. The fund accumulates amounts necessary to make principal payments on annual serial maturity dates commencing April 1, 2009. The final maturity date is April 1, 2026. Any grants and contributions received that are restricted to the project funded by the bonds must be used to fund project costs or be deposited in the debt service fund for payment of bond principal. The Series 2006 Revenue Bonds bear interest at a rate that is reset weekly as determined by the remarketing agent. The rate effective at June 30, 2015 was 0.08%. Interest is payable on the first business day of each calendar month. New York Public Radio recognized approximately $397,000 and $423,000 in interest expense for the years ended June 30, 2015 and 2014, respectively.

The Series 2006 Revenue Bonds are subject to future mandatory sinking fund installments as follows:

Year ending June 30:		
2016	$	836,250
2017		866,250
2018		910,000
2019		950,000
2020		990,000
Thereafter		6,585,000
	$	11,137,500

Principal payments are to be made from the sinking fund installments that New York Public Radio pays as follows:

Year ending June 30:		
2016	$	830,000
2017		855,000
2018		900,000
2019		940,000
2020		980,000
Thereafter		6,840,000
		11,345,000
Less unamortized bond issuance costs		227,450
	$	11,117,550

(8) Interest Rate Swap Agreement

In March 2006, New York Public Radio entered into an interest rate swap agreement to manage the interest cost and risk associated with the Series 2006 bond issuance. The interest rate swap has an effective date of March 29, 2006 and is intended to reduce the risk of rising interest rates. The initial notional amount of the swap agreement is $15,000,000, to be reduced to match principal payments on the bonds payable over the period from April 1, 2009 through April 1, 2026. In accordance with the terms of the interest rate swap and related agreement, New York Public Radio pays an interest rate of 3.675% and receives interest based on 70% of USDLIBOR-BBA. Net receipts or payments under the agreement are recognized as an adjustment to interest expense. The interest rate swap agreement expires April 1, 2026. The fair value of the swap agreement is a liability of $1,433,220 and $1,552,885 at June 30, 2015 and 2014, respectively.

(9) Refundable Advance

In November 2013, New York Public Radio entered into an agreement with an outside foundation under which the foundation advanced $1,000,000 for the support of New York Public Radio's programs for a period of fifteen years through November 11, 2028. After November 11, 2028, New York Public Radio will be required, at the direction of the foundation, to contribute the funds to one or more not-for-profit organizations that are not affiliated with New York Public Radio. Any income that New York Public Radio earns on the $1,000,000 can be used to fund operations. The advance is reflected in investments and as a refundable advance in the accompanying statements of financial position.

(10) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30:

		2015	2014
Temporarily restricted:			
Programming	$	7,944,870	7,157,145
Time restrictions		2,788,809	2,726,849
	$	10,733,679	9,883,994

$5,157,159 and $6,114,058 restricted for programming at June 30, 2015 and 2014, respectively, are also time restricted.

(11) Endowment Fund

In 2010, New York State adopted New York Prudent Management of Institutional Funds Act (NYPMIFA). The Board of Trustees of New York Public Radio has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, New York Public Radio classifies as permanently restricted net assets (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with the accounting guidance associated with the adoption of NYPMIFA, the remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by New York Public Radio in a manner consistent with the standard of prudence prescribed by NYPMIFA.

New York Public Radio's endowment consists of a permanently restricted endowment fund, the principal of which must be maintained intact in perpetuity, and income earned is restricted for the development of news, information, and other programming services. New York Public Radio's permanently restricted donor endowment fund balance was $339,024 and $354,258 at June 30, 2015 and 2014, respectively.

New York Public Radio has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment fund.

(Continued)

Changes in endowment net assets for the year ended June 30, 2015 consisted of the following:

		Temporarily restricted	Permanently restricted	Total
Endowment net assets, beginning of year	$	—	354,258	354,258
Contributions		—	—	—
Investment return:				
Investment income		6,339	(15,234)	(8,895)
Appropriated for spending		(6,339)	—	(6,339)
Endowment net assets, ending of year	$	—	339,024	339,024

Changes in endowment net assets for the year ended June 30, 2014 consisted of the following:

		Temporarily restricted	Permanently restricted	Total
Endowment net assets, beginning of year	$	—	349,477	349,477
Contributions		—	—	—
Investment return:				
Investment income		9,198	4,781	13,979
Appropriated for spending		(9,198)	—	(9,198)
Endowment net assets, ending of year	$	—	354,258	354,258

(12) Collaborative Arrangements

(a) New York Public Radio entered into a Co-Production agreement (the Agreement) with a partner in fiscal 2008 to develop, produce, and distribute noncommercial public radio programming and digital content (the Series). Under the terms of the Agreement, New York Public Radio is responsible for the day-to-day editorial content and creative control of the Series. New York Public Radio and its partner are each required to fund any deficit amount incurred. Each of New York Public Radio and its partner also agrees to make an equal contribution to the Co-Production each fiscal year. The annual contribution may be increased or decreased from one fiscal year to the next. The term of the Agreement commenced as of April 28, 2008 and will automatically renew for additional one-year period (each, a Renewal Term) unless either New York Public Radio or its partner provides written notice of its intent not to renew the Agreement at least six months prior to the expiration of the any such Renewal Term.

New York Public Radio acted as the principal for certain revenue and expense transactions with third parties and, therefore, recognized these transactions on a gross basis in the accompanying financial statements. New York Public Radio recognized $84,500 and $50,000 in temporarily restricted contributions; $108,905 and $22,440 in unrestricted contributions; $155,509 and $193,959 in production and other income; and $1,816,820 and $1,799,520 in various expenses on a gross basis in the accompanying statements of activities for the years ended June 30, 2015 and 2014, respectively. In addition to these amounts, revenues from this collaborative arrangement of $1,219,666 and $1,118,521 are also recognized in the accompanying statements of activities for the years ended

(Continued)

June 30, 2015 and 2014, respectively, related to the portion of Series expenses for which New York Public Radio's partner is obligated to reimburse New York Public Radio.

(b) In fiscal 2014, New York Public Radio entered into a new Co-Production agreement (the Agreement) with a partner to develop, produce, and distribute noncommercial public radio programming and digital content. Under the terms of the Agreement, New York Public Radio is responsible for the day-to-day editorial content and creative control of the Co-Production. New York Public Radio is required to fund 100% of any deficit amount incurred. Any net surplus will be shared equally between the partner and New York Public Radio. The term of the Agreement commenced as of July 1, 2013 and, unless earlier terminated in accordance with the Agreement, continues through June 30, 2016.

New York Public Radio acted as the principal for certain revenue and expense transactions with third parties and, therefore, recognized these transactions on a gross basis in the accompanying financial statements. New York Public Radio recognized $1,776,904 and $1,230,981 in unrestricted contributions; $10,220 and $753 in production and other income; and $1,163,510 and $775,662 in various expenses on a gross basis in the accompanying statements of activities for the years ended June 30, 2015 and 2014, respectively.

(13) Commitments

New York Public Radio has agreements to license capacity on transmitters and lease space at the transmission facilities with third parties in New York and New Jersey. These agreements expire between March 2017 and March 2029. Total license and rent expense was approximately $1,269,000 and $1,140,000 for the years ended June 30, 2015 and 2014, respectively.

In March 2006, New York Public Radio entered into a noncancelable lease agreement for office space and broadcast studios in New York City for a term of 20 years. The lease calls for escalation charges through the lease term and includes a rent-free period of approximately 11 months. The lease also provides New York Public Radio with the option to renew for an additional 10 years provided that New York Public Radio is not in default of any of the terms of the lease agreement. The lease agreement is secured by a standby letter of credit in the amount of approximately $837,000 that expires in March 2017 and may be renewed at the option of New York Public Radio.

The aggregate minimum lease payments under the lease agreement for office space and broadcast studios are being recognized over the term of the lease on the straight-line basis. The cumulative difference between rent expense so calculated and amounts paid in accordance with terms of the lease amounted to approximately $2,482,000 and $2,332,000 as of June 30, 2015 and 2014, respectively, and has been reflected as deferred rent, a liability in the accompanying statements of financial position. Under the terms of the lease agreement, New York Public Radio is reimbursed by the landlord for certain costs incurred. The costs incurred are included in fixed assets and are amortized over the lesser of the lease term or the estimated useful lives of the assets. The amount of costs reimbursed by the landlord is recorded as a lease incentive obligation, which is amortized as a reduction of rent expense on a straight-line basis over the term of the lease. A lease incentive obligation of approximately $305,000 and $332,000 is included in other liabilities in the accompanying statements of financial position as of June 30, 2015 and 2014, respectively. Total rent expense recorded under this lease agreement was approximately $1,716,000 and $1,679,000 for the years ended June 30, 2015 and 2014, respectively.

Future minimum payments under these agreements as of June 30, 2015 were as follows:

		License agreements	Leases
Year ending June 30:			
2016	$	1,008,036	1,870,035
2017		981,125	2,172,021
2018		590,269	2,222,091
2019		393,529	2,232,410
2020		239,597	2,243,039
Thereafter		2,599,300	14,297,688
	$	5,811,856	25,037,284

(14) Subsequent Events

New York Public Radio has evaluated events and transactions occurring between July 1, 2014 and September 28, 2015, which is the date that the financial statements were issued, for disclosure and recognition in the financial statements.

Schedule

NEW YORK PUBLIC RADIO

Schedule of Functional Expenses

Years ended June 30, 2015 and 2014

	Program services				Supporting services				
	Programming	**Technical operations**	**Marketing**	**Total**	**Fund-raising**	**Management and general**	**Total**	**2015**	**2014**
Salaries and benefits	$ 27,838,382	2,865,272	1,342,796	32,046,450	8,112,828	2,695,095	10,807,923	42,854,373	38,910,655
Consultants' fees	1,179,693	244,590	110,977	1,535,260	371,970	251,892	623,862	2,159,122	2,207,839
Marketing and public relations	122,727	—	816,325	939,052	252,637	13,436	266,073	1,205,125	1,501,140
Program acquisition and production	5,105,637	18,816	230,666	5,355,119	—	—	—	5,355,119	5,350,225
Membership services	—	—	—	—	3,521,500	—	3,521,500	3,521,500	2,818,599
Professional services	1,112,865	27,739	108,775	1,249,379	320,694	784,518	1,105,212	2,354,591	2,104,622
Travel, entertainment, and meetings	513,295	25,141	21,083	559,519	491,046	89,791	580,837	1,140,356	1,228,236
Equipment rental, repairs, maintenance, and supplies	420,630	513,191	10,672	944,493	507,562	167,227	674,789	1,619,282	1,506,862
Office expenses	143,292	11,046	33,515	187,853	33,177	54,693	87,870	275,723	401,359
Bad debt expense, net of recoveries	—	—	—	—	—	166,976	166,976	166,976	134,283
Postage and mailing	19,612	4,166	2,169	25,947	21,101	2,774	23,875	49,822	55,935
Insurance	236,418	20,557	8,696	265,671	45,066	20,558	65,624	331,295	307,755
Rent, utilities, and custodial	2,552,811	1,882,241	74,605	4,509,657	462,079	182,863	644,942	5,154,599	4,557,732
Financing costs and other	—	—	—	—	—	535,675	535,675	535,675	514,138
Total expenses before depreciation, amortization, and income tax	39,245,362	5,612,759	2,760,279	47,618,400	14,139,660	4,965,498	19,105,158	66,723,558	61,599,380
Depreciation and amortization	2,474,101	219,774	92,981	2,786,856	481,811	219,774	701,585	3,488,441	3,306,119
Total expenses	$ 41,719,463	5,832,533	2,853,260	50,405,256	14,621,471	5,185,272	19,806,743	70,211,999	64,905,499

See accompanying independent auditors' report.