STORYCORPS, INC.

Financial Statements
For the Year Ended
December 31, 2015

CONDON
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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.

Condon O'Meara McGinty & Donnelly LLP

February 26, 2016

STORYCORPS, INC.

Statement of Financial Position

Assets

	December 31	
	2015	2014
Cash and cash equivalents	$ 2,675,567	$ 2,414,703
Unconditional promises to give, net	3,209,612	3,718,308
Other receivables	299,928	248,130
Prepaid expenses and other assets	91,776	58,412
Property and equipment, net	503,567	210,192
Security deposits	41,033	41,033
Total assets	**$ 6,821,483**	**$ 6,690,778**

Liabilities and Net Assets

Liabilities		
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		
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	**$ 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)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue				
Contributions				
Government	$ 1,416,335	$ 346,867	$ 1,763,202	$ 2,062,549
Foundations and major donors	1,939,670	1,872,594	3,812,264	3,208,777
Corporations	1,504,146	300,000	1,804,146	1,682,364
Individuals	233,002	-	233,002	232,683
Donated services and materials	473,817	-	473,817	279,629
Fundraising benefits, net of direct expenses of $86,819 in 2015 and $145,735 in 2014	458,653	-	458,653	614,347
Fees	1,637,519	-	1,637,519	1,567,574
Book sales	67,732	-	67,732	28,475
Interest	2,274	-	2,274	3,491
Net assets released from restrictions	2,639,202	(2,639,202)	-	-
Total support and revenue	**10,372,350**	**(119,741)**	**10,252,609**	**9,679,889**
Expenses				
Program services	7,943,081	-	7,943,081	6,736,153
Supporting services				
Management and general	1,158,617	-	1,158,617	1,047,397
Fundraising	1,302,899	-	1,302,899	1,270,470
Total supporting services	2,461,516	-	2,461,516	2,317,867
Total expenses	10,404,597	-	10,404,597	9,054,020
Increase (decrease) in net assets	**(32,247)**	**(119,741)**	**(151,988)**	**625,869**
Net assets, beginning of year	**1,270,481**	**4,242,162**	**5,512,643**	**4,886,774**
Net assets, end of year	**$ 1,238,234**	**$ 4,122,421**	**$ 5,360,655**	**$ 5,512,643**

See notes to financial statements.

STORYCORPS, INC.

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

	2015				2014
		Supporting Services			
	Program Services	Management and General	Fundraising	Total	Total
Salaries and wages	$4,302,434	$ 630,856	$ 823,132	$ 5,756,422	$5,098,532
Payroll taxes and employee benefits	881,828	168,401	169,370	1,219,599	1,118,958
Rent and utilities	194,760	26,048	30,784	251,592	202,638
Other consulting fees	449,224	81,447	13,799	544,470	354,915
Professional fees	738,403	119,028	6,832	864,263	788,677
Telephone and data	32,053	4,289	4,624	40,966	45,100
Repairs and maintenance	45,384	3,610	4,266	53,260	43,462
Office and facility supplies	113,840	11,746	9,085	134,671	116,013
Travel	681,103	17,913	39,781	738,797	576,906
Postage and delivery	20,593	2,521	14,393	37,507	39,857
Advertising and promotion	176,761	10,153	55,567	242,481	232,908
Insurance	37,003	5,356	6,329	48,688	46,211
Other operating expenses	110,624	26,670	66,231	203,525	181,036
Vehicles and equipment	30,362	2,048	2,410	34,820	29,586
Interest and finance charges	-	46,086	-	46,086	40,756
Depreciation and amortization	128,709	2,445	3,033	134,187	65,778
Indirect fundraising benefit expense	-	-	53,263	53,263	72,687
Total	**$7,943,081**	**$1,158,617**	**$ 1,302,899**	**$10,404,597**	**$9,054,020**

See notes to financial statements.

STORYCORPS, INC.

Statement of Cash Flows

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

STORYCORPS, INC.

Notes to Financial Statements
December 31, 2015

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.

STORYCORPS, INC.

Notes to Financial Statements (continued)
December 31, 2015

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:

	December 31	
	2015	2014
Amounts expected to be collected in:		
Less than one year	$ 2,804,623	$ 3,445,085
One to two years	430,000	289,500
	3,234,623	3,734,585
Less discount to present value at 3%	25,011	16,277
Total unconditional promises to give, net	$ 3,209,612	$ 3,718,308

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:

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

	2015	2014
Legal services	$ 341,664	$ 157,717
Lodging - StoryCorps program	131,901	118,912
Other	252	3,000
	$ 473,817	$ 279,629

Note 8 – Temporarily restricted net assets

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

	Balance at December 31, 2014	Contributions	Net assets released from restrictions	Balance at December 31, 2015
Government	$ 833,073	$ 346,867	$ (734,073)	$ 445,867
Foundations and major donors	3,409,089	1,872,594	(1,905,129)	3,376,554
Corporations	-	300,000	-	300,000
Total	$ 4,242,162	$ 2,519,461	$ (2,639,202)	$ 4,122,421

STORYCORPS, INC.

Notes to Financial Statements (continued)
December 31, 2015

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.