NEW HAMPSHIRE PUBLIC RADIO, INC.
FINANCIAL REPORT

SEPTEMBER 30, 2008

CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Hampshire Public Radio, Inc.
Concord, New Hampshire 03301-5003

We have audited the accompanying statements of financial position of New Hampshire Public Radio, Inc. as of September 30, 2008 and 2007, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Hampshire Public Radio, Inc. as of September 30, 2008 and 2007, and the results of its operations, changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Nathan Wechsler & Company

Concord, New Hampshire
January 22, 2009

STATEMENTS OF FINANCIAL POSITION
September 30, 2008 and 2007

ASSETS

	2008	2007
CURRENT ASSETS		
Cash	$ 979,677	$ 573,133
Cash restricted for capital campaign	3,251,948	839,299
Contributions and grants receivable	924,758	596,256
Accounts receivable, less allowance for doubtful accounts 2008 $13,000; 2007 $10,000	329,175	415,691
Prepaid expenses	111,642	100,684
Total current assets	5,597,200	2,525,063
OTHER ASSETS		
Contributions and grants receivable, net of current portion, less allowance for doubtful accounts 2008 $50,000; 2007 $30,000	287,645	261,229
Beneficial interest in remainder trust	37,073	35,310
Bond issuance costs, net of accumulated amortization 2008 $2,484; 2007 $-	246,651	-
Station and software licenses, net of accumulated amortization 2008 $161,585; 2007 $137,442	336,534	319,438
Cash restricted for capital campaign	1,578,265	-
	2,486,168	615,977
PROPERTY AND EQUIPMENT, net	5,417,733	4,321,025
	$ 13,501,101	**$ 7,462,065**

LIABILITIES AND NET ASSETS

	2008	2007
CURRENT LIABILITIES		
Demand note payable	$ -	$ 1,900,000
Current portion of long-term debt	-	35,887
Current portion of long-term bonds payable	50,000	-
Accounts payable and accrued expenses	703,035	192,299
Accrued salaries and benefits	130,661	84,483
Deferred revenue	153,601	310,516
Total current liabilities	1,037,297	2,523,185
LONG-TERM LIABILITIES		
Long-term debt, less current maturities	-	561,049
Long-term bonds payable, less current maturities	5,890,600	-
	5,890,600	561,049
Total liabilities	6,927,897	3,084,234
COMMITMENTS (See Notes)		
NET ASSETS		
Unrestricted	4,708,448	2,542,317
Temporarily restricted	1,864,756	1,835,514
Total net assets	6,573,204	4,377,831
Total liabilities and net assets	**$ 13,501,101**	**$ 7,462,065**

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended September 30, 2008

	Unrestricted	Temporarily Restricted	Total
Revenue and support:			
Public support	$ 1,835,554	$ -	$ 1,835,554
Corporate underwriting	2,064,796	-	2,064,796
Corporation for Public Broadcasting grants	344,191	-	344,191
Grant revenue	273,748	65,000	338,748
Special events	165,210	-	165,210
Interest income	30,541	-	30,541
Other income	25,376	-	25,376
Underwriting-trade	101,609	-	101,609
In-kind donations	9,280	41,238	50,518
Total revenue and support	4,850,305	106,238	4,956,543
Net assets released from restrictions	94,543	(94,543)	-
Expenses:			
Program services	3,296,617	-	3,296,617
Management and general	566,058	-	566,058
Fundraising	864,852	-	864,852
Total expenses, including depreciation	4,727,527	-	4,727,527
Increase in net assets before non-operating activities	217,321	11,695	229,016
Nonoperating revenues (expenses):			
Gain on sale of property and equipment	174,067	-	174,067
Capital campaign revenue	-	1,978,959	1,978,959
Capital campaign expenses	(188,432)	-	(188,432)
Change in value of split-interest agreement	-	1,763	1,763
Total nonoperating revenues (expenses)	(14,365)	1,980,722	1,966,357
Net assets released from restriction	1,963,175	(1,963,175)	-
Increase in total net assets	2,166,131	29,242	2,195,373
Net assets, beginning of year	2,542,317	1,835,514	4,377,831
Net assets, end of year	**$ 4,708,448**	**$ 1,864,756**	**$ 6,573,204**

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended September 30, 2007

	Unrestricted	Temporarily Restricted	Total
Revenue and support:			
Public support	$ 1,717,427	$ -	$ 1,717,427
Corporate underwriting	2,125,705	-	2,125,705
Corporation for Public Broadcasting grants	418,316	-	418,316
Grant revenue	168,147	87,913	256,060
Special events	121,318	-	121,318
Interest income	28,477	-	28,477
Other income	17,702	-	17,702
Underwriting-trade	99,109	-	99,109
In-kind donations	7,535	-	7,535
Total revenue and support	4,703,736	87,913	4,791,649
Net assets released from restrictions	10,685	(10,685)	-
Expenses:			
Program services	2,837,568	-	2,837,568
Management and general	632,370	-	632,370
Fundraising	892,329	-	892,329
Total expenses, including depreciation	4,362,267	-	4,362,267
Increase in net assets before nonoperating activities	352,154	77,228	429,382
Nonoperating revenues (expenses):			
Capital campaign revenue	-	1,035,902	1,035,902
Capital campaign expenses	(325,302)	-	(325,302)
Change in value of split-interest agreement	-	1,934	1,934
Total nonoperating revenues (expenses)	(325,302)	1,037,836	712,534
Net assets released from restriction	464,724	(464,724)	-
Increase in total net assets	491,576	650,340	1,141,916
Net assets, beginning of year	2,050,741	1,185,174	3,235,915
Net assets, end of year	**$ 2,542,317**	**$ 1,835,514**	**$ 4,377,831**

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS
Years Ended September 30, 2008 and 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 2,195,373	$ 1,141,916
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	268,857	276,792
Bad debt expense	25,783	26,634
Gain on disposal of assets	(174,067)	-
Capital campaign contributions and grant revenue, net of expenses, excluding depreciation	(1,793,611)	(710,600)
(Increase) decrease in accounts receivable	80,971	(207,426)
Decrease in inventories	-	6,294
(Increase) decrease in prepaid expenses	(10,958)	2,154
Increase (decrease) in accounts payable and accrued expenses	(63,334)	60,589
Increase in accrued salaries and benefits	46,178	13,907
Increase (decrease) in deferred revenues	(156,915)	73,947
Net cash provided by operating activities	**418,277**	**684,207**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,088,445)	(2,313,542)
Proceeds from sale of property and equipment	885,277	-
Increase in accrued expenses for capital campaign	574,070	-
Increase in restricted cash from capital campaign	(3,990,914)	(545,386)
Net cash used in investing activities	**(4,620,012)**	**(2,858,928)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on (proceeds from) demand note payable	(700,000)	1,900,000
Principal repayment on long-term debt	(26,763)	(33,832)
Cash proceeds from long-term borrowings	3,918,350	-
Increase in value of split interest agreement	(1,763)	(1,934)
Capital campaign contribution and grant revenue, net of expenses and increase in campaign pledges receivable	1,418,455	758,449
Net cash provided by financing activities	**4,608,279**	**2,622,683**
Net increase in cash	**406,544**	**447,962**
Cash, beginning of year	573,133	125,171
Cash, end of year	**$ 979,677**	**$ 573,133**

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS (CONTINUED)
Years Ended September 30, 2008 and 2007

		2008		2007
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Cash paid for interest	$	111,610	$	161,509
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING ACTIVITIES				
Proceeds from long-term borrowings	$	6,000,000	$	-
Direct payment of prior long-term debt		(1,770,173)		-
Bond discount		(60,000)		-
Increase in bond financing costs		(248,368)		-
Direct payment of accrued interest expense		(3,109)		-
Cash proceeds from long-term borrowings	$	3,918,350	$	-

Note 1. Nature of Activities

New Hampshire Public Radio, Inc ("The Corporation") is organized as a not-for-profit corporation under the laws of the State of New Hampshire. It is licensed by the Federal Communications Commission to operate an FM radio station (WEVO-FM) throughout New Hampshire, which broadcasts at 89.1 MHZ from Concord, at 90.3 MHZ from Nashua, at 90.7 MHZ (WEVN) from Keene, at 91.3 MHZ from Littleton, at 91.3 FM (WEVH) from Hanover, at 99.5 MHZ (WEVJ) from Jackson, at 104.3 MHZ from Dover, at 107.1 MHZ (WEVC) from Gorham, at 103.9 FM from Portsmouth, at 97.3 FM from Plymouth and at 88.3 FM (WEVS) from Nashua.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements of the Corporation have been prepared on the accrual basis. Under the accrual basis, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Basis of presentation: The Corporation adheres to Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made.* In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues.

The Corporation adheres to SFAS No. 117, *Financial Statements of Not-for-Profit Organizations.* Under SFAS No. 117, the Corporation 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. Descriptions of the three net asset categories are as follows:

> *Unrestricted net assets* include revenues and expenses and contributions pledged which are not subject to any donor-imposed restrictions.
>
> *Temporarily restricted net assets* include gifts and promises to give for which time restrictions or donor-imposed restrictions have not yet been met.
>
> *Permanently restricted net assets* include gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or a portion thereof be made available for program operations in accordance with donor restrictions. The Corporation has no permanently restricted net assets at September 30, 2008 or 2007.

Estimates and assumptions: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results may differ from those estimates.

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Cash and cash equivalents: For purposes of reporting cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. As of September 30, 2008 the Corporation had no cash equivalents. For purposes of cash flow statement presentation, cash and cash equivalents exclude restricted cash.

Accounts and contributions receivable: Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. The Corporation does not recognize conditional promises to give as revenue until the condition is met.

The Corporation records an allowance to estimate the amount of accounts and contributions receivable that may be uncollectible. The allowance is based on prior years experience and management's analysis of specific promises to give. Uncollectible accounts are written-off against the allowance. All long-term contributions receivable are payable within five years.

Property and Equipment: Property and equipment is stated at cost or, if donated, at fair market value determined at the date of donation. The Corporation's policy is to capitalize expenditures for major improvements and charge maintenance and repairs to current operations when incurred. Depreciation is provided for by the straight-line method in a manner which is intended to amortize the cost of the assets over the following estimated useful lives:

	Years
Building and improvements	7-40
Broadcast and transmission equipment	3-10
Furniture and office equipment	3-10
Vehicles	5

Contributions of long-lived assets: In accordance with paragraph 16 of SFAS No. 116, the Corporation has adopted an accounting policy implying a time restriction that expires over the useful live of donated long-lived assets. Under this policy, the donated long-lived assets are recorded as temporarily restricted support and then reclassified from temporarily restricted net assets to unrestricted net assets over useful life (if implied) or over the required period (if explicitly stated by donor). Any gain or loss on disposals of donated long-lived assets before the end of their useful life is reported as a change in unrestricted net assets and a reclassification is made to release any remaining temporarily restricted amounts to unrestricted net assets.

Station and software licenses: The cost of licensing rights acquired is being amortized on the straight-line method over periods of seven to thirty years. Amortization expense charged to operations amounted to $20,706 for the years ended September 30, 2008 and 2007, respectively.

Contributions: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

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Grants: Grants received that are considered reciprocal transactions generally contain conditions that could require the Corporation to return funds if the conditions are not met. Accordingly, these grant proceeds are recorded as deferred revenue upon receipt. The grant revenue is recognized according to the terms of the grant agreement, usually as the proceeds are utilized for the grant's purposes and the conditions are fully met.

Grants awarded for operations or to purchase equipment or other capital assets that are considered contributions are recognized as unrestricted revenue when received unless the grant contains donor restrictions or certain reversionary rights (see Note 8) in which case the revenue is recognized as an increase in temporarily restricted net assets and released to unrestricted net assets ratably over the period that the reversionary rights apply.

Bond issuance costs: These costs are being amortized on a straight-line basis over the term of the bonds; 30 years related to the Series A and 10 years related to the Series B.

Advertising: The Corporation charges advertising costs to expense as incurred. Advertising expenses, which relate primarily to programming, totaled $80,059 and $51,310 for the years ended September 30, 2008 and 2007, respectively.

Donated Goods and Services: A significant portion of the Corporation's functions are conducted by unpaid officers, board members and volunteers. The value of this contributed time is not reflected in the financial statements since it does not meet the criteria necessary for recognition under Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Made* (see Note 10).

Donated materials and equipment are reflected as in-kind donations at their estimated value at the date of receipt. Donated professional services are recorded as both revenue and expense at estimated fair value.

Underwriting services which are done in exchange for goods or services are reflected as underwriting - trade at their estimated value on the date of receipt. The Corporation recognizes a corresponding expense at the time of recognition of the underwriting revenue for the value of goods and services received.

Income Taxes: The Corporation is exempt from state and federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation rents towers and rack space to other organizations. The excess of revenues received from rentals over the direct cost of rents and an allocated portion of general overhead expenses are reported as taxable unrelated business income by the Corporation. There was no unrelated business income for the years ended September 30, 2008 and 2007.

Note 3. Contributions Receivable

In 2005, the Corporation began a capital campaign to fund the purchase of a business condominium unit where the Corporation will relocate (see Note 5) and to upgrade certain equipment. Contributions receivable for unconditional promises to give are recorded after discounting to the present value of future cash flows at a rate of 2.98% and net of an allowance for uncollectible contributions. The ability and willingness of individuals and corporations to honor their promises to give is generally dependent upon current conditions within the geographic area.

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The Corporation estimates the allowance for uncollectible contributions receivable based upon specific review, current economic conditions and historical loss factors, if applicable. Significantly all of these promises to give are from members of the Board of Trustees and others strongly committed to the Corporation. Management will continue to monitor the collection of these promises to give and make any necessary reserve adjustments, if this estimate changes in the future.

In addition, the Corporation has also been awarded grants totaling $49,172 which will be used to fund certain equipment purchases related to this capital campaign. These grants have been recorded as deferred revenue as all grantor conditions had not yet been met.

Contributions and grants receivable as of September 30, 2008 are summarized below:

In one year or less	$ 924,758
Between one and five years	389,905
Less discount to present value	(52,260)
Less allowance	(50,000)
Total	1,212,403
Less current portion	**924,758**
Total long-term portion	**$ 287,645**

Note 4. Charitable Remainder Annuity Trust

During the year ended September 30, 2006, the Corporation was named a co-remainder beneficiary of a charitable remainder annuity trust along with New Hampshire Public Television (NHPTV). At the end of four years, the Corporation will receive 60% and NHPTV 40% of the net present value of the trust. A noncurrent asset for the charitable remainder trust has been recognized at the present value of the expected future cash flow payments. The expected future cash flow of $37,073 represents the Corporation's share of the fair value of the trust principal at September 30, 2008. Changes in the value of the trust have been reported in the statement of activities and changes in net assets as increases in temporarily restricted net assets due to the time restriction associated with the gift.

Note 5. Property and Equipment

Property and equipment, at cost, September 30,	2008	2007
Buildings and improvements	$ 4,116,477	$ 4,347,080
Broadcast and transmission equipment	2,621,676	1,800,142
Furniture and office equipment	580,017	442,006
Vehicles	27,336	27,336
Total property and equipment	7,345,506	6,616,564
Less accumulated depreciation	1,927,773	2,295,539
Total property and equipment, net	**$ 5,417,733**	**$ 4,321,025**

On November 17, 2006, the Corporation signed a purchase and sale agreement to purchase a 20,088 square foot business condominium unit in Concord, New Hampshire, which it will soon occupy as its operating and office facility.

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This purchase is intended to be financed by proceeds from the capital campaign described in Note 3, net proceeds from the sale of its existing facility and additional debt financing, as required (Note 6). Buildings and improvements and furniture and office equipment above include capitalized costs of $3,741,089 and $99,097, respectively, related to the purchase and design of this new condominium. This unit remains under construction and therefore no depreciation has been recorded.

On September 30, 2008, the Corporation closed on the sale of their existing office building. Accordingly, buildings and improvements relating to this property have been removed from the total buildings and improvements at September 30, 2008. The Corporation recognized $174,067 in gains relating to this sale.

In addition, the proceeds from this sale were used to redeem the Series B New Hampshire Business Finance Authority bond in its entirety and a portion of the Series A bond that could be redeemed with the remaining net proceeds in November 2008 (see Note 13). Interest costs amounted to $17,369 and $- for the years ended September 30, 2008 and 2007, respectively. As required for assets financed with the proceeds of tax-exempt borrowings, this capitalized interest has been offset by interest earned resulting in no capitalized construction period interest at September 30, 2008.

Note 6. Demand Note Payable, Notes Payable, Bonds Payable and Pledged Assets

During the year ended September 30, 2008 the Corporation obtained financing from the New Hampshire Business Finance Authority through the issuance of its tax-exempt Revenue Bonds Series 2008 ("the Bonds"), in the aggregate principal amount of $6,000,000 in order to finance the construction, furnishing and equipping of the new office condominium. Proceeds from this bond issuance were also used to satisfy the balance of existing debt amounting to $1,770,173. The bond contains several restrictive covenants measured on an annual and quarterly basis commencing on September 30, 2009. The remaining cash proceeds from the bond amounted to $4,830,213 at September 30, 2008 and have been included as restricted cash on the statement of financial position. These funds are to be used for the capital campaign, future capital projects and debt service. The portion of these funds to be used for debt repayment and future capital projects amounted to $1,578,265 at September 30, 2008 and has been reflected as long-term restricted cash.

The Bonds bear interest at weekly average rates and were issued at a discount of $60,000. Principal on the Bonds mature between June 1, 2009 and June 1, 2038. The payment of the principal of the Bonds, when due, and the purchase price of the Bonds upon the tender thereof is secured by a direct pay letter of credit issued by TDBanknorth.

Demand note payable, September 30,	2008	2007
Note payable to bank, with interest payments at 6.50%. This note was renegotiated in November 2007 and was paid off in full on June 26, 2008.	$ -	$ 1,900,000

Long-term debt, September 30,	2008	2007
Mortgage payable to bank, with monthly payments of $6,006 including interest at 6.13%. This note was paid off in full on June 26, 2008.	$ -	$ 596,936

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Long-term debt, September 30,	2008	2007
Note payable, NH Business Finance Authority (see above), secured by the Authority, with variable interest at the bank's weekly rate (7.96% at September 30, 2008), net of unamortized discount of $53,460 with a face amount of $5,400,000, expiring June 2038.	5,346,540	-
Note payable, NH Business Finance Authority (see above), secured by the Authority, with variable interest at the bank's weekly rate (7.96% at September 30, 2008), net of unamortized discount of $5,940 with a face amount of $600,000, expiring June 2009. This bond was paid in full on November 3, 2008 (see Note 13)	594,060	-
	5,940,600	596,936
Less amounts due within one year	50,000	35,887
Long-term debt	$ 5,890,600	$ 561,049

Aggregate maturities required on long-term debt at September 30, 2008 are as follows:

2009	$ 50,000
2010	135,000
2011	140,000
2012	150,000
2013	160,000
Thereafter	5,365,000
Less unamortized discount	(59,400)
	$ 5,940,600

Note 7. Operating Leases

On September 30, 2008, the Corporation closed on the sale of its current office facility in Concord, New Hampshire. Upon selling this building, the Corporation signed a four month lease with the purchaser enabling the Corporation to retain operations in the sold building until construction on the new condominium facility is complete. Under this lease, the Corporation must pay four months of a monthly base rent of $6,000 until the lease termination date on January 31, 2009. During this period the Corporation may not assign the lease or sublet the premises to any other party. The Corporation also leases certain equipment and additional tower space including several sites as tenants-at-will.

Minimum future rent commitments under these lease agreements are as follows:

2009	$ 52,291
2010	24,641
2011	16,355
2012	8,044
2013	3,000
Thereafter	3,375
	$ 107,706

Rental expense for the years ended September 30, 2008 and 2007 totaled $58,743 and $49,941, respectively.

Note 8. Commitments and Contingencies

Certain equipment acquired with federal grant proceeds are subject to reversionary interest liens for a period of ten years from date of the grant. Property acquired with these grant proceeds may not be conveyed, transferred, assigned, mortgaged, leased or in any other manner encumbered by the Corporation, except as expressly authorized by grantor. The liens expire between 2010 and 2015.

The Corporation maintains a sick time policy in which sick time is earned at four hours per pay period to a maximum of 1,500 hours. These hours can be carried over from year to year and can be used for sick time outlined in the Corporation's Personnel Policy and Procedures Manual.

The Financial Accounting Standards Board (FASB) states that an accrual is not required for an obligation related to employees' accumulating rights to receive compensation for future absences that are contingent upon the absences being caused by an employee's future illness. In addition to this contingent event, the low degree of reliability of estimates of the future sick pay and the cost of evaluating do not justify the requirement for such an accrual. The estimated maximum amount of sick time accumulated by employees through September 30, 2008 amounted to approximately $318,550. The Corporation anticipates that a minimal portion of this benefit will be utilized by employees.

Note 9. Benefit Plans

Effective October 1, 1994, the Corporation established a Defined Contribution (Money Purchase) Retirement Plan and a Tax-Deferred Annuity Plan.

Money Purchase Plan: Individuals are eligible to enroll upon completion of one year (1,000 hours) of service. The participant may contribute a minimum of 1% of regular salary up to a maximum of 4% regular salary.

The Corporation will contribute $2 for every $1 that the participant contributes. The minimum contribution by the Corporation is the equivalent of 2% of regular salary with a maximum contribution of 8%. Participants are fully and immediately vested in the Plan. Expense incurred under this plan for the years ended September 30, 2008 and 2007 amounted to $107,312 and $109,817, respectively.

Tax Deferred Annuity Plan: All employees are eligible to begin participation on the first of the month following employment. Contributions to this plan are in addition to any contributions which may be made to the money purchase plan. This is a salary reduction plan only. Participants are fully and immediately vested in the plan.

Note 10. Donated Goods and Services

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The Corporation received donated legal and accounting services amounting to $9,280 and $7,535 for the years ended September 30, 2008 and 2007, respectively.

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Contributions of donated goods and long-lived assets are recorded at fair value when received. In the prior year the Corporation received long-lived assets and services from a local company for furnishings and design services related to its newly purchased condominium. These long-lived assets and services were valued at $75,000 for fiscal year 2007 and have been included in capital campaign income and contributions receivable at September 30, 2007. In the current year, the Corporation received donated software licenses valued at $41,238. These donated software licenses have been capitalized and are being amortized over their useful lives in accordance with paragraph 16 of SFAS No. 116 as described in Note 2. Accumulated amortization and corresponding amounts released from temporarily restricted net assets relating to these licenses amounted to $3,437 at September 30, 2008.

Note 11. Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2008 and 2007 consisted of gifts and other unexpended revenues available for the following purposes:

September 30,	2008	2007
Capital campaign – new facility and equipment	$ 1,471,479	$ 1,627,505
Grant proceeds with reversionary rights	256,595	84,786
Charitable remainder trust – time restriction	37,073	35,310
New programming – Word of Mouth Project	-	74,705
Manchester reporter	4,607	-
Website development	30,000	-
Socrates Exchange	10,000	-
Story Corps	15,000	-
Gifts in-kind	37,802	-
North Country reporter	2,200	13,208
Total	$ 1,864,756	$ 1,835,514

Note 12. Concentration of Credit Risk and Subsequent Event

The Corporation maintains its cash balances at various financial institutions located in New Hampshire. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At certain times during the year cash balances exceeded these insured limits. At September 30, 2008 the Corporation's uninsured cash balances totaled approximately $4,600,000. Balances of money market accounts exceeding this insured limit were approximately $141,000 at September 30, 2008. These funds are held in a repurchase/cash management-type account, and are typically secured by the Securities Investor Protection Corporation (SIPC).

On October 3, 2008, Congress temporarily increased FDIC deposit insurance from $100,000 to $250,000 per depositor through December 31, 2009.

Note 13. Subsequent Events

On November 3, 2008 the Series B tax-exempt Revenue Bonds issued through the New Hampshire Business Finance Authority were fully redeemed in the amount of $600,000 with proceeds from the sale of the existing office building (see Note 5). In addition, a portion of the Series A tax-exempt Revenue Bonds were redeemed with the remaining net proceeds from the sale in the amount of $285,000.

Note 14. Conditional Promise to Give

The Corporation was awarded a grant from The Kresge Foundation in September 2008. The Foundation has agreed to contribute $250,000 to the Corporation for its new digital broadcast facility. Payment is contingent upon the Corporation raising the balance of its capital campaign goal amounting to $1,056,548 by April 1, 2009, therefore this grant has not been included in these financial statements.

NATHAN WECHSLER & COMPANY
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Trustees
New Hampshire Public Radio, Inc.
Concord, New Hampshire 03301

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Nathan Wechsler & Company

Concord, New Hampshire
January 22, 2009

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NEW HAMPSHIRE PUBLIC RADIO, INC.

SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended September 30, 2008

	Program Services	Management and General	Fundraising	Capital Campaign	Total
Salaries and wages	$ 1,263,844	$ 279,517	$ 381,935	$ 42,171	$ 1,967,467
Payroll taxes	96,816	17,158	29,156	2,605	145,735
Employee benefits	290,048	50,294	85,674	6,089	432,105
Independent contractors	131,930	85,874	21,410	2,965	242,179
Professional services	48,553	38,011	22,929	500	109,993
Office supplies and expense	20,991	3,120	5,144	28	29,283
Office equipment repairs and maintenance	39,047	1,571	1,692	-	42,310
Printing	14,021	2,510	58,725	261	75,517
Postage	4,137	3,191	37,977	22	45,327
Telephone	34,927	2,073	8,970	8	45,978
Travel	37,178	7,319	15,019	126	59,642
Dues and subscriptions	68,635	17,782	6,354	-	92,771
Bank and credit card fees	-	249	40,216	-	40,465
Advertising, promotion, newsletter	80,059	-	-	-	80,059
Thank you gifts	-	-	63,298	-	63,298
Affiliate membership fees and program acquisitions	568,455	-	-	-	568,455
Broadcast parts and supplies	39,229	-	-	-	39,229
Transmitter and signal expansion expenses	139,067	-	-	-	139,067
Studio rent, utilities, taxes and maintenance	61,804	-	-	-	61,804
Insurance	39,732	7,076	7,620	1,050	55,478
Board and staff recruitment	-	3,697	-	-	3,697
Bad debts	-	5,545	-	20,238	25,783
Interest expense	15,942	3,648	3,928	70,723	94,241
Depreciation and amortization expense	241,766	8,582	15,425	3,084	268,857
Staff development	6,314	23,130	2,294	-	31,738
Special events expense	-	-	40,932	-	40,932
Engineering expense	29,822	-	-	-	29,822
Miscellaneous	24,300	5,711	16,154	38,562	84,727
Total functional expenses	**$ 3,296,617**	**$ 566,058**	**$ 864,852**	**$ 188,432**	**$ 4,915,959**

NEW HAMPSHIRE PUBLIC RADIO, INC.

SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended September 30, 2007

	Program Services	Management and General	Fundraising	Capital Campaign	Total
Salaries and wages	$ 1,007,223	$ 345,903	$ 416,463	$ 72,207	$ 1,841,796
Payroll taxes	77,410	22,513	31,879	4,658	136,460
Employee benefits	224,773	63,100	99,609	17,125	404,607
Independent contractors	126,147	18,389	40,284	25,400	210,220
Professional services	10,293	47,967	20,253	-	78,513
Office supplies and expense	13,808	5,286	7,330	320	26,744
Office equipment repairs and maintenance	16,657	2,966	3,194	-	22,817
Printing	29,161	449	29,172	6,440	65,222
Postage	7,013	1,191	33,927	1,171	43,302
Telephone	28,482	2,902	9,584	262	41,230
Travel	20,931	16,128	14,616	7,930	59,605
Dues and subscriptions	15,460	12,881	6,044	-	34,385
Bank and credit card fees	23,514	4,505	4,510	-	32,529
Advertising, promotion, newsletter	51,310	-	-	-	51,310
Thank you gifts	-	-	70,134	-	70,134
Affiliate membership fees and program acquisitions	608,489	-	-	-	608,489
Broadcast parts and tape supplies	40,996	-	-	-	40,996
Transmitter and signal expansion expenses	136,100	-	-	-	136,100
Studio rent, utilities, taxes and maintenance	69,925	-	-	-	69,925
Insurance	39,804	7,089	7,634	-	54,527
Board and staff recruitment	-	2,918	-	-	2,918
Bad debts	-	9,133	-	17,501	26,634
Interest expense	27,915	4,971	5,353	123,270	161,509
Depreciation and amortization expense	202,058	35,983	38,751		276,792
Staff development	14,128	21,490	5,604	-	41,222
Special events expense	-	-	41,089	-	41,089
Engineering expense	27,788	-	-	-	27,788
Miscellaneous	18,183	6,606	6,899	49,018	80,706
Total functional expenses	**$ 2,837,568**	**$ 632,370**	**$ 892,329**	**$ 325,302**	**$ 4,687,569**