STORYCORPS, INC.

Financial Statements
For the Year Ended
December 31, 2015
Independent Auditor’s Report

To the Board of Directors of
StoryCorps, Inc.

We have audited the accompanying financial statements of StoryCorps, Inc. (the “Organization”) which comprise the statement of financial position as of December 31, 2015 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

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

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the 2015 financial statements referred to above present fairly, in all material respects, the financial position of StoryCorps, Inc. as of December 31, 2015 and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements
The financial statements of the Organization as of December 31, 2014, were audited by other auditors whose report dated June 2, 2015, expressed an unmodified opinion on those statements.

February 26, 2016
STORYCORPS, INC.

Statement of Financial Position

Assets

<table>
<thead>
<tr>
<th></th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 2,675,567</td>
</tr>
<tr>
<td>Unconditional promises to give, net</td>
<td>3,209,612</td>
</tr>
<tr>
<td>Other receivables</td>
<td>299,928</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>91,776</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>503,567</td>
</tr>
<tr>
<td>Security deposits</td>
<td>41,033</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 6,821,483</strong></td>
</tr>
</tbody>
</table>

Liabilities and Net Assets

Liabilities

|                                | 2015        | 2014        |
|--------------------------------|-------------|
| Accounts payable and accrued expenses | $ 287,034   | $ 296,631   |
| Deferred revenue                | 476,625     | 193,625     |
| Book advance                     | -           | 21,250      |
| Promissory note payable         | 697,169     | 666,629     |
| **Total liabilities**           | **1,460,828** | **1,178,135** |

Net assets

|                                | 2015        | 2014        |
|--------------------------------|-------------|
| Unrestricted                   | 1,238,234   | 1,270,481   |
| Temporarily restricted          | 4,122,421   | 4,242,162   |
| **Total net assets**           | **5,360,655** | **5,512,643** |

**Total liabilities and net assets**

|                                | 2015        | 2014        |
|--------------------------------|-------------|
| **Total liabilities and net assets** | **$ 6,821,483** | **$ 6,690,778** |

See notes to financial statements.
STORYCORPS, INC.

Statement of Activities
Year Ended December 31, 2015
(with Summarized Comparative Information for 2014)

<table>
<thead>
<tr>
<th></th>
<th>2015 Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
<th>2014 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>$1,416,335</td>
<td>$346,667</td>
<td>$1,763,202</td>
<td>$2,062,549</td>
</tr>
<tr>
<td>Foundations and major donors</td>
<td>1,939,670</td>
<td>1,872,594</td>
<td>3,812,264</td>
<td>3,208,777</td>
</tr>
<tr>
<td>Corporations</td>
<td>1,504,146</td>
<td>1,804,146</td>
<td>3,308,290</td>
<td>1,682,364</td>
</tr>
<tr>
<td>Individuals</td>
<td>233,002</td>
<td></td>
<td>233,002</td>
<td>232,683</td>
</tr>
<tr>
<td>Donated services and materials</td>
<td>473,817</td>
<td></td>
<td>473,817</td>
<td>279,629</td>
</tr>
<tr>
<td>Fundraising benefits, net of direct expenses of $86,819 in 2015 and $145,735 in 2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td>458,653</td>
<td></td>
<td>458,653</td>
<td>614,347</td>
</tr>
<tr>
<td>Book sales</td>
<td>1,637,519</td>
<td></td>
<td>1,637,519</td>
<td>1,567,574</td>
</tr>
<tr>
<td>Interest</td>
<td>2,274</td>
<td></td>
<td>2,274</td>
<td>3,491</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>2,639,202</td>
<td>(2,639,202)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td><strong>10,372,350</strong></td>
<td><strong>(119,741)</strong></td>
<td><strong>10,252,609</strong></td>
<td><strong>9,679,889</strong></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>7,943,081</td>
<td></td>
<td>7,943,081</td>
<td>6,736,153</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>1,158,617</td>
<td></td>
<td>1,158,617</td>
<td>1,047,397</td>
</tr>
<tr>
<td>Fundraising</td>
<td>1,302,899</td>
<td></td>
<td>1,302,899</td>
<td>1,270,470</td>
</tr>
<tr>
<td><strong>Total supporting services</strong></td>
<td><strong>2,461,516</strong></td>
<td><strong>(2,461,516)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>10,404,597</strong></td>
<td></td>
<td><strong>10,404,597</strong></td>
<td><strong>9,054,020</strong></td>
</tr>
<tr>
<td><strong>Increase (decrease) in</strong></td>
<td>(32,247)</td>
<td>(119,741)</td>
<td>(151,988)</td>
<td>625,869</td>
</tr>
<tr>
<td>net assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>1,270,481</td>
<td>4,242,162</td>
<td>5,512,643</td>
<td>4,886,774</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$1,238,234</td>
<td>$4,122,421</td>
<td>$5,360,655</td>
<td>$5,512,643</td>
</tr>
</tbody>
</table>

See notes to financial statements.
**STORYCORPS, INC.**

Statement of Functional Expenses  
Year Ended December 31, 2015  
(with Summarized Comparative Information for 2014)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Program Services</td>
<td>Management and General</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$4,302,434</td>
<td>$ 630,856</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits</td>
<td>881,828</td>
<td>168,401</td>
</tr>
<tr>
<td>Rent and utilities</td>
<td>194,760</td>
<td>26,048</td>
</tr>
<tr>
<td>Other consulting fees</td>
<td>449,224</td>
<td>81,447</td>
</tr>
<tr>
<td>Professional fees</td>
<td>738,403</td>
<td>119,028</td>
</tr>
<tr>
<td>Telephone and data</td>
<td>32,053</td>
<td>4,289</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>45,384</td>
<td>3,610</td>
</tr>
<tr>
<td>Office and facility supplies</td>
<td>113,840</td>
<td>11,746</td>
</tr>
<tr>
<td>Travel</td>
<td>681,103</td>
<td>17,913</td>
</tr>
<tr>
<td>Postage and delivery</td>
<td>20,593</td>
<td>2,521</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>176,761</td>
<td>10,153</td>
</tr>
<tr>
<td>Insurance</td>
<td>37,003</td>
<td>5,356</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>110,624</td>
<td>26,670</td>
</tr>
<tr>
<td>Vehicles and equipment</td>
<td>30,362</td>
<td>2,048</td>
</tr>
<tr>
<td>Interest and finance charges</td>
<td>-</td>
<td>46,086</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>128,709</td>
<td>2,445</td>
</tr>
<tr>
<td>Indirect fundraising benefit expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,943,081</strong></td>
<td><strong>$1,158,617</strong></td>
</tr>
</tbody>
</table>

See notes to financial statements.
STORYCORPS, INC.

Statement of Cash Flows

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td>$ (151,988)</td>
<td>$ 625,869</td>
</tr>
<tr>
<td>Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>134,187</td>
<td>65,778</td>
</tr>
<tr>
<td>Accretion of interest on promissory note payable</td>
<td>30,540</td>
<td>29,202</td>
</tr>
<tr>
<td>Donated stock</td>
<td>(141,100)</td>
<td>(19,751)</td>
</tr>
<tr>
<td>Proceeds from sale of donated stock</td>
<td>141,100</td>
<td>19,751</td>
</tr>
<tr>
<td>(Increase) decrease in assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unconditional promises to give</td>
<td>508,696</td>
<td>(728,764)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(51,798)</td>
<td>442,314</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(33,364)</td>
<td>20,154</td>
</tr>
<tr>
<td>Security deposits</td>
<td>-</td>
<td>(1,350)</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(9,597)</td>
<td>(101,012)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>283,000</td>
<td>(8,319)</td>
</tr>
<tr>
<td>Book advance</td>
<td>(21,250)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>688,426</td>
<td>343,872</td>
</tr>
</tbody>
</table>

Cash flows (used in) investing activities

| Purchase of property and equipment | (427,562) | (110,537) |

Net increase in cash and cash equivalents | 260,864 | 233,335 |

Cash and cash equivalents, beginning of year | 2,414,703 | 2,181,368 |

Cash and cash equivalents, end of year | $2,675,567 | $2,414,703 |

See notes to financial statements.
Note 1 - Nature of organization and summary of significant accounting policies

Nature of organization

StoryCorps, Inc. (the “Organization”) is America’s oral history project. Recordings are archived at the American Folklife Center at the Library of Congress so that future generations can hear the stories – and the voices – of today. We share stories online and through our weekly broadcasts, podcast, animated shorts and books.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all short-term highly liquid investments, with original maturities of 90 days or less, to be cash equivalents.

Contributions and unconditional promises to give

Contributions including unconditional promises to give are recognized as revenue in the period received. The Organization reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance, when necessary, is based on prior years’ experience and management’s analysis of specific promises made.

Allowance for doubtful accounts

The Organization deems all accounts receivable to be collectible and, accordingly, an allowance for doubtful accounts is not necessary. Such estimate is based on management’s experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Expenditures for property and equipment over a nominal amount with a useful life greater than one year are recorded at cost. Depreciation and amortization are computed using the straight-line basis over the estimated useful life of the asset or term of the lease, whichever is shorter.
Note 1 – Nature of organization and summary of significant accounting policies (continued)

Property and equipment (continued)

Contributions that must be used to acquire property and equipment are reported as restricted support and reflected in temporarily restricted net assets. This support is recognized as the acquired assets are depreciated.

Deferred revenue

Revenue from fees is recognized in the period the services take place. Amounts collected in advance of such revenue recognition are deferred.

Financial statement presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising costs

Advertising costs are charged to operations when advertising first takes place.

Basis of presentation

Net assets consist of revenue and other support that are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets

Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets

Temporarily restricted net assets are restricted for future programs and periods.
STORYCORPS, INC.

Notes to Financial Statements (continued)
December 31, 2015

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Concentrations of credit risk

The Organization’s financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents, and receivables. The Organization places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, cash and cash equivalents exceeded the FDIC insurance limit. The Organization has not experienced any losses with respect to its cash and cash equivalents. The Organization monitors its cash, cash equivalents, and collectability of receivables. As a result, the Organization’s management believes concentrations of credit risk are limited.

Functional allocation of expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services in reasonable ratios determined by management.

Comparative financial information

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements as of and for the year ended December 31, 2014, from which the summarized comparative information was derived.

Subsequent events

The Organization has evaluated subsequent events through February 26, 2016, the date that the financial statements are considered available to be issued.

Note 2 – Unconditional promises to give

Unconditional promises to give consist of the following as of December 31, 2015 and December 31, 2014:

<table>
<thead>
<tr>
<th>Amounts expected to be collected in:</th>
<th>December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td>Less than one year</td>
<td>$ 2,804,623</td>
</tr>
<tr>
<td>One to two years</td>
<td>430,000</td>
</tr>
<tr>
<td></td>
<td>3,234,623</td>
</tr>
<tr>
<td>Less discount to present value at 3%</td>
<td>25,011</td>
</tr>
<tr>
<td>Total unconditional promises to give, net</td>
<td>$ 3,209,612</td>
</tr>
</tbody>
</table>
STORYCORPS, INC.

Notes to Financial Statements (continued)
December 31, 2015

Note 2 – Unconditional promises to give (continued)

At December 31, 2015, four donors comprised approximately 53% of unconditional promises to give.

Note 3 – Property and equipment

Property and equipment consist of the following as of December 31, 2015 and December 31, 2014:

<table>
<thead>
<tr>
<th></th>
<th>Life</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>StoryCorps booths</td>
<td>5 years</td>
<td>$509,872</td>
<td>$502,530</td>
</tr>
<tr>
<td>StoryCorps mobile booths and vehicles</td>
<td>2-5 years</td>
<td>412,556</td>
<td>399,401</td>
</tr>
<tr>
<td>Production equipment</td>
<td>5 years</td>
<td>306,495</td>
<td>298,212</td>
</tr>
<tr>
<td>Computers and software</td>
<td>3-5 years</td>
<td>949,083</td>
<td>558,591</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>5 years</td>
<td>95,203</td>
<td>86,913</td>
</tr>
<tr>
<td>Telephone equipment</td>
<td>5 years</td>
<td>30,425</td>
<td>30,425</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Term of lease</td>
<td>146,583</td>
<td>146,583</td>
</tr>
<tr>
<td>Website development</td>
<td>3 years</td>
<td>29,517</td>
<td>29,517</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,479,734</td>
<td>2,052,172</td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td></td>
<td>1,976,167</td>
<td>1,841,980</td>
</tr>
</tbody>
</table>

$503,567 $210,192

Note 4 – Promissory note payable

On August 6, 2008, the Organization executed a zero coupon promissory note with an entity controlled by a substantial donor and received loan proceeds of $500,098. The promissory note obligates the Organization to pay $1,225,000 on August 6, 2028. Interest accrues on the note at a rate of 4.53%. Accrued interest expense for the years ended December 31, 2015 and December 31, 2014 was $30,540 and $29,902, respectively.

Note 5 – Bank line of credit

The Organization has a revolving line of credit, due on demand, in the amount of $350,000. Interest is due monthly at the banks’ prime rate plus 2.0%. Any outstanding balance must be repaid for a period of 30 consecutive days in each year. The line of credit is secured by certain of the Organization’s personal property and is due for renewal on June 2, 2016. There were no borrowings under the line of credit during 2015 and 2014.
STORYCORPS, INC.

Notes to Financial Statements (continued)
December 31, 2015

Note 6 – Commitments and contingency

The Organization is obligated under the terms of an operating lease for office space. The lease expires June 30, 2018 and provides for minimum monthly payments as well as payments for utilities and taxes. Rent expense for the years ended December 31, 2015 and December 31, 2014 was approximately $216,000 and $169,000, respectively. Approximate minimum rental payments for the remainder of the lease are $238,000, $245,000 and $125,000 for the years ended December 31, 2016, 2017 and 2018, respectively.

Government supported projects are subject to audit by the applicable government granting agencies. The possible disallowances by the granting agencies of any item charged to the program cannot be determined until such time when and if an audit occurs. Therefore, no provision for any potential disallowances that may result from such audits has been made in the accompanying financial statements.

The Organization provides its eligible employees the option of deferring current earnings by participating in a tax deferred 403(b) retirement plan. The Organization does not make any contributions to this plan.

Note 7 – Donated services and materials

Donated services and materials consist of the following for the years ended December 31, 2015 and December 31, 2014:

<table>
<thead>
<tr>
<th>Service</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal services</td>
<td>$341,664</td>
<td>$157,717</td>
</tr>
<tr>
<td>Lodging - StoryCorps program</td>
<td>131,901</td>
<td>118,912</td>
</tr>
<tr>
<td>Other</td>
<td>252</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$473,817</strong></td>
<td><strong>$279,629</strong></td>
</tr>
</tbody>
</table>

Note 8 – Temporarily restricted net assets

Temporarily restricted net assets consisted of the following as of December 31, 2015:

<table>
<thead>
<tr>
<th></th>
<th>Balance at December 31, 2014</th>
<th>Contributions</th>
<th>Net assets released from restrictions</th>
<th>Balance at December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>$833,073</td>
<td>$346,867</td>
<td>$(734,073)</td>
<td>$445,867</td>
</tr>
<tr>
<td>Foundations and major donors</td>
<td>3,409,089</td>
<td>1,872,594</td>
<td>(1,905,129)</td>
<td>3,376,554</td>
</tr>
<tr>
<td>Corporations</td>
<td>-</td>
<td>500,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,242,162</strong></td>
<td><strong>$2,519,461</strong></td>
<td><strong>$(2,639,202)</strong></td>
<td><strong>$4,122,421</strong></td>
</tr>
</tbody>
</table>
Note 9 – Tax status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Organization has been determined by the Internal Revenue Service to be a publicly supported organization and not a private foundation within the meaning of Section 509(a)(1) of the Code. Donors receive the maximum charitable tax deduction available.