

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

Financial Statements

June 30, 2021 and 2020

**Kreischer
Miller**

PEOPLE | IDEAS | SOLUTIONS

WXPN-FM RADIO STATION

LICENSED TO THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA

June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

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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, 2021 and 2020, 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 WXPB-FM Radio Station Licensed to the Trustees of the University of Pennsylvania, as of June 30, 2021 and 2020, 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 19, 2021

**WXPB-FM RADIO STATION
 LICENSED TO THE TRUSTEES OF
 THE UNIVERSITY OF PENNSYLVANIA
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2021 AND 2020**

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents held by the University of Pennsylvania	\$ 2,973,567	\$ 2,815,330
Memberships receivable, net	14,875	28,517
Contributions receivable, net	133,864	301,024
Grants receivable	126,590	126,400
Underwriting receivables, net	359,072	334,894
Other accounts receivable, net	296,970	105,003
Prepaid expenses	17,075	12,879
Total Current Assets	3,922,013	3,724,047
Other Assets		
Memberships receivable, net	19,263	32,748
Contributions receivable, net	96,887	177,303
Land	89,095	89,095
Equipment, net of accumulated depreciation	736,129	765,472
Intangible assets	4,686,047	4,686,047
Total Other Assets	5,627,421	5,750,665
Total Assets	\$ 9,549,434	\$ 9,474,712
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 492,252	\$ 409,603
Deferred rent	98,332	42,189
Note payable	100,000	100,000
Promotional underwriting liability	108,375	64,600
Deferred revenue	119,645	217,790
Total Current Liabilities	918,604	834,182
Other Liabilities		
Note payable	50,000	100,000
Promotional underwriting liability	200,000	250,000
Total Other Liabilities	250,000	350,000
Total Liabilities	1,168,604	1,184,182
Net Assets		
Without donor restrictions	7,695,256	7,279,131
With donor restrictions	685,574	1,011,399
Total Net Assets	8,380,830	8,290,530
Total Liabilities and Net Assets	\$ 9,549,434	\$ 9,474,712

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, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Memberships and contributions	\$ 5,303,858	\$ 138,390	\$ 5,442,248
Underwriting	1,967,501	-	1,967,501
Indirect support from the University of Pennsylvania	252,055	-	252,055
Grants	555,468	256,699	812,167
Direct support from the University of Pennsylvania	14,848	-	14,848
Other revenue	524,628	-	524,628
Net assets released from restrictions			
Satisfaction of program restrictions	415,182	(415,182)	-
Expiration of time restrictions	305,732	(305,732)	-
Total Support and Revenue	9,339,272	(325,825)	9,013,447
Operating Expenses			
Program services:			
Programming and production	3,325,343	-	3,325,343
Program information	1,345,219	-	1,345,219
Broadcasting	690,902	-	690,902
Total Program Services	5,361,464	-	5,361,464
Support services:			
Membership, underwriting and grant solicitation	2,365,874	-	2,365,874
General and administrative	1,195,809	-	1,195,809
Total Support Services	3,561,683	-	3,561,683
Total Program and Support Services	8,923,147	-	8,923,147
Changes in Net Assets	416,125	(325,825)	90,300
Net Assets , beginning of year	7,279,131	1,011,399	8,290,530
Net Assets , end of year	\$ 7,695,256	\$ 685,574	\$ 8,380,830

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 FUNCTIONAL EXPENSES
June 2021 and June 2020

	Program Services				General & Administrative	Fundraising	Total Expenses FY21
	Programming & Production	Program Information	Broadcasting	Total Program Services			
Salaries & Benefits							
Salaries	\$ 1,579,644	\$ 659,464	\$ 162,246	\$ 2,401,354	\$ 729,456	\$ 1,151,008	\$ 4,281,818
Employee Benefits	480,015	194,195	50,663	724,873	224,493	356,130	1,305,496
	<u>2,059,659</u>	<u>853,659</u>	<u>212,909</u>	<u>3,126,227</u>	<u>953,949</u>	<u>1,507,138</u>	<u>5,587,314</u>
Activities							
Travel	615	48	(1,543)	(880)	430	424	(26)
Supplies	115,906	243,178	135,531	494,615	21,595	78,787	594,997
Rentals	373,760	50,967	184,330	609,057	39,641	73,619	722,317
Communication Services	13,025	8,078	20,019	41,122	2,728	133,836	177,686
Operations	390,671	112,034	9,159	511,864	129,946	357,371	999,181
Cost of Direct Benefit to Donors (premiums)	205,352	28,817	33,862	268,031	29,876	40,448	338,355
Depreciation	-	-	-	-	-	103,889	103,889
In-Kind	-	9,752	84,032	93,784	-	37,595	131,379
	<u>166,355</u>	<u>38,686</u>	<u>12,603</u>	<u>217,644</u>	<u>17,644</u>	<u>32,767</u>	<u>268,055</u>
Total Functional Expenses	<u>\$ 3,325,343</u>	<u>\$ 1,345,219</u>	<u>\$ 690,902</u>	<u>\$ 5,361,464</u>	<u>\$ 1,195,809</u>	<u>\$ 2,365,874</u>	<u>\$ 8,923,147</u>

	Program Services				General & Administrative	Fundraising	Total Expenses FY20
	Programming & Production	Program Information	Broadcasting	Total Program Services			
Salaries & Benefits							
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
	<u>2,036,885</u>	<u>867,574</u>	<u>207,266</u>	<u>3,111,725</u>	<u>950,571</u>	<u>1,686,554</u>	<u>5,748,850</u>
Activities							
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 Services	34,870	41,308	17,448	93,626	10,711	133,325	237,662
Operations	307,315	330,712	7,194	645,221	135,552	364,021	1,144,796
Cost of Direct Benefit to Donors (premiums)	120,427	16,610	20,839	157,876	81,176	23,720	262,772
Amortization	-	-	-	-	-	55,355	55,355
Depreciation	77,325	-	-	77,325	-	-	77,325
In-Kind	-	1,393	113,554	114,947	-	11,419	126,366
	<u>180,143</u>	<u>102,798</u>	<u>13,471</u>	<u>296,412</u>	<u>18,859</u>	<u>57,673</u>	<u>372,944</u>
Total Functional Expenses	<u>\$ 3,232,544</u>	<u>\$ 1,785,238</u>	<u>\$ 637,097</u>	<u>\$ 5,654,879</u>	<u>\$ 1,276,003</u>	<u>\$ 2,505,119</u>	<u>\$ 9,436,001</u>

**WXPB-FM RADIO STATION
 LICENSED TO THE TRUSTEES OF
 THE UNIVERSITY OF PENNSYLVANIA
 STATEMENTS OF CASH FLOWS
 For the years ended JUNE 30, 2021 AND 2020**

	2021	2020
Cash Flows from Operating Activities		
Changes in net assets	\$ 90,300	\$ 453,158
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	131,379	203,692
Bad debts	10,953	47,771
Present value discount	(1,009)	(696)
Changes in:		
Memberships receivable	22,165	(42,197)
Contributions receivable	257,131	(210,834)
Grants receivable	(190)	(106,400)
Underwriting receivables	(33,765)	(22,868)
Other accounts receivable, net	(196,917)	(4,662)
Prepaid expenses	(4,196)	(607)
Accounts payable and accrued expenses	82,649	(18,103)
Deferred rent	56,143	28,024
Deferred revenue	(98,145)	63,702
Net cash provided by operating activities	316,498	389,980
Cash Flows from Investing Activities		
Net increase in cash and cash equivalents held by the University of Pennsylvania	(158,237)	(120,063)
Purchases of equipment	(102,036)	(132,517)
Net cash utilized by investing activities	(260,273)	(252,580)
Cash Flows from Financing Activities		
Promotional underwriting	(6,225)	(37,400)
Repayments under note payable	(50,000)	(100,000)
Net cash utilized by financing activities	(56,225)	(137,400)
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

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

Notes to Financial Statements
June 30, 2021 and 2020

1. Nature of Activities and Summary of Significant Accounting Policies

Organization

As the nationally recognized leader in Triple A radio, WXPB-FM Radio Station ("WXPB") 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.

WXPB 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 indirect support from the University of Pennsylvania ("University"). WXPB 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

WXPB 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 WXPB to use or expend the assets as specified. The restrictions will be met either by meeting the purpose of the funding 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.

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

Notes to Financial Statements
June 30, 2021 and 2020

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 WXPB (see Note 3).

Memberships and Contributions

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

WXPB 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.

Revenue Recognition

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

WXPB-FM RADIO STATION
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University of Pennsylvania

Notes to Financial Statements
June 30, 2021 and 2020

Revenue Recognition, Continued

WXPB does not have any significant variable consideration associated with its revenue arrangements. WXPB 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

WXPB 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 recorded in the statement of activities. Repairs and maintenance costs are expensed as incurred.

Depreciation expense was \$131,379 and \$126,366 for the fiscal years ended June 30, 2021 and 2020, respectively. Accumulated depreciation was \$1,897,357 and \$1,765,978 as of June 30, 2021 and 2020, respectively.

Leasehold Improvements

WXPB'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 for the fiscal year ended June 30, 2020. Leasehold improvements were fully amortized during the fiscal year 2020 with accumulated amortization of \$4,477,145.

Intangible Assets

Intangible assets consist of Federal Communications Commission ("FCC") licenses for both WXPB 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. WXPB 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, 2021 and 2020.

**WXPB-FM RADIO STATION
Licensed to the Trustees of the
University of Pennsylvania**

**Notes to Financial Statements
June 30, 2021 and 2020**

Deferred Rent

WXPB 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

WXPB 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.

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 WXPB and is recorded as support and expense at cost to the University. A portion of direct support represents reimbursement of costs incurred by WXPB for services provided to the University. Total direct support received from the University of Pennsylvania was \$14,848 and \$22,024 for the years ended June 30, 2021 and 2020, respectively.

Indirect support from the University of Pennsylvania consists of WXPB'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 \$252,055 and \$269,426 for the years ended June 30, 2021 and 2020, respectively.

Income Taxes

As indicated in Note 1, WXPB 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, WXPB 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, 2021 and 2020, WXPB 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 WXPB as a department of the University. The University is potentially subject to federal, state, and local examinations for years after June 30, 2017.

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

Notes to Financial Statements
June 30, 2021 and 2020

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.

Commitments

During the 2021 fiscal year, WXPN committed \$275,000 for the "neXtPN: The Catalyst" project (the Project). The Project includes a digital transformation to WXPN's website, video capabilities, and technology infrastructure.

Accounting Pronouncements

Leases

In February 2016, the FASB issued Accounting Standards Update ("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, 2023. WXPN is currently evaluating the potential impact of this new standard.

In-Kind Contributions

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* which is intended to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The standard requires WXPN to present contributed nonfinancial assets as a separate line item or a separate column in the statement of activities and to disclose key information about contributed nonfinancial assets. ASU 2020-07 is effective for WXPN's fiscal year ending June 30, 2022. WXPN is currently evaluating the impact of adoption on its financial statements.

Subsequent Events

Subsequent events have been evaluated through November 19, 2021 the date that the financial statements were available to be issued.

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

Notes to Financial Statements
June 30, 2021 and 2020

2. Liquidity and Availability

In addition to WXPN's cash reserve 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.

	2021	2020
Cash and cash equivalents held by the University of Pennsylvania	\$ 2,973,567	\$ 2,815,330
Membership receivable, net	14,875	28,517
Contributions receivable, net	133,864	301,024
Grants receivable	126,590	126,400
Underwriting receivables, net	359,072	334,894
Other accounts receivable, net	296,970	105,003
	<u>3,904,938</u>	<u>3,711,168</u>
Contractual or donor-imposed restrictions	<u>(685,574)</u>	<u>(1,011,399)</u>
Financial assets available to meet cash needs for general expenditure within one year	\$ 3,219,364	\$ 2,699,769

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 WXPN is unaware of how funds are invested and is unable to determine the extent of significant credit risk to which WXPN 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 statements of cash flows.

4. Membership and Contributions Receivable

WXPN receives unconditional promises to give to fund programming and community outreach, building expansion, and technology and strategic investments. These receivables have payments due through 2025. The Operating receivables have been discounted at implicit rates of interest between 0.24% and 0.18%. The Special Funds receivables have been discounted at implicit rates of interest between 0.25% and 0.18%.

WXPN-FM RADIO STATION
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Notes to Financial Statements
June 30, 2021 and 2020

4. Membership and Contributions Receivable, Continued

The amount due from all donors consists of the following:

Year Ended June 30,

2022	\$	153,724
2023		61,508
2024		26,508
2025		61,628
<hr/>		
Total contributions receivable		303,370
Less: discount to net present value		(11,230)
Less: allowance for uncollectible amounts		(27,251)
<hr/>		
Net contributions receivable		264,889
Less: current portion, net of allowance and discount		148,739
<hr/>		
Non-current portion, net of allowance and discount	\$	116,150

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.

	2021	2020
Current	\$ 108,375	\$ 64,600
Long Term	200,000	250,000
<hr/>		
Total	\$ 308,375	\$ 314,600

WXPN-FM RADIO STATION
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University of Pennsylvania

Notes to Financial Statements
June 30, 2021 and 2020

6. Note Payable

In 2016, WXPN signed a note payable to the University of Pennsylvania in the amount of \$500,000. The note was originally payable in five annual installments in the amount of \$100,000 per year, including interest at 2.5%. During the 2021 fiscal year, the University extended the note payable through January 2023, of which \$100,000 and \$50,000 is due during the 2022 and 2023 fiscal years, respectively.

	2021	2020
Current	\$ 100,000	\$ 100,000
Long Term	50,000	100,000
Total	\$ 150,000	\$ 200,000

7. Net Assets with Donor Restrictions

Net assets with donor restrictions on June 30, 2021 and 2020 were donor restricted for the following purposes:

	2021	2020
Special programming (purpose restriction)	\$ 342,689	\$ 619,481
General operations (time restriction)	342,885	391,918
Total	\$ 685,574	\$ 1,011,399

8. Direct Support from the University of Pennsylvania

Direct support from the University of Pennsylvania for the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
Work Study Department	\$ 1,475	\$ 6,908
Athletic Department	-	700
Central Gifts Department	13,373	14,416
Total	\$ 14,848	\$ 22,024

WXPB-FM RADIO STATION
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University of Pennsylvania

Notes to Financial Statements
June 30, 2021 and 2020

9. Other Revenue:

Other revenue for the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
NPR affiliate fees	\$ 400,447	\$ 378,676
XPHD affiliate fees	19,260	19,690
Retail sales	3,439	22,324
XPoNential Music Festival	-	221,288
Subsidiary Communications Authorizations leases	21,420	21,420
World Café Name - Licensing fee	19,800	19,800
AAA NON-COMM	18,000	9,210
Musicians on Call 5K Run	38,655	69,755
Other	3,607	33,095
Total	\$ 524,628	\$ 795,258

10. Retirement Plan

The University of Pennsylvania provides retirement benefits for WXPB 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 \$310,389 and \$265,179 during fiscal years 2021 and 2020, respectively. These amounts are reflected in WXPB's operating expenses.

11. Lease Commitment

WXPB leases office space at the Hajoca Building located at 3025 Walnut Street, Philadelphia from the University of Pennsylvania through October 2029. Rental expense was \$598,783 and \$532,000 for the years ended June 30, 2021 and 2020, respectively.

Future minimum lease payments as of June 30, 2021 are as follows:

<u>Year Ending June 30,</u>		
2022	\$	553,493
2023	\$	575,705
2024	\$	592,791
2025	\$	604,647
2026	\$	616,740
Thereafter	\$	2,144,817