National Public Radio, Inc.

Consolidated Financial Statements,
Supplemental Schedules, and
Independent Auditors' Report

Years Ended September 30, 2017 and 2016

National Public Radio, Inc.

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Years Ended September 30, 2017 and 2016

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Independent Auditors' Report

To the Board of Directors
National Public Radio, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **National Public Radio, Inc.**, which comprise the consolidated statements of financial position as of September 30, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years 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 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 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, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 21, 2017

National Public Radio, Inc.

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National Public Radio, Inc.

Consolidated Statements of Financial Position

September 30,		2017		2016
Assets				
Cash and cash equivalents	**$**	**16,168,355**	$	19,041,718
Restricted cash and cash equivalents		**3,991,570**		3,428,787
Accounts receivable, net		**36,807,234**		24,768,986
Contributions receivable, net		**15,482,984**		17,693,600
Investments		**412,451,723**		383,700,531
Property and equipment, net		**215,854,402**		219,333,013
Prepaid expenses and other assets		**2,295,614**		2,711,223
Goodwill		**1,822,832**		1,822,832
Total assets	**$**	**704,874,714**	$	672,500,690
Liabilities and Net Assets				
Liabilities				
Accounts payable and other liabilities	**$**	**33,599,411**	$	28,313,681
Deferred revenue		**23,264,772**		21,147,437
Accrued interest payable		**3,630,859**		3,275,002
Note payable		**—**		250,299
Bonds payable		**174,388,424**		175,438,576
Total liabilities		**234,883,466**		228,424,995
Commitments and contingencies				
Net assets				
Unrestricted:				
Unrestricted net assets		**135,705,185**		125,505,845
Noncontrolling interest		**1,343,410**		1,049,907
Total unrestricted		**137,048,595**		126,555,752
Temporarily restricted		**119,053,756**		103,653,065
Permanently restricted		**213,888,897**		213,866,878
Total net assets		**469,991,248**		444,075,695
Total liabilities and net assets	**$**	**704,874,714**	$	672,500,690

See accompanying notes to consolidated financial statements.

National Public Radio, Inc.

Consolidated Statements of Activities

For the years ended September 30,	Unrestricted	Temporarily Restricted	Permanently Restricted	2017	Unrestricted	Temporarily Restricted	Permanently Restricted	2016
Operating revenues								
Membership dues	**$ 3,521,063**	**$ —**	**$ —**	**$ 3,521,063**	$ 3,405,600	$ —	$ —	$ 3,405,600
Station programming fees	**75,078,767**	**—**	**—**	**75,078,767**	73,347,721	—	—	73,347,721
Corporate sponsorships	**80,531,905**	**—**	**—**	**80,531,905**	60,055,147	—	—	60,055,147
Grants and contributions	**17,168,572**	**6,305,557**	**6,044**	**23,480,173**	22,157,843	13,694,369	6,000	35,858,212
Distribution and satellite interconnection	**12,709,557**	**—**	**—**	**12,709,557**	13,017,551	—	—	13,017,551
Commissions	**4,728,641**	**—**	**—**	**4,728,641**	4,485,091	—	—	4,485,091
Digital	**5,401,867**	**—**	**—**	**5,401,867**	6,279,356	—	—	6,279,356
Return on long-term investments designated for current operations	**1,630,268**	**—**	**—**	**1,630,268**	1,687,765	—	—	1,687,765
Use of prior year return on long-term investments for operations	**—**	**—**	**—**	**—**	498,049	—	—	498,049
Donated goods and services	**3,181,206**	**—**	**—**	**3,181,206**	2,540,853	—	—	2,540,853
Return on working capital investments, net	**191,955**	**—**	**—**	**191,955**	32,754	—	—	32,754
Other	**9,211,202**	**(13,577)**	**—**	**9,197,625**	8,812,082	(15,453)	—	8,796,629
Net assets released from restrictions:								
Distribution from endowment to support operations	**12,283,099**	**(12,283,099)**	**—**	**—**	13,702,578	(13,702,578)	—	—
Grants and contributions	**11,869,299**	**(11,869,299)**	**—**	**—**	8,241,806	(8,241,806)	—	—
Total operating revenues	**237,507,401**	**(17,860,418)**	**6,044**	**219,653,027**	218,264,196	(8,265,468)	6,000	210,004,728
Operating expenses								
Program services:								
News and information	**83,467,349**	**—**	**—**	**83,467,349**	81,684,847	—	—	81,684,847
Programming	**25,575,669**	**—**	**—**	**25,575,669**	20,689,027	—	—	20,689,027
Distribution and satellite interconnection	**13,647,875**	**—**	**—**	**13,647,875**	14,603,026	—	—	14,603,026
Digital	**19,419,203**	**—**	**—**	**19,419,203**	19,968,539	—	—	19,968,539
Content strategy and operations	**—**	**—**	**—**	**—**	357,085	—	—	357,085
Engineering	**7,563,241**	**—**	**—**	**7,563,241**	7,257,986	—	—	7,257,986
NPR music	**3,974,864**	**—**	**—**	**3,974,864**	4,991,637	—	—	4,991,637
Member partnership	**1,347,902**	**—**	**—**	**1,347,902**	1,405,495	—	—	1,405,495
Consumer products	**1,106,532**	**—**	**—**	**1,106,532**	930,963	—	—	930,963
Total program services expenses	**156,102,635**	**—**	**—**	**156,102,635**	151,888,605	—	—	151,888,605
Support services:								
General and administrative	**62,329,118**	**—**	**—**	**62,329,118**	57,187,266	—	—	57,187,266
Fundraising	**5,879,595**	**—**	**—**	**5,879,595**	5,398,101	—	—	5,398,101
Total support services	**68,208,713**	**—**	**—**	**68,208,713**	62,585,367	—	—	62,585,367
Total operating expenses	**224,311,348**	**—**	**—**	**224,311,348**	214,473,972	—	—	214,473,972
Change in net assets from operations	**13,196,053**	**(17,860,418)**	**6,044**	**(4,658,321)**	3,790,224	(8,265,468)	6,000	(4,469,244)
Nonoperating activities								
Return on long-term investments, net	**4,411,135**	**33,401,780**	**15,975**	**37,828,890**	2,170,115	19,538,494	10,731	21,719,340
Change in noncontrolling interest	**(293,503)**	**—**	**—**	**(293,503)**	19,575	—	—	19,575
Use of prior year return on long-term investments for operations	**—**	**—**	**—**	**—**	(498,049)	—	—	(498,049)
Interest expense	**(5,935,406)**	**—**	**—**	**(5,935,406)**	(5,152,703)	—	—	(5,152,703)
Loss on extinguishment of debt	**—**	**—**	**—**	**—**	(9,801,628)	—	—	(9,801,628)
Other, net	**(1,319,610)**	**—**	**—**	**(1,319,610)**	(118,327)	—	—	(118,327)
Total nonoperating activities, net	**(3,137,384)**	**33,401,780**	**15,975**	**30,280,371**	(13,381,017)	19,538,494	10,731	6,168,208
Change in net assets before underwater endowments transfer	**10,058,669**	**15,541,362**	**22,019**	**25,622,050**	(9,590,793)	11,273,026	16,731	1,698,964
Underwater endowments transfer	**140,671**	**(140,671)**	**—**	**—**	1,045,330	(1,045,330)	—	—
Change in net assets	**10,199,340**	**15,400,691**	**22,019**	**25,622,050**	(8,545,463)	10,227,696	16,731	1,698,964
Net assets at beginning of the year, without noncontrolling interest	**125,505,845**	**103,653,065**	**213,866,878**	**443,025,788**	134,051,308	93,425,369	213,850,147	441,326,824
Noncontrolling interest	**1,343,410**	**—**	**—**	**1,343,410**	1,049,907	—	—	1,049,907
Net assets at end of the year	**$ 137,048,595**	**$ 119,053,756**	**$ 213,888,897**	**$ 469,991,248**	$ 126,555,752	$ 103,653,065	$ 213,866,878	$ 444,075,695

See accompanying notes to consolidated financial statements.

National Public Radio, Inc.

Consolidated Statements of Cash Flows

For the years ended September 30,		2017		2016
Cash flows from operating activities				
Change in net assets	$	**25,622,050**	$	1,698,964
Adjustments to reconcile change in net assets to net cash used in operating activities:				
Permanently restricted contributions		**(6,044)**		(6,000)
Net realized gains on investments		**(12,555,541)**		(11,273,883)
Net unrealized gains on investments		**(22,728,884)**		(10,322,912)
Amortization of deferred financing costs		**361,087**		129,599
Amortization of discount on note payable		**(299)**		7,515
Amortization of premium on bonds payable		**(1,326,239)**		(1,950,118)
Depreciation		**10,381,377**		10,716,028
Change in allowance for doubtful accounts		**278,278**		1,047,158
Change in discount to present value on multi-year contributions receivable		**(86,519)**		96,502
Loss on disposal of property and equipment		**77,904**		3,989
Investment return restricted for investment in endowment corpus		**(15,975)**		(10,731)
Loss on extinguishment of debt		**—**		9,801,628
Loss on lease due to office closure		**884,797**		—
Change in noncontrolling interest		**293,503**		(19,575)
Decrease (increase) in assets:				
Accounts receivable		**(12,316,526)**		(2,368,401)
Contributions receivable		**2,297,135**		(3,193,509)
Prepaid expenses and other assets		**415,609**		892,097
Increase (decrease) in liabilities:				
Accounts payable and other liabilities		**4,400,933**		2,726,779
Deferred revenue		**2,117,335**		116,770
Accrued interest payable		**355,857**		(522,699)
Bonds payable (net of deferred financing costs)		**—**		(1,212,485)
Total adjustments		**(27,172,212)**		(5,342,248)
Net cash used in operating activities		**(1,550,162)**		(3,643,284)
Cash flows from investing activities				
Purchases of investments		**(177,369,428)**		(172,494,427)
Sales and maturities of investments		**183,902,661**		187,774,168
Purchases of property and equipment		**(6,980,670)**		(4,356,318)
Net cash (used in) provided by investing activities		**(447,437)**		10,923,423
Cash flows from financing activities				
Draws from line of credit		**—**		10,000,000
Repayments to line of credit		**—**		(12,000,000)
Repayment under bonds payable		**(85,000)**		—
Repayment under note payable		**(250,000)**		(250,000)
Change in restricted cash and cash equivalents—for interest payable		**(362,783)**		525,887
Change in restricted cash and cash equivalents—cash pledged as collateral		**(200,000)**		—
Permanently restricted contributions		**6,044**		6,000
Investment return restricted for investment in endowment corpus		**15,975**		10,731
Net cash used in financing activities		**(875,764)**		(1,707,382)
Net change in cash and cash equivalents		**(2,873,363)**		5,572,757
Cash and cash equivalents, beginning of year		**19,041,718**		13,468,961
Cash and cash equivalents, end of year	$	**16,168,355**	$	19,041,718

Supplemental data				
Donated securities	$	**244,372**	$	359,897
Cash paid for interest		**6,898,267**		7,621,142
Cash paid for income taxes		**10,259**		38,303

See accompanying notes to 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 23-member Board of Directors (NPR Inc. Board) governs NPR Inc. The NPR Inc. Board consists of 12 individual member station managers who are elected by their fellow member stations and 11 directors that include NPR Inc.'s President, the Chairperson of the NPR Foundation (Foundation) Board of Trustees (Foundation Board), and nine 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 control, are included in the consolidated financial statements (NPR Inc. and the following organizations are collectively referred to as "NPR" hereinafter):

- ***American Coalition for Public Radio (ACPR)***—Incorporated in 2017, ACPR supports the educational mission of publicly-funded, noncommercial educational radio stations, networks, and systems (collectively, "Public Radio"). ACPR's principal activities focus on soliciting and disseminating information by way of the ProtectMyPublicMedia.org website and related social media channels. The ProtectMyPublicMedia website and other social media channels disseminate information about Public Radio along with selected examples of Public Radio content, as well as encourage the public to share their views about Public Radio publicly and with their elected representatives. The ProtectMyPublicMedia.org website and related social media channels are co-owned and co-managed by ACPR and APTS Action, an organization affiliated with America's Public Television Stations (APTS). ACPR is not affiliated with either APTS or APTS Action. The ACPR Board of Directors (ACPR Board) has three members, one of whom is appointed by the Chairperson of the NPR Inc. Board. In 2017, NPR Inc. provided all financial support to ACPR.

- ***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. through several activities such as soliciting charitable contributions, conducting fundraising events, and managing an endowment fund for the benefit of NPR Inc. The Foundation disburses funds it raises and earns on the endowment to NPR Inc. for the operation, promotion, development, capital expansion, and other valid purposes of NPR Inc. The Foundation Board is comprised of up to 60 elected Trustees. In addition, NPR Inc.'s President, the NPR Inc. Board Chairperson, and the Chairperson of the NPR Inc. Board's Development Committee are ex officio Trustees of the Foundation. NPR Inc.'s President and the NPR Inc. Board Chairperson are also NPR Inc.'s official voting representatives (NPR Inc. Representatives) on the Foundation Board. Foundation Trustees (other than the ex officio Trustees) are elected by the Foundation Board (Elected Trustees) and ratified by NPR Inc., except that no ratification is required if the two NPR Inc. Representatives, acting in their capacity as ex officio Trustees, have cast affirmative votes for the election of an elected Trustee. NPR Inc. is the sole member of the Foundation and separate Foundation financial statements are presented in the supplemental schedules.

1. Organization and Background (Continued)

- ***NPR Media Berlin gGmbH (NPR Media Berlin)***—NPR Media Berlin is a German nonprofit limited liability company which was formed by NPR Inc. in 2006 to broadcast NPR Inc.'s English-language noncommercial educational radio programming, including news, talk, and cultural programming, in Berlin, Germany. The Media Council of the Medienanstalt Berlin-Brandenburg (MABB) issued NPR Media Berlin an FM radio station license for the period April 1, 2006, through March 31, 2013, which it renewed for the period April 1, 2013, through March 31, 2020. NPR Inc. is the sole shareholder of NPR Media Berlin.

  In March 2017, NPR Inc. announced its intention to relinquish the FM radio station license to the MABB but continued operating the station pending completion of the MABB's proceeding to award the FM radio station license to a new licensee. On September 13, 2017, the MABB awarded the FM radio station license to Brilliant 2663 GmbH, known as KCRW Berlin (KCRW Berlin), effective October 1, 2017. NPR Inc. entered into a license agreement with KCRW Berlin to license certain NPR Inc. produced and distributed programming to KCRW Berlin for broadcast on the FM radio station. In November 2017, the NPR Inc. Board voted to dissolve NPR Media Berlin as of December 31, 2017.

- ***National Public Media, LLC (NPM)***—NPM, which was formed in 2007, 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 is governed by three members: NPR Inc., WGBH Educational Foundation (WGBH), and Public Broadcasting Service (PBS). Each member elects a manager, and the three managers collectively comprise the NPM Board of Directors (NPM Board). Member capital percentages are 72%, 18% and 10%, for NPR Inc., WGBH, and PBS, respectively. While NPR Inc. has majority control, the limited liability company formation agreement, as amended, includes significant minority rights protections for WGBH and PBS.

All significant intercompany balances and transactions were eliminated in consolidation.

2. Summary of Significant Accounting Policies

A. Basis of presentation

NPR prepared the consolidated financial statements on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP). Based on the existence or absence of donor-imposed restrictions, NPR classifies resources into the following categories:

- ***Unrestricted net assets*** are free from donor-imposed restrictions. All revenues, gains, and losses that are not temporarily or permanently restricted by donors are included in this category. All 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.

- ***Temporarily restricted net assets*** are subject to donor-imposed restrictions that will be satisfied by the actions of NPR Inc. or the Foundation, the passage of time, or both. These net assets include unconditional gifts and accumulated appreciation on donor-restricted endowments which have not yet been approved for distribution by the NPR Inc. Board.

2. Summary of Significant Accounting Policies (Continued)

A. Basis of presentation (Continued)

- ***Permanently restricted net assets*** are subject to donor-imposed restrictions that require the net assets be maintained permanently by the Foundation. Generally, the donors' imposed restrictions permit the Foundation to use all or some of the investment returns earned on related investments for certain general or specific purposes. These net assets include unconditional gifts and donor-restricted endowments (at historical value).

In the consolidated statements of activities, revenues from:

- ***Contributions***, including unconditional promises to give, are recognized as revenue in the period received. Contributions for the acquisition or construction of property and equipment are released from restrictions in the period in which the assets are placed into service. Contributions of assets other than cash are recorded at their estimated fair value on the date of gift. Contributions that impose restrictions that are met in the same fiscal year the contributions are received are reported as increases in unrestricted net assets. Expirations of temporary restrictions on contributed net assets (i.e., the donor 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. In contrast to unconditional promises to give, conditional promises to give are not recorded until donor conditions are substantially met.

- ***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. Commissions from (a) television and radio sponsorships are earned and recognized when the sponsorships run; (b) sponsorships placed on public broadcasting internet sites are earned and recognized as impressions (the number of times the sponsorship appears in viewed internet pages) are delivered; and, (c) the sponsorships of podcasting are earned and recognized based on the number of unique downloads.

- ***Membership dues***, ***station programming fees***, ***digital***, ***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.

B. Fair value measurements

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 on the measurement date. GAAP 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:

2. Summary of Significant Accounting Policies (Continued)

B. Fair value measurements (Continued)

- ***Level 1*** valuation is based on unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.

- ***Level 2*** valuation is 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 is based on unobservable inputs for 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 observable inputs that reflect verifiable information obtained from an independent source (i.e., Level 1 inputs) and the lowest priority to unobservable inputs that would reflect NPR's assumptions about how market participants would value an asset or liability based on the best information available (i.e., 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. The categorization of fair value measurements by level of the hierarchy is based upon the lowest level input that is significant to the overall fair value measurement for a given asset or liability.

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 redeemable due to the term or other changes. Transfers between fair value 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, 2017 and 2016, NPR had $4,964,724 and $4,422,226 of cash deposits in excess of the federal deposit insurance limit, respectively. 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) and are not used for operating needs.

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)), a deposit held as collateral for a standby letter of credit on NPM's New York office lease agreement, and amounts set aside by NPM management to collateralize a line of credit should NPM make a draw (see Note 7(C)).

2. Summary of Significant Accounting Policies (Continued)

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 in 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 $2,416,782 and $2,138,504 as of September 30, 2017 and 2016, respectively. Uncollectible amounts are written off when all efforts to collect these receivables have been exhausted.

F. Contributions receivable

Pledges that represent unconditional promises to give are recognized at fair value as unrestricted, temporarily, or permanently restricted contribution revenue in the period the donor makes the promise. Contributions to be received after one year are discounted to present value using discount rates that approximate U.S. Treasury borrowing rates at the end of the fiscal year in which the gift was received 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 contributions receivable balance considering the age of the receivable and other factors impacting collection. These inputs represent Level 3 inputs on the fair value hierarchy.

Conditional pledges received are as follows:

		Total
Balance at October 1, 2016	$	—
Additions in July 2017		**1,000,000**
Receipts, recognized as revenue during the year ended September 30, 2017		**(500,000)**
Balance at September 30, 2017	$	**500,000**

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 property and equipment that costs $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.

2. Summary of Significant Accounting Policies (Continued)

G. Property and equipment (Continued)

Depreciation is computed using the straight-line method (NPR Inc. uses a mid-month convention; NPM uses a full-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.

H. Deferred financing costs

Costs related to the issuance of certain tax-exempt bonds were deferred and are being amortized over the remaining terms of the bonds. NPR Inc. presents the unamortized deferred financing costs as a direct deduction from the carrying amount of bonds payable, which is consistent with the presentation of discounts and premiums.

The following table provides a summary of the tax-exempt bond issues and remaining terms as of September 30, 2017:

	Remaining term
District of Columbia Revenue Bonds (National Public Radio, Inc. Issue) Series 2010 (Series 2010 Bonds)	3 years
District of Columbia Refunding Revenue Bonds (National Public Radio, Inc. Issue) Series 2013 (Series 2013 Bonds)	25 years
District of Columbia Refunding Revenues Bonds (National Public Radio, Inc. Issue) Series 2016 (Series 2016 Bonds)	18 years

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 statements of financial position, consists of the following:

As of September 30,		**2017**		**2016**
Equipment purchased for resale to participants in the Public Radio Satellite System (see Note 9(H))	**$**	**289,641**	$	386,836
Merchandise held for sale		**676,703**		696,611
Total inventory	**$**	**966,344**	$	1,083,447

2. Summary of Significant Accounting Policies (Continued)

J. Charitable gift annuity split-interest agreements

NPR Inc.'s split-interest agreements with donors consist of charitable gift annuities for which NPR Inc. holds the assets. Assets held for the annuitants totaling $253,974 and $237,054 as of September 30, 2017 and 2016, respectively, are included in "Prepaid expenses and other assets" in the consolidated statements of financial position. Contribution revenue is recognized on the date NPR Inc. establishes the donor accounts, after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. Where required by states, NPR Inc. maintains separate annuitant asset accounts, reserves, and specific investment allocations. As of September 30, 2017 and 2016, NPR Inc. satisfied all state reserve requirements. NPR Inc. 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 applicable mortality table. Each year, NPR Inc. 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 "Other" in the nonoperating section of the consolidated statements of activities. At September 30, 2017 and 2016, NPR Inc.'s charitable gift annuity split-interest agreement liabilities totaled $103,932 and $112,260, respectively. These liabilities are reported in "Accounts payable and other liabilities" in the consolidated statements of financial position.

K. Commissions

Commissions represents gross sponsorship fees charged by NPM to its customers (sponsors and related advertising agencies) for sponsorship placements, net of third-party agency commissions and amounts distributed to NPM's clients as follows:

For the years ended September 30,		**2017**		**2016**
Gross sponsorship fees	**$**	**23,724,959**	$	22,761,023
Less: Third-party agency commissions		**(3,105,397)**		(3,283,489)
Less: Amounts distributed to NPM's clients		**(15,890,921)**		(14,992,443)
Commissions	**$**	**4,728,641**	$	4,485,091

L. Federal awards and contracts

In 2017 and 2016, NPR Inc. recorded unrestricted revenue, which is reflected in "Grants and contributions" revenue in the consolidated statements of activities, as follows:

For the years ended September 30,		**2017**		**2016**
National Endowment for the Humanities	**$**	**26,647**	$	—
National Endowment for the Arts		**130,000**		145,000
Total federal awards and contract unrestricted revenue	**$**	**156,647**	$	145,000

2. Summary of Significant Accounting Policies (Continued)

M. 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. ACPR is exempt from federal income taxes to the extent provided in Section 501(c)(4) 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 will be offset by existing net operating loss (NOL) carry-forwards, so no provision for income taxes has been recorded in either 2017 or 2016. Because NPR Inc. and the Foundation file their respective informational returns nearly one year in arrears, the NOL carry-forwards reported below are as of the end of the preceding fiscal years (e.g., in 2017, the NOL carry-forward represents the amount as of September 30, 2016). NOL carry-forwards for NPR Inc. and the Foundation are:

As of September 30,	**2017**	**2016**
NPR Inc.	**$ 16,463,927**	$ 15,739,634
Foundation	**588,430**	427,502

The latest NOL carry-forwards will expire in fiscal year 2036. 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, 2017 and 2016.

As ACPR was incorporated in 2017, it has not yet filed an informational return but it does not expect to have a tax liability as of September 30, 2017.

NPM is treated as a partnership for federal income tax purposes. Each member is, therefore, separately liable for any related taxes thereon. Accordingly, no provision for federal income tax has been made. NPM is, however, liable for income taxes in certain states and local jurisdictions where NPM operates. For the years ended September 30, 2017 and 2016, NPM accrued state and local income taxes totaling $8,000 and $15,000, respectively, which is included in the “Accounts payable and other accrued liabilities” in the consolidated statements of financial position.

NPR Media Berlin is registered as a nonprofit limited liability company under German law (denoted by “gGmbH”). As such, NPR Media Berlin 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). Similar to NPR Inc. and the Foundation, because returns are filed one year in arrears (e.g., in 2017, the NOL carry-forward represents the amount as of September 30, 2016), the NOL carry-forward for NPR Media Berlin totaled $1,058,435 and $836,822 as of September 30, 2017 and 2016, respectively. Because the realization of the NOL carry-forward is uncertain, NPR Media Berlin has not recorded a deferred tax asset as of September 30, 2017.

There were no material interest or penalties recorded in either fiscal year 2017 or 2016.

The effects of a tax position cannot be recognized in the consolidated 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.

2. Summary of Significant Accounting Policies (Continued)

M. Tax status and uncertain tax positions (Continued)

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, 2017, there were no uncertain tax positions for which a liability should be recorded.

N. Use of estimates

The preparation of the consolidated financial statements in conformity with 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.

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 related to long-term contribution receivables, (v) the valuation of goodwill, and (vi) useful lives of depreciable and amortizable assets.

O. 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. As of September 30, 2017, 20% of donors (12 donors) comprise approximately 69% of the contributions receivable balance. Comparatively, as of September 30, 2016, 20% of donors (12 donors) comprised approximately 78% of the contributions 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 customer and donor base and the size of the amounts owed. For credit risk associated with NPR's investments, see discussion in Note 4.

P. 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, through a nonoperating charge in the consolidated statements of activities, to its current fair value.

Q. Functional allocation of expenses

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

2. Summary of Significant Accounting Policies (Continued)

R. Accounting pronouncements adopted and recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This update, along with ASU 2016-08, *Revenue from Contracts with Customers (Topic 606)*, *Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, ASU 2016-10, *Revenue from Contracts with Customers (Topic 606)*, *Identifying Performance Obligations and Licensing*, and ASU 2016-12, *Revenue from Contracts with Customers (Topic 606)*, *Narrow-Scope Improvements and Practical Expedients*, establishes a comprehensive revenue recognition standard. The updates require that revenue should be recognized 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. Additional disclosure is also required to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2014-09 is effective for NPR's fiscal year 2019. Management continues to evaluate the potential impact of these updates 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. NPR adopted this guidance in fiscal year 2017. The adoption of this update did not have a material effect on NPR's consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10)*, *Recognition and Measurement of Financial Assets and Financial Liabilities*. The update affects the accounting for equity investments and financial liabilities under the fair value option, as well as the presentation and disclosure requirements for financial instruments. The guidance is effective for NPR Inc.'s fiscal year 2020. Presently, management does not anticipate that the adoption of this update will have a material effect on NPR's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of use asset and lease liability, initially measured at the present value of the lease payments, in its statement of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective for NPR's fiscal year 2020. Management continues to evaluate the potential impact of this update on NPR's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The update changes the manner by which nonprofit organizations classify net assets as well as improves information presented financial statements and notes about a nonprofit organization's liquidity, financial performance, and cash flows. The guidance is effective for NPR's fiscal year 2019. Although management continues to evaluate the potential impact of this update on NPR's consolidated financial statements, management believes the impact of this update will be significant.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230)*. The update standardizes how certain transactions should be classified in the statement of cash flows. The guidance is effective for NPR's fiscal year 2020. Presently, management does not anticipate that the adoption of this update will have a material effect on NPR's consolidated financial statements.

2. Summary of Significant Accounting Policies (Continued)

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

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The update requires organizations to classify transfers between cash and restricted cash as operating, investing, or financing activities, or as a combination of those activities, in the statement of cash flows. The update also clarifies how organizations should present the flow of cash into and out of a bank account that holds restricted cash. The guidance is effective for NPR Inc.'s and NPM's fiscal year 2020. Presently, management does not anticipate that the adoption of this update will have a material effect on NPR's consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The update simplifies how an entity is required to test goodwill for impairment by eliminating a step in the measurement process. The guidance is effective for NPR's fiscal year 2023. Presently, management does not anticipate that the adoption of this update will have a material effect on NPR's consolidated financial statements.

S. Reclassification

In the 2016 consolidated statements of activities, NPR (a) combined the "Digital services" and "Digital media" operating expense line items into "Digital," (b) reclassified certain subsidiary accounts from "Accounts payable and other liabilities" to "Deferred revenue," and (c) reallocated consolidating entries between "Contribution revenue, unrestricted" and "Fundraising" expenses to conform to the 2017 presentation.

T. Subsequent events

NPR evaluated subsequent events from the date of the consolidated statements of financial position through December 21, 2017, the date on which NPR's consolidated financial statements were issued. No material subsequent events were identified for either recognition or disclosure.

3. Contributions Receivable

Contributions receivable are summarized below:

As of September 30,		**2017**		**2016**
Amounts due in:				
Less than one year	**$**	**9,424,052**	$	8,870,188
One to five years		**6,355,021**		9,206,020
Subtotal		**15,779,073**		18,076,208
Less:				
Allowance for uncollectible contributions receivable		**(112,576)**		(112,576)
Discount to present value (with rates ranging from 0.40% to 4.56%)		**(183,513)**		(270,032)
Contributions receivable, net	**$**	**15,482,984**	$	17,693,600

4. Investments

The fair value of investments consists of the following:

As of September 30,	**2017**	2016
Cash and money market funds	**$ 3,280,913**	$ 4,325,163
Private equity	**18,326,874**	19,078,597
Real assets	**24,698,905**	29,406,130
Fixed income	**103,725,536**	90,894,984
Equity	**125,955,029**	109,897,849
Diversifiers	**134,355,564**	128,056,639
Privately held stock	**298,800**	89,640
Other	**1,810,102**	1,951,529
Investments	**$ 412,451,723**	$ 383,700,531

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

NPR's investment classes, which are described in further detail below, include direct holdings that are generally traditional marketable securities such as fixed income securities, equities, mutual funds, and exchange traded funds (ETFs). NPR also holds shares or units in either institutional funds or partnerships which, where applicable, are stated at net asset value (NAV) as a practical expedient.

- ***Cash and money market funds*** include cash, cash equivalent securities, overnight sweep funds, and money market funds.

- ***Private equity*** includes investments in funds which employ buyout and venture capital strategies and may focus on investments in turnaround situations.

- ***Real assets*** include investments in funds which generally hold interests in public real estate investment trusts, private real estate or investments, commercial properties or commodities, infrastructure or oil and gas, normally through commingled funds.

- ***Fixed income*** includes investments in U.S. government debt and credit securities, and funds holding similar securities.

- ***Equity*** includes investments in funds which invest in U.S. and non-U.S. equity securities, equity-based derivatives, and interests in funds that invest predominantly in long but also short stocks.

- ***Diversifiers*** include investments in funds whose managers utilize hedged strategies and have the authority to invest globally 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 equity securities, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly.

- ***Privately held stock*** includes shares in a privately held company.

4. Investments (Continued)

- ***Other*** includes investments in funds whose managers invest in and sell short securities and instruments, including but not limited to: (a) merger arbitrage and other forms of arbitrage involving corporate takeovers; (b) investments in companies experiencing financial distress; (c) investments in restructuring companies; (d) direct investments in operating and services businesses; and (d) other investments in securities or instruments that the fund manager believes are either undervalued or overvalued or likely to appreciate or depreciate.

Diversifiers, private equity, real assets, some equity, and other investment strategies frequently require the estimation of fair values by fund managers due to the absence of readily determinable market values.

Investment policy—The Investment Committee and management implement 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. The Investment Committee employs an investment advisor to monitor investment managers, as well as to benchmark and evaluate each fund's performance, including investments in Level 3. Monthly evaluations are prepared for management'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, management reviews the report on internal controls for fund managers and compares each fund's per share NAV to the fund's audited financial statements. There were no changes in valuation techniques noted for these funds during either 2017 or 2016.

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, 2017 and 2016, NPR had no plans or intentions to sell investments at amounts different from NAV. Because of the inherent uncertainties of valuation, 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.

4. Investments (Continued)

Basis of reporting (Continued)—The following table summarizes NPR's investments within the fair value hierarchy as of September 30, 2017:

	Level 1	Level 2	Level 3	Investments reported at NAV[1]	Total
Cash and money market funds	**$ 3,280,913**	**$ —**	**$ —**	**$ —**	**$ 3,280,913**
Private equity	**—**	**—**	**18,326,874**	**—**	**18,326,874**
Real assets	**—**	**—**	**24,698,905**	**—**	**24,698,905**
Fixed income	**103,725,536**	**—**	**—**	**—**	**103,725,536**
Equity	**56,068,833**	**12,131,210**	**—**	**57,754,986**	**125,955,029**
Diversifiers	**—**	**—**	**102,059,827**	**32,295,737**	**134,355,564**
Privately held stock	**—**	**—**	**298,800**	**—**	**298,800**
Other	**—**	**—**	**1,734,171**	**75,931**	**1,810,102**
Investments	**$ 163,075,282**	**$ 12,131,210**	**$ 147,118,577**	**$ 90,126,654**	**$ 412,451,723**

1: Investments that are measured at fair value using the NAV practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the "Investments reported at NAV" column are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The following table summarizes NPR's investments within the fair value hierarchy as of September 30, 2016:

	Level 1	Level 2	Level 3	Investments reported at NAV[1]	Total
Cash and money market funds	$ 4,325,163	$ —	$ —	$ —	$ 4,325,163
Private equity	—	—	19,078,597	—	19,078,597
Real assets	—	—	26,257,621	3,148,509	29,406,130
Fixed income	90,894,984	—	—	—	90,894,984
Equity	52,234,073	10,051,907	—	47,611,869	109,897,849
Diversifiers	—	—	105,164,122	22,892,517	128,056,639
Privately held stock	—	—	89,640	—	89,640
Other	—	—	1,854,086	97,443	1,951,529
Investments	$ 147,454,220	$ 10,051,907	$ 152,444,066	$ 73,750,338	$ 383,700,531

1: Investments that are measured at fair value using the NAV practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the "Investments reported at NAV" column are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Registered mutual funds, 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. 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.

4. Investments (Continued)

Basis of reporting (Continued)—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:

For the years ended September 30,		**2017**		**2016**
Beginning balance	**$**	**152,444,066**	$	173,727,719
Net realized gains		**10,719,094**		8,492,399
Net unrealized gains		**4,929,716**		4,074,401
Purchases		**5,371,011**		5,392,271
Sales		**(26,345,310)**		(29,190,817)
Net transfers out		**—**		(10,051,907)
Ending balance	**$**	**147,118,577**	$	152,444,066

At the end of 2016, management changed the fair value classification for one Level 3 equity investment to better align the fair value classification with the underlying portfolio exposure. The net realized and unrealized gains (losses) on Level 3 assets measured at fair value is reported in "Return on long-term investments, net" in the nonoperating section of the consolidated statements of activities.

Quantitative information—-Quantitative information with respect to assets measured and carried at fair value on a recurring basis using significant unobservable inputs (Level 3) follows:

	Fair value as of September 30,						
Description		**2017**		**2016**	**Principal Valuation Technique**	**Unobservable Inputs**	**Weighted Average**
Private equity	**$**	**18,326,874**	$	19,078,597	Market approach	Values assigned to underlying funds less liabilities	N/A
Real assets	**$**	**24,698,905**	$	26,257,621	Market approach	Values assigned to underlying funds less liabilities	N/A
Diversifiers	**$**	**102,059,827**	$	105,164,122	Market approach	Values assigned to underlying funds less liabilities	N/A
Privately held stock and other	**$**	**2,032,971**	$	1,943,726	Market approach	Values assigned to underlying funds less liabilities	N/A

4. Investments (Continued)

Investment income—The components of investment income are summarized below:

For the years ended September 30,		**2017**		**2016**
Interest and dividends	**$**	**5,590,324**	$	2,976,784
Net realized gain		**12,555,541**		11,273,883
Net unrealized gain		**22,728,884**		10,322,912
Investment expenses		**(1,223,636)**		(1,133,720)
Investment income	**$**	**39,651,113**	$	23,439,859

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

For the years ended September 30,		**2017**		**2016**
Operating activities:				
Return on working capital investments—unrestricted	**$**	**191,955**	$	32,754
Return on long-term investments designated for current operations—unrestricted		**1,630,268**		1,687,765
Nonoperating activities:				
Return on long-term investments, net:				
Unrestricted		**4,411,135**		2,170,115
Temporarily restricted		**33,401,780**		19,538,494
Permanently restricted		**15,975**		10,731
Investment income	**$**	**39,651,113**	$	23,439,859

Liquidity—Investment liquidity as of September 30, 2017, is aggregated below based on redemption or sale period:

		Total
Daily (consists of cash and money market funds, fixed income investments, and a portion of equity investments)	$	163,075,282
Monthly (consists of portions of diversifiers and equity investments)		64,868,465
Quarterly (consists of portions of diversifiers, equity, and other investments)		97,909,784
Semi-annual (consists of portions of diversifiers and other investments)		11,966,911
Annually (consists of a portion of diversifiers)		22,965,538
Other (e.g., every second anniversary of investment; consists of portions of diversifiers and other investments)		1,007,895
Amount considered to be illiquid (consists of privately held stock, private equity and real asset investments, and a portion of diversifiers)		50,657,848
Total investments	$	412,451,723

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 ten to ninety days.

4. Investments (Continued)

Commitments—Certain private equity, diversifiers, and real asset investments are made through limited partnerships. Under the terms of these agreements, the Foundation 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 of 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. Unfunded commitments will be funded either by cash available in the investment portfolio or by liquidating other investments based on management's assessment. The aggregate amount of unfunded commitments associated with private equity, diversifiers, and real asset investments as of September 30, 2017, was $8,650,720, $7,405,000, and $11,828,900, respectively.

5. Property and Equipment

Property and equipment is summarized below:

As of September 30,	**2017**	**2016**
Land	**$ 55,753,066**	$ 55,753,066
Construction-in-progress	**2,141,439**	45,037
Technical equipment and software	**58,084,799**	63,467,093
Building and improvements	**148,075,872**	150,971,989
Office furniture	**7,776,322**	7,445,538
Vehicles	**32,060**	32,066
Total property and equipment	**271,863,558**	277,714,789
Less: Accumulated depreciation	**(56,009,156)**	(58,381,776)
Property and equipment, net	**$ 215,854,402**	$ 219,333,013

In April 2013, NPR Inc. completed construction of and occupied its new headquarters building. During the construction of the headquarters building, NPR Inc. capitalized interest totaling $25,146,322. NPR Inc. is amortizing this interest over the remaining life of the building. In both 2017 and 2016, amortization of capitalized interest was $502,926 and is included in depreciation expense. The unamortized balance of capitalized interest is $22,904,108 as of September 30, 2017, and $23,407,035 as of September 30, 2016.

As discussed in Note 2(G), NPR Inc. capitalizes software intended to be sold, leased or otherwise marketed that costs more than $500,000. The amount of costs capitalized within any fiscal year depends upon the nature of software development activities and projects in the respective year. Capitalized software costs are amortized on a straight-line method (NPR Inc. uses a mid-month convention) over the greater of five years or the percentage of the product's current year revenues to its anticipated future revenues for software.

5. Property and Equipment (Continued)

The following table presents NPR's activities related to capitalized software intended to be sold, leased or otherwise marketed for the year ended September 30, 2017:

	Capitalized Software	Accumulated Amortization	Net
Balance at October 1, 2016	**$ 3,877,783**	**$ (3,055,605)**	**$ 822,178**
Additions	**180,749**	**(389,984)**	**(209,235)**
Deletions	**—**	**—**	**—**
September 30, 2017 balance	**$ 4,058,532**	**$ (3,445,589)**	**$ 612,943**

The following table presents NPR's activities related to capitalized software intended to be sold, leased or otherwise marketed for the year ended September 30, 2016:

	Capitalized Software	Accumulated Amortization	Net
Balance at October 1, 2015	$ 3,575,411	$ (2,469,376)	$ 1,106,035
Additions	302,372	(586,229)	(283,857)
Deletions	—	—	—
September 30, 2016 balance	$ 3,877,783	$ (3,055,605)	$ 822,178

6. Goodwill

Goodwill represents the excess of the purchase price over the net amount assigned to identifiable assets acquired and liabilities assumed in the purchase of National Public Broadcasting, Inc. and formation of NPM in 2007. NPM performed a qualitative assessment test to determine if indicators of impairment existed and concluded that no goodwill impairment had occurred as of September 30, 2017. NPM has elected the accounting alternative for the subsequent measurement of goodwill and is amortizing the goodwill on a straight-line basis over a period of 10 years. Amortization expense in 2017 and 2016 totaled $182,283 and $182,284, respectively. However, under guidance developed by the American Institute of Certified Public Accountants Not-for-Profit Entities Expert Panel, if the reporting consolidated entity is a nonprofit organization, the nonprofit is not currently permitted to adopt the accounting alternative. Accordingly, NPR reversed the amortization expense in consolidation.

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 former 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.

7. Debt (Continued)

A. Note payable (Continued)

The amended note continued to bear interest at a fixed annual rate of one percent, and interest was payable each calendar quarter, in arrears, until maturity. Because the note bore interest at a below-market rate, NPR Inc. recorded the fair value of the note using the imputed interest rate of 3.09%. Each year, NPR Inc. accreted the carrying amount of the note using the effective interest method and recorded a corresponding release of temporarily restricted net assets.

In 2017 and 2016, the accretion of the note carrying value totaled ($299) and $7,515, respectively, which was included in "Interest expense" in the consolidated statements of activities.

NPR Inc. recognized $577 and $10,930 in total interest expense, net of the accretion of the note carrying value, related to this note in the consolidated statements of activities for the years ended September 30, 2017 and 2016, respectively.

NPR Inc. made the final principal payment of $250,000 in 2017.

B. Bonds payable

NPR Inc. financed the construction of its current 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.

In 2016, NPR Inc. completed a second advance refunding of $70,075,000 of the Series 2010 Bonds when the District of Columbia issued the Series 2016 Bonds. Similar to the Series 2013 Bonds, the proceeds of the Series 2016 Bonds were deposited into an irrevocable defeasance account to provide for all future debt service on the refunded portion of the Series 2010 Bonds.

Series 2010 Bonds—The unrefunded Series 2010 Bonds bear interest at fixed rates ranging from approximately three percent 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 $290,559 in 2017 and $539,079 in 2016. The unrefunded Series 2010 Bonds have maturities ranging from April 1, 2018, through April 1, 2020.

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 $3,544,860 in 2017 and $3,517,142 in 2016.

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.

7. Debt (Continued)

B. Bonds payable (Continued)

Subject to the discretion of the issuer, the portions of the Series 2013 Bonds that have maturities either on or after April 1, 2024, and which have principal amounts totaling $86.76 million through the final maturity date, are subject to an optional redemption either in whole or in part beginning on April 1, 2023. Individual tranches of 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.

Series 2016 Bonds—The Series 2016 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 2016 Bonds totaled $2,099,410 in 2017 and $1,053,779 in 2016.

The Series 2016 Bonds have maturities ranging from April 1, 2019, through April 1, 2035. The Series 2016 Bonds maturing on or after April 1, 2027, and which have principal amounts totaling $45.31 million through the final maturity date, are subject to an optional redemption either in whole or in part beginning on April 1, 2026. The redemption price of these bonds equals 100% of the principal amount being redeemed, plus interest accrued through the redemption date.

Deferred financing costs—Net deferred financing costs included in bonds payable in the consolidated statements of financial position as of September 30, 2017, were as follows:

	Series 2010 Bonds	Series 2013 Bonds	Series 2016 Bonds	Total
Deferred financing costs	**$ 3,446,496**	**$ 1,771,068**	**$ 1,212,485**	**$ 6,430,049**
Refunding write-offs	**(2,778,366)**	**—**	**—**	**(2,778,366)**
Accumulated amortization	**(616,471)**	**(371,065)**	**(140,953)**	**(1,128,489)**
Deferred financing costs, net	**$ 51,659**	**$ 1,400,003**	**$ 1,071,532**	**$ 2,523,194**

Net deferred financing costs included in bonds payable in the consolidated statements of financial position as of September 30, 2016, were as follows:

	Series 2010 Bonds	Series 2013 Bonds	Series 2016 Bonds	Total
Deferred financing costs	$ 3,446,496	$ 1,771,068	$ 1,212,485	$ 6,430,049
Refunding write-offs	(2,778,366)	—	—	(2,778,366)
Accumulated amortization	(533,434)	(209,214)	(24,754)	(767,402)
Deferred financing costs, net	$ 134,696	$ 1,561,854	$ 1,187,731	$ 2,884,281

In 2017 and 2016, bond issuance cost amortization expense was $361,087 and $129,599, respectively, and is reported in "Other" in the nonoperating section of the consolidated statements of activities.

7. Debt (Continued)

B. Bonds payable (Continued)

Outstanding Principal, Unamortized Premium, and Unamortized Deferred Financing Cost Balances—The outstanding principal and unamortized premium and deferred financing cost balances on the Series 2010 Bonds, Series 2013 Bonds, and Series 2016 Bonds as of September 30, 2017, were:

	Series 2010 Bonds	Series 2013 Bonds	Series 2016 Bonds	Total
Outstanding principal	**$ 8,275,000**	**$ 87,345,000**	**$ 70,075,000**	**$ 165,695,000**
Unamortized premium	**200,037**	**1,026,728**	**9,989,853**	**11,216,618**
Deferred financing costs	**(51,659)**	**(1,400,003)**	**(1,071,532)**	**(2,523,194)**
Totals	**$ 8,423,378**	**$ 86,971,725**	**$ 78,993,321**	**$ 174,388,424**

The outstanding principal and unamortized premium and deferred financing cost balances on the Series 2010 Bonds and Series 2013 Bonds as of September 30, 2016, were:

	Series 2010 Bonds	Series 2013 Bonds	Series 2016 Bonds	Total
Outstanding principal	$ 8,275,000	$ 87,430,000	$ 70,075,000	$ 165,780,000
Unamortized premium	314,322	1,141,542	11,086,993	12,542,857
Deferred financing costs	(134,696)	(1,561,854)	(1,187,731)	(2,884,281)
Totals	$ 8,454,626	$ 87,009,688	$ 79,974,262	$ 175,438,576

Schedule of Maturities—Maturities of bonds payable were as follows as of September 30, 2017:

	Series 2010 Bonds	Series 2013 Bonds	Series 2016 Bonds	Total
2018	**$ 1,900,000**	**$ 90,000**	**$ —**	**$ 1,990,000**
2019	**3,110,000**	**90,000**	**155,000**	**3,355,000**
2020	**3,265,000**	**95,000**	**160,000**	**3,520,000**
2021	**—**	**100,000**	**3,595,000**	**3,695,000**
2022	**—**	**105,000**	**3,775,000**	**3,880,000**
Thereafter	**—**	**86,865,000**	**62,390,000**	**149,255,000**
Totals	**$ 8,275,000**	**$ 87,345,000**	**$ 70,075,000**	**$ 165,695,000**

Total Interest Expense on Bonds Payable—NPR Inc. recognized $5,934,829 and $5,110,000 of interest expense related to the bonds payable in the consolidated statements of activities during the years ended September 30, 2017 and 2016.

7. Debt (Continued)

C. Lines 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 March 31, 2019. 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. complied in 2017 and 2016. During 2017, NPR Inc. did not make any draws under the line of credit and, as a result, had no interest expense for the year ended September 30, 2017. During fiscal year 2016, NPR Inc. made draws under the line of credit and, as a result, had interest expense of $31,773. There was no balance outstanding on this credit facility on September 30, 2017 and 2016.

On May 8, 2017, NPM established a revolving line of credit with Bank of America to support working capital uses. The maximum loan amount is $200,000, and any amounts borrowed are payable on May 8, 2018. The line of credit accrues interest at a rate equal to LIBOR plus 2.5%. The line of credit is secured by time deposits with the Bank of America in an amount not less than $200,000, which is included in restricted cash and cash equivalents as of September 31, 2017. The line of credit contains nonfinancial covenants with which NPM complied in 2017. During 2017, NPM did not make any draws under the line of credit and, as a result, had no interest expense for the year ended September 30, 2017. There was no balance outstanding on this credit facility on September 30, 2017.

D. Aggregate interest expense

The aggregate interest expense on NPR's debt obligations included in the consolidated statements of activities was:

For the years ended September 30,		**2017**		**2016**
Note payable	**$**	**577**	$	10,930
Series 2010 Bonds		**290,559**		539,079
Series 2013 Bonds		**3,544,860**		3,517,142
Series 2016 Bonds		**2,099,410**		1,053,779
Lines of credit		**—**		31,773
Total interest expense	**$**	**5,935,406**	$	5,152,703

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 years ended September 30, 2017 and 2016, NPR Inc. made contributions to the NPR Plan of $5,581,638 and $5,149,777, respectively.

8. Retirement Plan (Continued)

NPR Inc. maintains a deferred compensation plan under Section 457(b) of the Code for a former highly compensated employee. The assets of the deferred compensation plan will be held by NPR Inc. until disbursed to the participating employee. The deferred compensation plan balance, including interest, was $50,406 and $43,818 as of September 30, 2017 and 2016, respectively. In the consolidated statements of financial position, the assets and liability associated with the deferred compensation plan 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, may make contributions on behalf of the employees. For the years ended September 30, 2017 and 2016, NPM made contributions to the NPM Plan of $631,041 and $556,055, respectively.

9. Contingencies and Commitments

A. Concentration of Employees Covered by Collective Bargaining Agreements

At the end of 2017 and 2016, approximately 47% and 46%, respectively, of NPR Inc.'s active employees were members of either the National Association of Broadcast Employees and Technicians union (NABET) or the Screen Actors Guild—American Federation of Television and Radio Artists, Washington-Baltimore union (SAG—AFTRA). The NABET collective bargaining agreement expires March 31, 2019. During 2017, NPR ratified a new contract with the SAG—AFTRA which expires on July 30, 2020.

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 statements of activities for the years ended September 30, 2017 and 2016, was $2,942,713 and $2,815,842, respectively.

NPR Inc. licenses excess office space to organizations. The space license agreements expire at various times through fiscal year 2021. Income from space license agreements included in the consolidated statements of activities was $537,589 and $491,521 for fiscal years 2017 and 2016, respectively.

9. Contingencies and Commitments (Continued)

B. Leases and space licenses (Continued)

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, 2017:

		Office space rental FMLP		Less: Office space license Income		Total FMLP, net
2018	$	1,432,155	$	(590,384)	$	841,771
2019		1,337,118		(571,401)		765,717
2020		1,081,690		(584,835)		496,855
2021		997,804		(347,049)		650,755
2022		413,786		—		413,786
Total	$	5,262,553	$	(2,093,669)	$	3,168,884

In 2017, NPR consolidated its Digital services and Digital media divisions resulting in the closure of the Digital services' Boston office as of September 30, 2017 (the "cease-use" date). As the Boston office no longer has economic benefit to NPR as of the cease-use date, NPR recorded a liability and associated loss of $884,797 for costs that will continue to be incurred by NPR through the termination of the lease. The liability is reported in "Accounts payable and other liabilities" in the consolidated statements of financial position and the loss is reported in "Other, net" in the nonoperating section of the consolidated statements of activities.

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. While no audits occurred in 2017, NPR settled one non-federal audit that started in 2015. 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 Inc. is subject to various legal claims and contingencies arising in the ordinary course of NPR Inc.'s business. NPR Inc.'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 Inc.'s financial position.

E. Personal services contracts, contributor and employment agreements

Personal services contracts, contributor and employment agreements exist between NPR Inc. and news analysts, hosts, freelancers, and story contributors. Agreements with fixed termination dates expire at various times through fiscal year 2021. NPR Inc. has 22 agreements which continue in perpetuity until terminated.

9. Contingencies and Commitments (Continued)

F. Indemnification

From time to time, NPR Inc. enters into agreements for the acquisition or sale (including licensing) of goods or services in which NPR Inc. agrees to indemnify the other party. During 2017 and 2016, 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, 2017.

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, 2017, there has been no activity.

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) which was created on July 16, 1990. The original SuperTrust agreement, created on July 16, 1990, was amended on May 13, 2014. The May 2014 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 agreements, under which NPR Inc. operates the PRSS, include 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.

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 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.

9. Contingencies and Commitments (Continued)

H. Public Radio Satellite System (Continued)

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. This payment, which totaled approximately $13 million, covers the period from the end of fiscal year 2014 through June 25, 2018. In April 2016, NPR Inc. made a $1.8 million payment to extend the lease of one satellite transponder from 2018 to 2020.

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. In May 2008, NPR Inc. and CPB entered into an agreement to utilize these funds not only for 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. As of September 30, 2016, CPB had disbursed the entire grant, as follows:

For the years ended September 30,		
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
2015		1,900,000
2016		3,558,484
Total	$	72,900,000

In 2016, NPR Inc. submitted its next request to CPB for upgrading and improving the current PRSS technology to reduce the use of satellite bandwidth. The request, which totaled $53.5 million and covers a 10-year period, was approved by the CPB board during 2017. CPB and NPR Inc. were still negotiating the contract as of September 30, 2017.

10. Net Assets

A. Temporarily restricted net assets

Temporarily restricted net assets consisted of the following:

As of September 30,		2017		2016
Earnings on donor-restricted endowment available for distribution (see Note 10(C))	$	**98,541,714**	$	79,938,215
Purpose (e.g., international reporting, education reporting, NPR Music)		**13,655,021**		18,687,575
Charitable gift annuities		**99,074**		98,587
Distributed endowment earnings not yet available for use		**3,099,160**		1,099,160
Time restricted for periods after fiscal year end		**3,658,787**		3,829,528
Temporarily restricted net assets	**$**	**119,053,756**	$	103,653,065

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

For the years ended September 30,		2017		2016
Grants and contributions:				
Purpose restriction fulfilled	**$**	**10,761,057**	$	7,420,897
Time restrictions expired		**1,108,242**		820,909
Distribution from endowment to support operations		**12,283,099**		13,702,578
Contributions released from restrictions	**$**	**24,152,398**	$	21,944,384

B. Permanently restricted net assets

Permanently restricted net assets consisted of the following:

As of September 30,		2017		2016
NPR's general mission and operations	**$**	**198,738,407**	$	198,737,140
Journalistic excellence		**11,056,061**		11,052,610
Digital innovations/new technologies		**1,500,000**		1,500,000
Cultural journalism		**1,242,103**		1,226,128
Jazz journalism and programming		**1,000,000**		1,000,000
Operation of NPR facilities		**250,000**		250,000
Science journalism		**100,000**		100,000
Permanently restricted contributions not yet deposited into the endowment investment account as of year end		**2,326**		1,000
Permanently restricted net assets	**$**	**213,888,897**	$	213,866,878

10. Net Assets (Continued)

C. Endowment net assets

NPR's endowment consists of 56 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, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment accounts	**$ —**	**$ 98,541,714**	**$ 213,888,897**	**$ 312,430,611**
Quasi-endowment account	**8,496,590**	**—**	**—**	**8,496,590**
Total endowment net assets	**$ 8,496,590**	**$ 98,541,714**	**$ 213,888,897**	**$ 320,927,201**

Endowment net assets consisted of the following as of September 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment accounts	$ (140,671)	$ 79,938,215	$ 213,866,878	$ 293,664,422
Quasi-endowment account	7,909,478	—	—	7,909,478
Total endowment net assets	$ 7,768,807	$ 79,938,215	$ 213,866,878	$ 301,573,900

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.

10. Net Assets (Continued)

C. Endowment net assets (Continued)

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 statements of activities.

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 a permanently restricted fund 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 fund to the corpus will be reported as an increase in unrestricted net assets within the consolidated statements of activities. At September 30, 2017, NPR had no deficiencies after $140,671 in recoveries during 2017. At September 30, 2016, the cumulative amount of deficiencies reported in unrestricted net assets was $140,671 after $1,045,330 in recoveries during 2016.

Changes in endowment net assets—Changes in endowment net assets for the year ended September 30, 2017 were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at October 1, 2016	$ 7,768,807	$ 79,938,215	$ 213,866,878	$ 301,573,900
Investment income:				
Interest and dividends	160,203	4,406,017	—	4,566,220
Net realized and unrealized gain	983,650	29,673,353	—	30,657,003
Investment management expenses	(31,976)	(1,036,126)	—	(1,068,102)
Total investment income	1,111,877	33,043,244	—	34,155,121
Distribution from endowment to support operations	(524,765)	(14,283,099)	—	(14,807,864)
Contributions	—	—	6,044	6,044
Reclassification for underwater endowments	140,671	(140,671)	—	—
Purchasing power addition	—	(15,975)	15,975	—
Balance at September 30, 2017	$ 8,496,590	$ 98,541,714	$ 213,888,897	$ 320,927,201

10. Net Assets (Continued)

C. Endowment net assets (Continued)

The "Distribution from endowment to support operations" presented above represents the distribution amount approved by the NPR Inc. Board that was withdrawn from the endowment. The amount does not agree to the amount reported in the consolidated statements of activities because the Foundation retained $2 million of the approved amount for distribution to NPR Inc. in 2017.

Changes in endowment net assets for the year ended September 30, 2016, were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at October 1, 2015	$ 6,456,146	$ 76,535,721	$ 213,850,147	$ 296,842,014
Investment income:				
Interest and dividends	35,714	2,558,361	—	2,594,075
Net realized and unrealized gain	780,942	17,663,399	—	18,444,341
Investment management expenses	(31,394)	(960,627)	—	(992,021)
Total investment income	785,262	19,261,133	—	20,046,395
Distribution from endowment to support operations	(517,931)	(14,802,578)	—	(15,320,509)
Contributions	—	—	6,000	6,000
Reclassification for underwater endowments	1,045,330	(1,045,330)	—	—
Purchasing power addition	—	(10,731)	10,731	—
Balance at September 30, 2016	$ 7,768,807	$ 79,938,215	$ 213,866,878	$ 301,573,900

The "Distribution from endowment to support operations" presented above represents the distribution amount approved by the NPR Inc. Board that was withdrawn from the endowment. The amount does not agree to the amount reported in the consolidated statements of activities because the Foundation retained $1.1 million of the approved amount for distribution to NPR Inc. in 2016.

11. Donated Services and Materials

From time to time, NPR Inc. receives contributed professional services from third parties. Donated services and materials received during the years ended September 30, 2017 and 2016, were measured at their estimated fair value based on similar value of like goods and services and have been included as support and expense in the consolidated statements of activities.

NPR Inc. 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 recognized in the consolidated financial statements.

11. Donated Services and Materials (Continued)

NPR Inc. periodically receives contributed long-lived assets from donors. NPR Inc. 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 years ended September 30, 2017 and 2016, NPR Inc. did not receive any material contributed long-lived assets.

12. Noncontrolling Interest

Noncontrolling interest on the consolidated statements of financial position consists of capital contributed by WGBH and PBS adjusted by net income (loss) and after reductions for distributed capital. Net income (loss) is allocated as defined in the NPM limited liability company agreement, as amended (NPM LLC Agreement). Future liquidations, if any, are proportionate to the extent of either WGBH's or PBS' positive capital balances. As of the end of fiscal years 2017 and 2016, noncontrolling interest is as follows:

As of September 30,		**2017**		**2016**
WGBH	**$**	**712,208**	$	523,526
PBS		**631,202**		526,381
Total noncontrolling interest	**$**	**1,343,410**	$	1,049,907

During 2017 and 2016, NPM made no distributions to either WGBH or PBS.

13. Related Party Transactions

NPM conducts activities on behalf of and with WGBH and PBS. The following table provides information regarding NPM's gross billings and accounts payable:

	WGBH		**PBS**	
As of and for the years ended September 30,	**2017**	**2016**	**2017**	**2016**
Percentage of NPM's gross billings placed with	**3%**	2%	**7%**	12%
Percentage of NPM's accounts payable owed to	**1%**	1%	**1%**	3%

During fiscal year 2009, NPM launched the Public Media Interactive (PMI) network, of which WGBH is a member. The PMI network is a digital offering that monetizes unsold digital inventory on member stations' websites. The PMI network provides incremental digital revenues to participating stations. In fiscal years 2017 and 2016, 93 radio stations and producers participated in the PMI network. Income generated by NPM from the PMI network, which is shown as "Other" in the operating section of the consolidated statements of activities, totaled $147,409 and $118,132 for the years ended September 30, 2017 and 2016, respectively.

14. Nonrecurring Fair Value Measurements

NPR's financial instruments that are not measured at fair value on a recurring basis as of September 30, 2017 and 2016, consisted of (i) accounts and contributions receivable, (ii) prepaid expenses and other assets, (iii) accounts payable and other liabilities, (iv) deferred revenue, (v) note payable, and (vii) bonds payable.

The fair value of (i) accounts receivable, (ii) prepaid expenses and other assets, (iii) accounts payable and other liabilities, and (iv) deferred revenue approximates the carrying amount due to the standard terms and relatively short maturity of the financial instruments. 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 tables present the carrying amounts and the estimated fair values of NPR's remaining financial instruments:

As of September 30, 2017	**Level in fair value hierarchy**	**Carrying amount**	**Fair value**
Contributions receivable[2]	**2**	**$ 15,595,560**	**$ 15,543,801**
Bonds payable, excluding deferred financing costs	**2**	**176,911,618**	**178,832,446**

As of September 30, 2016	**Level in fair value hierarchy**	**Carrying amount**	**Fair value**
Contributions receivable[2]	**2**	$ 17,806,176	$ 17,848,246
Bonds payable, excluding deferred financing costs	**2**	178,322,857	185,292,892

2: The carrying amount of contributions receivable represents gross contributions receivable less the discount to present value.

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 fiscal years 2017 and 2016, for the respective remaining period of contribution.

- ***Bonds payable***—NPR Inc. utilized a third-party financial advisory company 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 third party and concluded these estimates appropriately present the fair value of the bonds payable.

Supplemental Schedules

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

Supplemental Statements of Financial Position

September 30,		2017		2016
Assets				
Cash and cash equivalents	**$**	**11,465,504**	$	11,351,955
Restricted cash and cash equivalents		**3,629,893**		3,267,110
Accounts receivable, net		**32,449,171**		25,587,001
Contributions receivable, net		**11,574,972**		14,120,135
Investments		**76,656,942**		69,142,021
Property and equipment, net		**215,494,131**		219,119,276
Prepaid expenses and other assets		**2,189,819**		2,659,753
Investment in subsidiary		**2,455,083**		1,831,605
Total assets	**$**	**355,915,515**	$	347,078,856
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued liabilities	**$**	**28,803,054**	$	23,464,332
Deferred revenue		**23,019,442**		20,955,864
Accrued interest payable		**3,630,859**		3,275,002
Note payable		**—**		250,299
Bonds payable		**174,388,424**		175,438,576
Total liabilities		**229,841,779**		223,384,073
Net assets				
Unrestricted		**110,672,141**		103,306,495
Temporarily restricted		**15,401,595**		20,388,288
Total net assets		**126,073,736**		123,694,783
Total liabilities and net assets	**$**	**355,915,515**	$	347,078,856

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

Supplemental Statements of Activities

For the years ended September 30,	Unrestricted	Temporarily Restricted	2017	Unrestricted	Temporarily Restricted	2016
Operating revenues						
Membership dues	**$ 3,521,063**	**$ —**	**$ 3,521,063**	$ 3,405,600	$ —	$ 3,405,600
Station programming fees	**75,078,767**	**—**	**75,078,767**	73,347,721	—	73,347,721
Corporate sponsorships	**80,531,905**	**—**	**80,531,905**	60,055,147	—	60,055,147
Grants and contributions	**18,104,423**	**5,535,557**	**23,639,980**	23,607,526	13,689,370	37,296,896
Distribution and satellite interconnection	**12,709,557**	**—**	**12,709,557**	13,017,551	—	13,017,551
Distribution from endowment to support operations	**11,862,855**	**—**	**11,862,855**	13,382,394	—	13,382,394
Digital	**5,401,867**	**—**	**5,401,867**	6,279,356	—	6,279,356
Return on long-term investments designated for current operations	**1,630,268**	**—**	**1,630,268**	1,687,765	—	1,687,765
Use of prior year return on long-term investments for operations	**—**	**—**	**—**	498,049	—	498,049
Donated goods and services	**3,181,206**	**—**	**3,181,206**	2,540,853	—	2,540,853
Return on working capital investments, net	**185,126**	**—**	**185,126**	27,908	—	27,908
Other	**9,662,912**	**(13,577)**	**9,649,335**	8,512,367	(15,453)	8,496,914
Net assets released from restrictions:						
Grants and contributions	**10,883,184**	**(10,883,184)**	**—**	6,767,271	(6,767,271)	—
Total operating revenues	**232,753,133**	**(5,361,204)**	**227,391,929**	213,129,508	6,906,646	220,036,154
Operating expenses						
Program services:						
News and information	**83,467,349**	**—**	**83,467,349**	81,684,847	—	81,684,847
Programming	**25,575,669**	**—**	**25,575,669**	20,689,027	—	20,689,027
Distribution and satellite interconnection	**13,647,875**	**—**	**13,647,875**	14,603,026	—	14,603,026
Digital	**19,419,203**	**—**	**19,419,203**	19,968,539	—	19,968,539
Content strategy and operations	**—**	**—**	**—**	357,085	—	357,085
Engineering	**7,563,241**	**—**	**7,563,241**	7,257,986	—	7,257,986
NPR music	**3,974,864**	**—**	**3,974,864**	4,991,637	—	4,991,637
Member partnership	**1,347,902**	**—**	**1,347,902**	1,405,495	—	1,405,495
Consumer products	**1,106,532**	**—**	**1,106,532**	930,963	—	930,963
Total program services expenses	**156,102,635**	**—**	**156,102,635**	151,888,605	—	151,888,605
Support services:						
General and administrative	**58,481,361**	**—**	**58,481,361**	52,524,220	—	52,524,220
Fundraising	**5,461,928**	**—**	**5,461,928**	5,097,725	—	5,097,725
Total support services	**63,943,289**	**—**	**63,943,289**	57,621,945	—	57,621,945
Total operating expenses	**220,045,924**	**—**	**220,045,924**	209,510,550	—	209,510,550
Change in net assets from operations	**12,707,209**	**(5,361,204)**	**7,346,005**	3,618,958	6,906,646	10,525,604
Nonoperating activities						
Return on long-term investments, net	**1,902,126**	**374,511**	**2,276,637**	830,508	288,092	1,118,600
Use of prior year return on long-term investments for operations	**—**	**—**	**—**	(498,049)	—	(498,049)
Interest expense	**(5,935,406)**	**—**	**(5,935,406)**	(5,152,703)	—	(5,152,703)
Loss on extinguishment of debt	**—**	**—**	**—**	(9,801,628)	—	(9,801,628)
Other, net	**(1,308,283)**	**—**	**(1,308,283)**	(80,526)	—	(80,526)
Total nonoperating activities, net	**(5,341,563)**	**374,511**	**(4,967,052)**	(14,702,398)	288,092	(14,414,306)
Change in net assets	**7,365,646**	**(4,986,693)**	**2,378,953**	(11,083,440)	7,194,738	(3,888,702)
Net assets at beginning of the year	**103,306,495**	**20,388,288**	**123,694,783**	114,389,935	13,193,550	127,583,485
Net assets at end of the year	**$ 110,672,141**	**$ 15,401,595**	**$ 126,073,736**	$ 103,306,495	$ 20,388,288	$ 123,694,783

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

Supplemental Statements of Cash Flows

For the years ended September 30,		2017		2016
Cash flows from operating activities				
Change in net assets	$	**2,378,953**	$	(3,888,702)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Net realized gains on investments		**(3,318,671)**		(1,271,408)
Net unrealized gains on investments		**(35,994)**		(1,435,185)
Amortization of deferred financing costs		**361,087**		129,599
Amortization of discount on note payable		**(299)**		7,515
Amortization of premium on bonds payable		**(1,326,239)**		(1,950,118)
Depreciation		**10,334,822**		10,672,279
Change in allowance for doubtful accounts		**268,170**		1,030,738
Change in discount to present value on multi-year contributions receivable		**(36,238)**		121,354
Loss on disposal of property and equipment		**77,904**		3,989
Loss on extinguishment of debt		**—**		9,801,628
Loss on lease due to office closure		**884,797**		—
Change in investment in subsidiary		**(623,478)**		181,582
Decrease (increase) in assets:				
Accounts receivable		**(7,130,340)**		(1,444,791)
Contributions receivable		**2,581,401**		(5,525,109)
Prepaid expenses and other assets		**469,934**		846,369
Increase (decrease) in liabilities:				
Accounts payable and other liabilities		**4,453,925**		2,613,432
Deferred revenue		**2,063,578**		116,770
Accrued interest payable		**355,857**		(522,699)
Bonds payable (net deferred financing costs)		**—**		(1,212,485)
Total adjustments		**9,380,216**		12,163,460
Net cash provided by operating activities		**11,759,169**		8,274,758
Cash flows from investing activities				
Purchases of investments		**(61,482,744)**		(55,010,784)
Sales and maturities of investments		**57,322,488**		57,208,936
Purchases of property and equipment		**(6,787,581)**		(4,319,534)
Net cash used in investing activities		**(10,947,837)**		(2,121,382)
Cash flows from financing activities				
Draws from line of credit		**—**		10,000,000
Repayments to line of credit		**—**		(12,000,000)
Repayment under note payable		**(250,000)**		(250,000)
Repayment under bonds payable		**(85,000)**		—
Change in restricted cash and cash equivalents—for interest payable		**(362,783)**		525,887
Net cash used in financing activities		**(697,783)**		(1,724,113)
Net change in cash and cash equivalents		**113,549**		4,429,263
Cash and cash equivalents, beginning of year		**11,351,955**		6,922,692
Cash and cash equivalents, end of year	$	**11,465,504**	$	11,351,955

Supplemental data				
Cash paid for interest	$	**6,898,267**	$	7,621,142
Cash paid for income taxes		**500**		500

NPR Foundation

Supplemental Statements of Financial Position

September 30,		2017		2016
Assets				
Cash and cash equivalents	**$**	**1,153,843**	$	4,234,323
Contributions receivable, net		**3,908,012**		3,573,465
Investments		**335,794,781**		314,558,510
Due from NPR Inc.		**1,323,732**		—
Total assets	**$**	**342,180,368**	$	322,366,298
Liabilities and Net Assets				
Liabilities				
Due to NPR Inc.	**$**	**—**	$	3,297,782
Total liabilities		**—**		3,297,782
Net assets				
Unrestricted		**24,639,310**		21,936,861
Temporarily restricted		**103,652,161**		83,264,777
Permanently restricted		**213,888,897**		213,866,878
Total net assets		**342,180,368**		319,068,516
Total liabilities and net assets	**$**	**342,180,368**	$	322,366,298

NPR Foundation

Supplemental Statements of Activities

For the years ended September 30,	Unrestricted	Temporarily Restricted	Permanently Restricted	2017	Unrestricted	Temporarily Restricted	Permanently Restricted	2016
Operating revenues								
Grants and contributions	**$ 4,705,058**	**$ 770,000**	**$ 6,044**	**$ 5,481,102**	$ 4,391,981	$ 4,999	$ 6,000	$ 4,402,980
Return on working capital investments, net	**2,491**	**—**	**—**	**2,491**	991	—	—	991
Net assets released from restrictions:								
Distribution from endowment to support operations	**12,283,099**	**(12,283,099)**	**—**	**—**	13,702,578	(13,702,578)	—	—
Grants and contributions	**986,115**	**(986,115)**	**—**	**—**	1,474,535	(1,474,535)	—	—
Total operating revenues	**17,976,763**	**(12,499,214)**	**6,044**	**5,483,593**	19,570,085	(15,172,114)	6,000	4,403,971
Operating expenses								
Contributions to NPR Inc.:								
Annual support	**5,640,892**	**—**	**—**	**5,640,892**	5,841,664	—	—	5,841,664
Endowment support for operations	**11,862,855**	**—**	**—**	**11,862,855**	13,382,394	—	—	13,382,394
Total contributions to NPR Inc.	**17,503,747**	**—**	**—**	**17,503,747**	19,224,058	—	—	19,224,058
Support services:								
Fundraising	**417,684**	**—**	**—**	**417,684**	300,376	—	—	300,376
Total support services	**417,684**	**—**	**—**	**417,684**	300,376	—	—	300,376
Total operating expenses	**17,921,431**	**—**	**—**	**17,921,431**	19,524,434	—	—	19,524,434
Change in net assets from operations	**55,332**	**(12,499,214)**	**6,044**	**(12,437,838)**	45,651	(15,172,114)	6,000	(15,120,463)
Nonoperating activities								
Return on long-term investments, net	**2,509,009**	**33,027,269**	**15,975**	**35,552,253**	1,339,607	19,250,402	10,731	20,600,740
Other	**(2,563)**	**—**	**—**	**(2,563)**	(23,856)	—	—	(23,856)
Total nonoperating activities, net	**2,506,446**	**33,027,269**	**15,975**	**35,549,690**	1,315,751	19,250,402	10,731	20,576,884
Change in net assets before underwater endowments transfer	**2,561,778**	**20,528,055**	**22,019**	**23,111,852**	1,361,402	4,078,288	16,731	5,456,421
Underwater endowments transfer	**140,671**	**(140,671)**	**—**	**—**	1,045,330	(1,045,330)	—	—
Change in net assets	**2,702,449**	**20,387,384**	**22,019**	**23,111,852**	2,406,732	3,032,958	16,731	5,456,421
Net assets at beginning of the year	**21,936,861**	**83,264,777**	**213,866,878**	**319,068,516**	19,530,129	80,231,819	213,850,147	313,612,095
Net assets at end of the year	**$ 24,639,310**	**$ 103,652,161**	**$ 213,888,897**	**$ 342,180,368**	$ 21,936,861	$ 83,264,777	$ 213,866,878	$ 319,068,516

NPR Foundation

Supplemental Statements of Cash Flows

For the years ended September 30,		2017		2016
Cash flows from operating activities				
Change in net assets	**$**	**23,111,852**	$	5,456,421
Adjustments to reconcile change in net assets to net cash used in operating activities:				
Permanently restricted contributions		**(6,044)**		(6,000)
Net realized gains on investments		**(12,483,097)**		(10,002,206)
Net unrealized gains on investments		**(19,410,213)**		(8,888,924)
Decrease in discount to present value on multi-year contributions receivable		**(50,281)**		(24,852)
Investment return restricted for investment in endowment corpus		**(15,975)**		(10,731)
Decrease (increase) in assets:				
Contributions receivable		**(284,266)**		2,331,600
Due from NPR Inc.		**(1,323,732)**		—
Increase (decrease) in liabilities:				
Due to NPR Inc.		**(3,297,782)**		(860,712)
Total adjustments		**(36,871,390)**		(17,461,825)
Net cash used in operating activities		**(13,759,538)**		(12,005,404)
Cash flows from investing activities				
Purchases of investments		**(115,922,900)**		(117,482,715)
Sales and maturities of investments		**126,579,939**		130,565,232
Net cash provided by investing activities		**10,657,039**		13,082,517
Cash flows from financing activities				
Permanently restricted contributions		**6,044**		6,000
Investment return restricted for investment in endowment corpus		**15,975**		10,731
Net cash provided by financing activities		**22,019**		16,731
Net change in cash and cash equivalents		**(3,080,480)**		1,093,844
Cash and cash equivalents, beginning of year		**4,234,323**		3,140,479
Cash and cash equivalents, end of year	**$**	**1,153,843**	$	4,234,323

Supplemental data				
Donated securities	**$**	**244,372**	$	359,897
Cash paid for income taxes		**995**		23,856