

**WXPB-FM RADIO STATION
LICENSED TO THE TRUSTEES
OF THE UNIVERSITY OF
PENNSYLVANIA**

Financial Statements

June 30, 2020 and 2019

**Kreischer
Miller**

PEOPLE | IDEAS | SOLUTIONS

WXPB-FM RADIO STATION

LICENSED TO THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA

June 30, 2020 and 2019

CONTENTS

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

Statements of Financial Position	1
Statements of Activities	2-3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6-15

Independent Auditors' Report

The Community Advisory Board of
WXPB-FM Radio Station
Licensed to the Trustees of
the University of Pennsylvania
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of WXPB-FM Radio Station Licensed to the Trustees of the University of Pennsylvania, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WXPN-FM Radio Station, Licensed to the Trustees of the University of Pennsylvania, as of June 30, 2020 and 2019, 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.

Kreischer Miller

Horsham, Pennsylvania
November 20, 2020

WXPB-FM RADIO STATION
 LICENSED TO THE TRUSTEES OF
 THE UNIVERSITY OF PENNSYLVANIA
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2020 AND 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents held by the University of Pennsylvania	\$ 2,815,330	\$ 2,695,267
Memberships receivable, net	28,517	39,386
Contributions receivable, net	301,024	172,211
Grants receivable	126,400	20,000
Underwriting receivables, net	334,894	318,555
Other accounts receivable, net	105,003	114,828
Prepaid expenses	12,879	12,272
Total Current Assets	3,724,047	3,372,519
Other Assets		
Memberships receivable, net	32,748	-
Contributions receivable, net	177,303	101,023
Land	89,095	89,095
Equipment, net of accumulated depreciation	765,472	759,322
Leasehold improvements, net of accumulated amortization	-	77,325
Intangible Assets	4,686,047	4,686,047
Total Other Assets	5,750,665	5,712,812
Total Assets	\$ 9,474,712	\$ 9,085,331
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 409,603	\$ 427,706
Deferred rent	42,189	14,165
Note payable	100,000	100,000
Promotional underwriting liability	64,600	52,000
Deferred revenue	217,790	154,088
Total Current Liabilities	834,182	747,959
Other Liabilities		
Note payable	100,000	200,000
Promotional underwriting liability	250,000	300,000
Total Other Liabilities	350,000	500,000
Total Liabilities	1,184,182	1,247,959
Net Assets		
Without donor restrictions	7,279,131	7,323,569
With donor restrictions	1,011,399	513,803
Total Net Assets	8,290,530	7,837,372
Total Liabilities and Net Assets	\$ 9,474,712	\$ 9,085,331

See accompanying notes to the financial statements

WXPB-FM RADIO STATION
 LICENSED TO THE TRUSTEES OF
 THE UNIVERSITY OF PENNSYLVANIA
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Memberships and contributions	\$ 4,916,379	\$ 428,500	\$ 5,344,879
Underwriting	2,747,141	-	2,747,141
Indirect support from the University of Pennsylvania	269,426	-	269,426
Grants	223,997	486,434	710,431
Direct support from the University of Pennsylvania	22,024	-	22,024
Other revenue	795,258	-	795,258
Net assets released from restrictions			
Satisfaction of program restrictions	142,066	(142,066)	-
Expiration of time restrictions	275,272	(275,272)	-
Total Support and Revenue	9,391,563	497,596	9,889,159
Operating Expenses			
Program services:			
Programming and production	3,232,544	-	3,232,544
Program information	1,785,238	-	1,785,238
Broadcasting	637,097	-	637,097
Total Program Services	5,654,879	-	5,654,879
Support services:			
Membership, underwriting and grant solicitation	2,505,119	-	2,505,119
General and administrative	1,276,003	-	1,276,003
Total Support Services	3,781,122	-	3,781,122
Total Program and Support Services	9,436,001	-	9,436,001
Changes in Net Assets	(44,438)	497,596	453,158
Net Assets, beginning of year	7,323,569	513,803	7,837,372
Net Assets, end of year	\$ 7,279,131	\$ 1,011,399	\$ 8,290,530

See accompanying notes to the financial statements

**WXPB-FM RADIO STATION
 LICENSED TO THE TRUSTEES OF
 THE UNIVERSITY OF PENNSYLVANIA
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Memberships and contributions	\$ 4,535,322	\$ 12,500	\$ 4,547,822
Underwriting	2,980,041	-	2,980,041
Indirect support from the University of Pennsylvania	601,438	-	601,438
Grants	166,397	296,796	463,193
Direct support from the University of Pennsylvania	23,676	-	23,676
Other revenue	905,948	-	905,948
Gifts and in-kind contributions	98,181	-	98,181
Net assets released from restrictions			
Satisfaction of program restrictions	536,540	(536,540)	-
Expiration of time restrictions	290,646	(290,646)	-
Total Support and Revenue	10,138,189	(517,890)	9,620,299
Operating Expenses			
Program services:			
Programming and production	3,991,231	-	3,991,231
Program information	1,700,755	-	1,700,755
Broadcasting	716,366	-	716,366
Total Program Services	6,408,352	-	6,408,352
Support services:			
Membership, underwriting and grant solicitation	2,528,712	-	2,528,712
General and administrative	1,113,077	-	1,113,077
Total Support Services	3,641,789	-	3,641,789
Total Program and Support Services	10,050,141	-	10,050,141
Changes in Net Assets	88,048	(517,890)	(429,842)
Net Assets, beginning of year	7,235,521	1,031,693	8,267,214
Net Assets, end of year	\$ 7,323,569	\$ 513,803	\$ 7,837,372

See accompanying notes to the financial statements

WXPB-FM RADIO STATION
LICENSED TO THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 2020 and June 2019

	Program Services				General and Administrative	Fundraising	Total Expenses FY20
	Programming and Production	Program Information	Broadcasting	Total Program Services			
Salaries	\$ 1,568,084	\$ 676,487	\$ 156,954	\$ 2,401,525	\$ 727,183	\$ 1,289,344	\$ 4,418,052
Employee benefits	468,801	191,087	50,312	710,200	223,388	397,210	1,330,798
Total salaries and benefits	2,036,885	867,574	207,266	3,111,725	950,571	1,686,554	5,748,850
Travel	49,453	31,954	5,142	86,549	15,725	24,238	126,512
Supplies	62,068	343,245	74,496	479,809	24,796	77,105	581,710
Rentals	364,058	49,644	177,687	591,389	38,612	71,708	701,709
Communication	34,870	41,308	17,448	93,626	10,711	133,325	237,662
Services	307,315	330,712	7,194	645,221	135,553	364,022	1,144,796
Operations	120,427	16,610	20,839	157,876	81,176	23,720	262,772
Cost of direct benefit to donors (premiums)	-	-	-	-	-	55,355	55,355
Amortization	77,325	-	-	77,325	-	-	77,325
Depreciation	-	1,393	113,554	114,947	-	11,419	126,366
In-Kind	180,143	102,798	13,471	296,412	18,859	57,673	372,944
Total program and support services	\$ 3,232,544	\$ 1,785,238	\$ 637,097	\$ 5,654,879	\$ 1,276,003	\$ 2,505,119	\$ 9,436,001

	Program Services				General and Administrative	Fundraising	Total Expenses FY19
	Programming and Production	Program Information	Broadcasting	Total Program Services			
Salaries	\$ 1,598,364	\$ 614,973	\$ 153,971	\$ 2,367,308	\$ 702,492	\$ 1,255,794	\$ 4,325,594
Employee benefits	495,128	189,574	50,473	735,175	230,119	409,755	1,375,049
Total salaries and benefits	2,093,492	804,547	204,444	3,102,483	932,611	1,665,549	5,700,643
Travel	75,051	35,586	7,546	118,183	20,579	37,635	176,397
Supplies	99,157	324,886	101,325	525,368	22,826	56,230	604,424
Rentals	362,224	43,906	180,240	586,370	49,394	65,859	701,623
Communication	47,037	83,166	17,237	147,440	6,227	151,257	304,924
Services	450,278	280,276	21,785	752,339	2,815	341,585	1,096,739
Operations	179,642	21,775	32,267	233,684	24,497	32,662	290,843
Cost of direct benefit to donors (premiums)	-	-	-	-	-	79,454	79,454
Amortization	185,555	-	-	185,555	-	-	185,555
Depreciation	-	-	121,450	121,450	-	10,252	131,702
In-Kind	498,795	106,613	30,072	635,480	54,128	88,229	777,837
Total program and support services	\$ 3,991,231	\$ 1,700,755	\$ 716,366	\$ 6,408,352	\$ 1,113,077	\$ 2,528,712	\$ 10,050,141

**WXPN-FM RADIO STATION
 LICENSED TO THE TRUSTEES OF
 THE UNIVERSITY OF PENNSYLVANIA
 STATEMENTS OF CASH FLOWS
 For the year ended JUNE 30, 2020 AND 2019**

	2020	2019
Cash Flows from Operating Activities		
Changes in net assets	\$ 453,158	\$ (429,842)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	203,692	317,257
Bad debts	47,771	(1,891)
Present value discount	(696)	(13,703)
Changes in:		
Memberships receivable	(42,197)	(35,453)
Contributions receivable	(210,834)	320,358
Grants receivable	(106,400)	178,000
Underwriting receivables	(22,868)	53,837
Other accounts receivable, net	(4,662)	(85,097)
Prepaid expenses	(607)	15,994
Accounts payable and accrued expenses	(18,103)	17,031
Deferred rent	28,024	(56,667)
Deferred revenue	63,702	(73,508)
Net cash provided by operating activities	389,980	206,316
Cash Flows from Investing Activities		
Net increase in cash and cash equivalents held by the University of Pennsylvania	(120,063)	(24,159)
Purchases of equipment	(132,517)	(34,157)
Net cash utilized by investing activities	(252,580)	(58,316)
Cash Flows from Financing Activities		
Promotional underwriting	(37,400)	(48,000)
Repayments under note payable	(100,000)	(100,000)
Net cash utilized by financing activities	(137,400)	(148,000)
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying notes to the financial statements

WXPN-FM RADIO STATION
Licensed to the Trustees of the
University of Pennsylvania

Notes to Financial Statements
June 30, 2020 and 2019

1. Nature of Activities and Summary of Significant Accounting Policies

Organization

As the nationally recognized leader in Triple A radio, WXPN-FM Radio Station ("WXPN") is the premier guide for discovering new and significant artists in rock, blues, roots, and folk. Broadcasting from the Greater Philadelphia area, the Lehigh Valley, Lancaster/York, Harrisburg, Worton/Baltimore, Maryland, and Hackettstown, New Jersey the non-commercial, member-supported radio service of the University of Pennsylvania is committed to its members, the artists and their music, and the community.

WXPN is owned and operated by the Trustees of the University of Pennsylvania, and as a department of the University of Pennsylvania, it is exempt from federal income tax under Internal Revenue Code Section 501(c)(3).

The major sources of support and revenue are memberships, underwriting, contributions from individual corporations and private foundations, and direct and indirect support from the University of Pennsylvania ("University"). WXPN also receives grant funding primarily from the Corporation for Public Broadcasting ("CPB").

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Financial Statement Presentation

WXPN is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. Net assets with donor restrictions are subject to donor-imposed restrictions that permit WXPN to use or expend the assets as specified. The restrictions will be met either by actions of WXPN or the passage of time.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

WXPN-FM RADIO STATION
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University of Pennsylvania

Notes to Financial Statements
June 30, 2020 and 2019

Cash and Cash Equivalents Held by the University of Pennsylvania

Cash and cash equivalents held by the University of Pennsylvania are for specific use by WXPN (see Note 3).

Memberships and Contributions

WXPN receives unconditional pledges of support from its member community to support its activities. WXPN records all memberships as contributions, therefore, all membership dues are immediately recognized as revenue without donor restrictions in the period received.

WXPN has a sustainer pledge program whereby individuals pledge a monthly contribution on an ongoing basis. The revenue is recognized when the cash is received since members have no obligation to renew and can cancel their sustaining pledge at any time.

Contributions, including promises to give, memberships, and grants, are recorded with or without donor restrictions depending on the existence and/or nature of the donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without restrictions. Donor restricted contributions that are received and expended within the same fiscal year are reported as revenue and support without donor restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Conditional promises to give are recorded at fair value, which is estimated at net realizable value and discounted if expected to be collected in more than one year.

For the year ended June 30, 2020, WXPN was awarded a grant from The Pew Center for Arts & Heritage in the amount of \$360,000, of which \$108,000 is considered conditional upon satisfaction of certain project deliverables under the terms of the grant agreement.

Revenue Recognition

WXPN applies the five-step revenue model under Financial Accounting Standards Board (FASB) Accounting Standards Codifications (ASC) 606, *Revenue from Contracts with Customers* (Topic 606) to determine when revenue is earned and recognized. Topic 606 applies to exchange transactions with customers that are bound by contracts or similar arrangements, and establishes a performance obligation approach to revenue recognition.

Revenue from underwriting is recognized at a point in time when WXPN provides the on-air acknowledgment. Underwriting payments received in advance for on-air acknowledgements are recorded as deferred revenue. NPR affiliate fees are recognized at a point in time when the

WXPN-FM RADIO STATION
Licensed to the Trustees of the
University of Pennsylvania

Notes to Financial Statements
June 30, 2020 and 2019

Revenue Recognition, Continued

programs are produced and delivered under the affiliate agreement. Event revenue is recognized when the event occurs.

WXPN does not have any significant variable consideration associated with its revenue arrangements. WXPN does not have any significant financing components as payment is received when or shortly after services are billed. NPR affiliate fees are paid on a quarterly basis for performance obligations satisfied in the prior quarter.

Allowances for Doubtful Accounts

WXPN continually monitors receivables for collectability issues. An allowance for doubtful accounts for the respective receivable category is based on management's judgment and is established based on prior collection history and other pertinent factors.

Land and Equipment

Land and equipment are recorded at cost or, in the case of donated property, at its estimated fair value at the date of receipt. Depreciation on equipment is calculated on a straight-line basis over the estimated useful lives of 3 to 15 years. At the time equipment is retired or disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss on disposition is credited or charged to operations.

Repairs and maintenance costs are expensed as incurred.

Depreciation expense was \$126,367 and \$131,702 for the fiscal years ended June 30, 2020 and 2019, respectively. Accumulated depreciation was \$1,765,978 and \$1,639,612 as of June 30, 2020 and 2019, respectively.

Leasehold Improvements

WXPN's portion of the costs associated with the improvements to the historic Hajoca Building is reported as leasehold improvements. The leasehold improvements are recorded at cost and amortized over their estimated useful lives or lease period, whichever is shorter.

Amortization expense was \$77,325 and \$185,555 for the fiscal years ended June 30, 2020 and 2019, respectively. Accumulated amortization was \$3,377,145 and \$3,299,820 as of June 30, 2020 and 2019, respectively.

WXPN-FM RADIO STATION
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University of Pennsylvania

Notes to Financial Statements
June 30, 2020 and 2019

Intangible Assets

Intangible assets consist of Federal Communications Commission (FCC) licenses for both WXPJ and WXPJ. These assets have been classified as indefinite-lived intangibles. Such intangible assets are not amortized but instead are subject to annual impairment tests. WXPJ evaluates the recoverability of its intangible assets using methodologies as prescribed by GAAP. There was no impairment on these intangible assets as of June 30, 2020 and 2019.

Deferred Rent

WXPJ recognizes rent expense on a straight-line basis over the lease term. Deferred rent represents the excess of rent expense incurred over annual cash payments.

Other Gifts and In-Kind Contributions

WXPJ utilizes donated programs and other items for its program activities. Accordingly, the in-kind contributions and related expenses are reflected in the accompanying financial statements at the estimated fair market value.

The recognition of the in-kind contributions generated from artists' performance donations is calculated based on predetermined rates established by the Corporation for Public Broadcasting ("CPB"). The CPB no longer issues updated rates to adhere to internal policy changes. Effective fiscal year 2020, WXPJ management has decided to discontinue the recognition of in-kind revenue generated from performances from artists as the criteria for recognition has not been satisfied.

Direct and Indirect Support from the University of Pennsylvania

Direct support from the University of Pennsylvania consists primarily of expenses incurred by the University of Pennsylvania on behalf of WXPJ and is recorded as support and expense at cost to the University. A portion of direct support represents reimbursement of costs incurred by WXPJ for services provided to the University. Total direct support received from the University of Pennsylvania was \$22,024 and \$23,676 for the years ended June 30, 2020 and 2019, respectively.

Indirect support from the University of Pennsylvania consists of WXPJ's allocated portion of institutional support and physical plant operations and is recorded as revenue and expense at estimated fair value based upon percentage allocations within the guidelines prescribed by the CPB. Total indirect support received from the University of Pennsylvania was \$269,426 and \$601,438 for the years ended June 30, 2020 and 2019, respectively. The fluctuation between the fiscal years is attributed to the CPB's change in the calculation methodology of indirect support.

WXPN-FM RADIO STATION
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University of Pennsylvania

Notes to Financial Statements
June 30, 2020 and 2019

Income Taxes

As indicated in Note 1, WXPN is owned and operated by the Trustees of the University of Pennsylvania, and as a department of the University of Pennsylvania, it is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). However, at times, WXPN may be subject to unrelated business income tax based on its activities. No provision for income taxes has been reflected in the accompanying financial statements.

For the years ended June 30, 2020 and 2019, WXPN did not identify any uncertain tax positions taken or expected to be taken, which would require adjustment to or disclosure in the financial statements.

The University of Pennsylvania files informational returns with the Internal Revenue Service that include the activities of WXPN as a department of the University. The University is potentially subject to federal, state, and local examinations for years after June 30, 2016.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. The expenses are allocated based on actual costs incurred and estimates of time and usage.

Accounting Pronouncements Adopted

On July 1, 2019, WXPN adopted FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and, supersedes or replaces nearly all GAAP revenue recognition guidance. This standard establishes a new contract and control-based revenue recognition model, changes the basis for deciding when revenue is recognized over time or at a point in time, and expands disclosures about revenue. Topic 606 has been applied on the modified-retrospective method using the cumulative effect method on contracts existing on July 1, 2019. As part of the adoption, WXPN elected to follow the practical expedient of applying Topic 606 only to contracts that were not completed as of July 1, 2019. There was no adjustment to opening net assets as of July 1, 2019.

On July 1, 2019, WXPN adopted FASB ASU 2018-08, *Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made*, which requires that an entity evaluate whether transactions should be accounted for as contributions or as exchange transactions and determining whether a contribution is conditional. WXPN adopted ASU 2018-08 using a modified prospective application to agreements not completed as of July 1, 2019 and to agreements entered into after July 1, 2019. There was no cumulative effect of a change in accounting principle recorded related to the adoption of ASU 2018-08 on July 1, 2019.

WXPN-FM RADIO STATION
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University of Pennsylvania

Notes to Financial Statements
June 30, 2020 and 2019

Recent Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases*, (Topic 842). ASU 2016-02 improves transparency and comparability among organizations by requiring recognition of lease assets and lease liabilities in the statement of financial position, except for leases with lease terms of 12 months or less. Lease assets represent the right to use the underlying asset for the lease term, and lease liabilities represent the liability to make lease payments. Organizations are also required to disclose key information about leasing arrangements. ASU 2016-02, as amended by ASU 2020-05, is effective for WXPN's fiscal year ending June 30, 2022. WXPN is currently evaluating the potential impact of this new standard.

Subsequent Events

Subsequent events have been evaluated through November 20, 2020, the date that the financial statements were available to be issued.

2. Liquidity and Availability

In addition to WXPN's cash reserve of two million dollars held by the University of Pennsylvania and available upon request, WXPN operates with a balanced budget and anticipates collecting enough revenue to cover general expenditures.

	2020	2019
Cash and cash equivalents held by the University of Pennsylvania	\$ 2,815,330	\$ 2,695,267
Membership receivable, net	28,517	39,386
Contributions receivable, net	301,024	172,211
Grants receivable	126,400	20,000
Underwriting receivables, net	334,894	318,555
Other accounts receivable, net	105,003	114,828
	<u>3,711,168</u>	<u>3,360,247</u>
Contractual or donor-imposed restrictions	<u>(1,011,399)</u>	<u>(513,803)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,699,769</u>	<u>\$ 2,846,444</u>

WXPB-FM RADIO STATION
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University of Pennsylvania

Notes to Financial Statements
June 30, 2020 and 2019

3. Concentrations of Risks

Cash and Cash Equivalents Held by the University of Pennsylvania

Since funds are held by the University of Pennsylvania, management of WXPB is unaware of how funds are invested and is unable to determine the extent of significant credit risk to which WXPB may be exposed. Because cash and cash equivalents are held by the University of Pennsylvania, they are excluded from cash and cash equivalents on the accompanying statement of cash flows.

4. Membership and Contributions Receivable

WXPB receives unconditional promises to give to fund programming and community outreach, building expansion, and technology and strategic investments. These receivables have payments due through 2024. The Campaign for the Music receivables have been discounted at an implicit rate of interest of 1.89%. The Special Funds receivables have been discounted at implicit rates of interest between 0.16% and 1.89%.

The amount due from all donors consists of the following:

Year Ended June 30,

2021	\$	337,504
2022		130,500
2023		112,500
2024		10,000
<hr/>		
Total contributions receivable		590,504
Less: discount to net present value		(12,238)
Less: allowance for uncollectible amounts		(38,674)
<hr/>		
Net contributions receivable		539,592
Less: current portion, net of allowance and discount		329,541
<hr/>		
Non-current portion, net of allowance and discount	\$	210,051

WXPN-FM RADIO STATION
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University of Pennsylvania

Notes to Financial Statements
June 30, 2020 and 2019

5. Promotional Underwriting Liability

Under the terms of the June 2016 asset purchase agreement for WNTI (now WXPJ) station, WXPN is to provide \$500,000 of promotional underwriting to the seller of the station. The promotional underwriting will be aired in annual installments for a period of ten years through 2026.

	2020	2019
Current	\$ 64,600	\$ 52,000
Long Term	250,000	300,000
Total	\$ 314,600	\$ 352,000

6. Note Payable

During 2016, WXPN signed a note payable to the University of Pennsylvania in the amount of \$500,000. The note is payable in five annual installments in the amount of \$100,000 per year, including interest at 2.5%, through maturity in July 2021.

	2020	2019
Current	\$ 100,000	\$ 100,000
Long Term	100,000	200,000
Total	\$ 200,000	\$ 300,000

Principal maturities of the note payable for each of the years after June 30, 2020 are as follows:

Year Ending June 30,

2021	\$ 100,000
2022	\$ 100,000

WXPN-FM RADIO STATION
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University of Pennsylvania

Notes to Financial Statements
June 30, 2020 and 2019

7. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2020 and 2019 were donor restricted for the following purposes:

	2020	2019
Special programming (purpose restriction)	\$ 619,481	\$ 183,132
General operations (time restriction)	391,918	330,671
Total	\$ 1,011,399	\$ 513,803

8. Direct Support from the University of Pennsylvania

Direct support from the University of Pennsylvania for the years ended June 30, 2020 and 2019 consisted of the following:

	2020	2019
Work Study Department	\$ 6,908	\$ 8,404
Athletic Department	700	3,500
Central Gifts Department	14,416	11,772
Total	\$ 22,024	\$ 23,676

9. Other Revenue

Other revenue for the years ended June 30, 2020 and 2019, consisted of the following:

	2020	2019
NPR affiliate fees	\$ 378,676	\$ 366,977
XPHD affiliate fees	19,690	17,607
Retail sales	22,324	27,258
XPoNential Music Festival	221,288	214,939
Administrative revenue	9,541	10,797
Subsidiary Communications Authorizations (SCA) leases	21,420	20,400
World Café Licensing (Name) fee	19,800	19,800
AAA-NON COMM	9,210	94,075
Musicians on Call 5K Run	69,755	76,580
Other	23,554	57,515
Total	\$ 795,258	\$ 905,948

WXPN-FM RADIO STATION
Licensed to the Trustees of the
University of Pennsylvania

Notes to Financial Statements
June 30, 2020 and 2019

10. Retirement Plan

The University of Pennsylvania provides retirement benefits for WXPN employees through a defined contribution plan. The University's policy with respect to its contribution is to provide up to 9% of eligible employee salaries. The University's contribution amounted to \$265,179 and \$295,487 during fiscal years 2020 and 2019, respectively. These amounts are reflected in WXPN's operating expenses.

11. Commitments

Operating Lease

WXPN leased office space at the Hajoca Building located at 3025 Walnut Street, Philadelphia from a third-party under an agreement that expired in September 2019. In October 2019, the University of Pennsylvania purchased the Hajoca building. WXPN entered into a new lease agreement with the University of Pennsylvania through October 2029. Rental expense was \$532,000 and \$525,000 for the years ended June 30, 2020 and 2019, respectively.

Future minimum lease payments as of June 30, 2020 are as follows:

<i>Year Ending June 30,</i>		
2021	\$	542,640
2022	\$	553,493
2023	\$	575,705
2024	\$	592,791
2025	\$	604,647
Thereafter	\$	2,761,556

12. Operations

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The extent of COVID-19's effect on WXPN's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape. If the pandemic remains a worldwide health crisis for a sustained period of time, the disease could have a material adverse effect on WXPN's activities, results of operations, financial condition, and cash flow.