

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

**Financial Statements  
June 30, 2022 and 2021**

**Kreischer  
Miller**

PEOPLE | IDEAS | SOLUTIONS

**WXPN-FM RADIO STATION**

**LICENSED TO THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA**

**June 30, 2022 and 2021**

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INDEPENDENT AUDITORS' REPORT

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FINANCIAL STATEMENTS

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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

### *Opinion*

We have audited the 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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements 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, 2022 and 2021, 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.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WXPB-FM Radio Station Licensed to the Trustees of the University of Pennsylvania and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WXPN-FM Radio Station Licensed to the Trustees of the University of Pennsylvania's ability to continue as a going concern for one year after the date that the financial statements are issued.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 WXPN-FM Radio Station Licensed to the Trustees of the University of Pennsylvania's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WXPN-FM Radio Station Licensed to the Trustees of the University of Pennsylvania's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Kreischer Miller*

Horsham, Pennsylvania  
November 17, 2022

**WXPB-FM RADIO STATION  
 LICENSED TO THE TRUSTEES OF  
 THE UNIVERSITY OF PENNSYLVANIA  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2022 AND 2021**

	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents held by the University of Pennsylvania	\$ 3,637,604	\$ 2,973,567
Memberships receivable, net	13,331	14,875
Contributions receivable, net	201,386	133,864
Grants receivable	110,500	126,590
Underwriting receivables, net	352,811	359,072
Other accounts receivable, net	27,036	296,970
Prepaid expenses	10,083	17,075
<b>Total Current Assets</b>	4,352,751	3,922,013
<b>Other Assets</b>		
Memberships receivable, net	2,066	19,263
Contributions receivable, net	47,507	96,887
Land	89,095	89,095
Equipment, net of accumulated depreciation	1,032,851	736,129
Intangible Assets	4,686,047	4,686,047
<b>Total Other Assets</b>	5,857,566	5,627,421
<b>Total Assets</b>	\$ 10,210,317	\$ 9,549,434
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 461,422	\$ 492,252
Deferred rent	144,252	98,332
Note payable	50,000	100,000
Promotional underwriting liability	102,125	108,375
Deferred revenue	196,300	119,645
<b>Total Current Liabilities</b>	954,099	918,604
<b>Other Liabilities</b>		
Note payable	-	50,000
Promotional underwriting liability	150,000	200,000
<b>Total Other Liabilities</b>	150,000	250,000
<b>Total Liabilities</b>	1,104,099	1,168,604
<b>Net Assets</b>		
Without donor restrictions	8,482,813	7,695,256
With donor restrictions	623,405	685,574
<b>Total Net Assets</b>	9,106,218	8,380,830
<b>Total Liabilities and Net Assets</b>	\$ 10,210,317	\$ 9,549,434

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, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>			
Memberships and contributions	\$ 5,244,095	\$ 239,868	\$ 5,483,963
Underwriting	3,266,802	-	3,266,802
Grants	296,270	292,950	589,220
Indirect support from the University of Pennsylvania	261,398	-	261,398
Resource transfer from the University of Pennsylvania	173,441	-	173,441
Direct support from the University of Pennsylvania	14,052	-	14,052
Other revenue	744,333	-	744,333
Net assets released from restrictions			
Satisfaction of program restrictions	313,556	(313,556)	-
Expiration of time restrictions	281,431	(281,431)	-
<b>Total Support and Revenue</b>	<b>10,595,378</b>	<b>(62,169)</b>	<b>10,533,209</b>
<b>Operating Expenses</b>			
Program services:			
Programming and production	3,380,298	-	3,380,298
Program information	1,774,234	-	1,774,234
Broadcasting	733,839	-	733,839
<b>Total Program Services</b>	<b>5,888,371</b>	<b>-</b>	<b>5,888,371</b>
Support services:			
Membership, underwriting and grant solicitation	2,620,076	-	2,620,076
General and administrative	1,299,374	-	1,299,374
<b>Total Support Services</b>	<b>3,919,450</b>	<b>-</b>	<b>3,919,450</b>
<b>Total Program and Support Services</b>	<b>9,807,821</b>	<b>-</b>	<b>9,807,821</b>
<b>Changes in Net Assets</b>	<b>787,557</b>	<b>(62,169)</b>	<b>725,388</b>
<b>Net Assets, beginning of year</b>	<b>7,695,256</b>	<b>685,574</b>	<b>8,380,830</b>
<b>Net Assets, end of year</b>	<b>\$ 8,482,813</b>	<b>\$ 623,405</b>	<b>\$ 9,106,218</b>

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
<b>Support and Revenue</b>			
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)	-
<b>Total Support and Revenue</b>	<b>9,339,272</b>	<b>(325,825)</b>	<b>9,013,447</b>
<b>Operating Expenses</b>			
Program services:			
Programming and production	3,325,343	-	3,325,343
Program information	1,345,219	-	1,345,219
Broadcasting	690,902	-	690,902
<b>Total Program Services</b>	<b>5,361,464</b>	<b>-</b>	<b>5,361,464</b>
Support services:			
Membership, underwriting and grant solicitation	2,365,874	-	2,365,874
General and administrative	1,195,809	-	1,195,809
<b>Total Support Services</b>	<b>3,561,683</b>	<b>-</b>	<b>3,561,683</b>
<b>Total Program and Support Services</b>	<b>8,923,147</b>	<b>-</b>	<b>8,923,147</b>
<b>Changes in Net Assets</b>	<b>416,125</b>	<b>(325,825)</b>	<b>90,300</b>
<b>Net Assets, beginning of year</b>	<b>7,279,131</b>	<b>1,011,399</b>	<b>8,290,530</b>
<b>Net Assets, end of year</b>	<b>\$ 7,695,256</b>	<b>\$ 685,574</b>	<b>\$ 8,380,830</b>

See accompanying notes to the financial statements



**WXPN-FM RADIO STATION**  
**LICENSED TO THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>Program Services</b>				General & Administrative	Fundraising	Total Expenses FYE 22
	Programming & Production	Program Information	Broadcasting	Total Program Services			
<b>Salaries &amp; Benefits</b>							
Salaries	\$ 1,496,561	\$ 666,225	\$ 165,937	\$ 2,328,723	\$ 750,604	\$ 1,383,518	\$ 4,462,845
Employee Benefits	472,788	200,536	53,818	727,142	240,680	441,728	1,409,550
	<u>1,969,349</u>	<u>866,761</u>	<u>219,755</u>	<u>3,055,865</u>	<u>991,284</u>	<u>1,825,246</u>	<u>5,872,395</u>
<b>Activities</b>							
Travel	67,677	33,174	8,361	109,212	8,973	16,762	134,947
Supplies	128,592	338,434	125,607	592,633	23,902	78,816	695,351
Rentals	382,744	52,192	207,782	642,718	40,594	75,389	758,701
Communication	26,811	32,243	24,669	83,723	2,212	100,624	186,559
Services	510,623	324,311	5,990	840,924	192,709	381,864	1,415,497
Operations	121,979	17,861	14,557	154,397	21,403	24,026	199,826
Cost of Direct Benefit to Donors (premiums)	-	-	-	-	-	70,607	70,607
Depreciation	-	46,322	114,048	160,370	-	12,760	173,130
In-Kind	172,523	62,936	13,070	248,529	18,297	33,982	300,808
	<u>1,969,349</u>	<u>866,761</u>	<u>219,755</u>	<u>3,055,865</u>	<u>991,284</u>	<u>1,825,246</u>	<u>5,872,395</u>
<b>Total Functional Expenses</b>	<b>\$ 3,380,298</b>	<b>\$ 1,774,234</b>	<b>\$ 733,839</b>	<b>\$ 5,888,371</b>	<b>\$ 1,299,374</b>	<b>\$ 2,620,076</b>	<b>\$ 9,807,821</b>

	<b>Program Services</b>				General & Administrative	Fundraising	Total Expenses FYE 21
	Programming & Production	Program Information	Broadcasting	Total Program Services			
<b>Salaries &amp; Benefits</b>							
Salaries	\$ 1,579,644	\$ 659,464	\$ 162,246	\$ 2,401,353	\$ 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>
<b>Activities</b>							
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	13,025	8,078	20,019	41,122	2,728	133,836	177,686
Services	390,671	112,034	9,159	511,864	129,946	357,371	999,181
Operations	205,352	28,817	33,862	268,031	29,876	40,448	338,355
Cost of Direct Benefit to Donors (premiums)	-	-	-	-	-	103,889	103,889
Depreciation	-	9,752	84,032	93,784	-	37,595	131,379
In-Kind	166,355	38,686	12,603	217,644	17,644	32,767	268,055
	<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>
<b>Total Functional Expenses</b>	<b>\$ 3,325,344</b>	<b>\$ 1,345,219</b>	<b>\$ 690,902</b>	<b>\$ 5,361,464</b>	<b>\$ 1,195,809</b>	<b>\$ 2,365,874</b>	<b>\$ 8,923,147</b>

See accompanying notes to the financial statements

**WXPB-FM RADIO STATION  
 LICENSED TO THE TRUSTEES OF  
 THE UNIVERSITY OF PENNSYLVANIA  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 725,388	\$ 90,300
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	173,130	131,379
Bad debts	88,931	10,953
Present value discount	(890)	(1,009)
Changes in:		
Memberships receivable	9,605	22,165
Contributions receivable	(14,673)	257,131
Grants receivable	16,090	(190)
Underwriting receivables	(49,402)	(33,765)
Other accounts receivable, net	243,223	(196,917)
Prepaid expenses	6,993	(4,196)
Accounts payable and accrued expenses	(30,830)	82,649
Deferred rent	45,920	56,143
Deferred revenue	76,655	(98,145)
<b>Net cash provided by operating activities</b>	<b>1,290,140</b>	<b>316,498</b>
<b>Cash Flows from Investing Activities</b>		
Net increase in cash and cash equivalents held by the University of Pennsylvania	(664,037)	(158,237)
Purchases of equipment	(469,853)	(102,036)
<b>Net cash utilized by investing activities</b>	<b>(1,133,890)</b>	<b>(260,273)</b>
<b>Cash Flows from Financing Activities</b>		
Promotional underwriting	(56,250)	(6,225)
Repayments under note payable	(100,000)	(50,000)
<b>Net cash utilized by financing activities</b>	<b>(156,250)</b>	<b>(56,225)</b>
<b>Cash, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to the financial statements

**WXPN-FM RADIO STATION**  
**Licensed to the Trustees of the**  
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**Notes to Financial Statements**  
**June 30, 2022 and 2021**

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## **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 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 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.

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**Notes to Financial Statements**  
**June 30, 2022 and 2021**

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*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.

*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 programs are produced and delivered under the affiliate agreement. Event revenue is recognized when the event occurs. As of July 1, 2020, underwriting receivables, net, were \$334,894 and deferred revenue for payments received in advance was \$120,540.

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**Notes to Financial Statements  
June 30, 2022 and 2021**

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*Revenue Recognition, Continued*

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 \$173,130 and \$131,379 for the fiscal years ended June 30, 2022, and 2021, respectively. Accumulated depreciation was \$2,070,487 and \$1,897,357 as of June 30, 2022, and 2021, 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.

Leasehold improvements have been fully amortized with accumulated amortization of \$3,377,145.

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**Notes to Financial Statements**  
**June 30, 2022 and 2021**

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*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, 2022, and 2021.

*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 services and other items, including the direct and indirect support from the University of Pennsylvania, 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 WXPJ and is recorded as support and expense at cost to the University. Total direct support received from the University of Pennsylvania was \$14,052 and \$14,848 for the years ended June 30, 2022, and 2021, respectively.

During fiscal year ended June 30, 2022, the University of Pennsylvania provided additional financial support to WXPJ in the form of a conditional contribution to fund future capital expenditures. WXPJ has up to \$350,000 to spend through June 30, 2025. For the year ended June 30, 2022, WXPJ recognized revenue of \$173,440 for capital expenditures incurred.

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 \$261,398 and \$252,055 for the years ended June 30, 2022, and 2021, respectively.

**WXPN-FM RADIO STATION  
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**Notes to Financial Statements  
June 30, 2022 and 2021**

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*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 year ended June 30, 2022, 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, 2018.

*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 Pronouncement Adopted*

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures 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 required 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. WXPN adopted ASU 2020-07 with an initial application date of July 1, 2020 using the retrospective method.

**WXPN-FM RADIO STATION**  
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**Notes to Financial Statements**  
**June 30, 2022 and 2021**

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*Accounting Pronouncement Not Yet Adopted*

*Leases*

In February 2016, the FASB issued ASU 2016-02, *Leases*, (Topic842). 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

*Subsequent Events*

Subsequent events have been evaluated through November 17, 2022 the date that the financial statements were available to be issued.

**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.

	2022	2021
Cash and cash equivalents held by the University of Pennsylvania	\$ 3,637,604	\$ 2,973,567
Membership receivable, net	13,331	14,875
Contribution's receivable, net	201,386	133,864
Grants receivable	110,500	126,590
Underwriting receivables, net	352,811	359,072
Other accounts receivable, net	27,036	296,970
	<hr/> 4,342,668	<hr/> 3,904,938
Contractual or donor-imposed restrictions	<hr/> (623,405)	<hr/> (685,574)
Financial assets available to meet cash needs for general expenditure within one year	<hr/> \$3,719,263	<hr/> \$ 3,219,364



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### **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 statements 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 2026. Operating receivables have been discounted at an implicit rate of interest of 0.24%. The Special Funds receivables have been discounted at implicit rates of interest between 0.24% and 1.89%.

The amount due from all donors consists of the following:

Year Ended June 30,

2023	\$	224,278
2024		20,114
2025		12,500
2026		45,094
Total contributions receivable		301,986
Less: discount to net present value		(10,340)
Less: allowance for uncollectible amounts		(27,356)
Net contributions receivable		264,290
Less: current portion, net of allowance and discount		214,717
Non-current portion, net of allowance and discount		\$ 49,573

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**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.

	2022	2021
Current	\$ 102,125	\$ 108,375
Long Term	150,000	200,000
Total	\$ 252,125	\$ 308,675

**6. Note Payable**

In 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%. During 2021, the University extended the maturity date of the note payable to January 2023.

	2022	2021
Current	\$ 50,000	\$ 100,000
Long Term	-	50,000
Total	\$ 50,000	\$ 150,000

**7. Net Assets with Donor Restrictions**

Net assets with donor restrictions on June 30, 2022 and 2021 were donor restricted for the following purposes:

	2022	2021
Special programming (purpose restriction)	\$ 264,001	\$ 342,689
General operations (time restriction)	359,404	342,885
Total	\$ 623,405	\$ 685,574

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**8. Direct Support from the University of Pennsylvania**

Direct support from the University of Pennsylvania for the years ended June 30, 2022, and 2021 consisted of the following:

	2022	2021
Work Study Department	\$ 691	\$ 1,475
Central Gifts Department	13,361	13,373
<b>Total</b>	<b>\$ 14,052</b>	<b>\$ 14,848</b>

**9. Other Revenue**

Other revenue for the years ended June 30, 2022, and 2021, consisted of the following:

	2022	2021
NPR affiliate fees	\$ 393,307	\$ 400,447
XPHD affiliate fees	17,640	19,260
Retail sales	16,920	3,439
XPoNential Music Festival	150,989	-
Subsidiary Communications Authorizations leases	21,420	21,420
World Café Name - Licensing fee	-	19,800
AAA Non-Comm	83,680	18,000
Musicians on Call 5K Run	31,882	38,655
Black Music City	21,312	-
Other	7,183	3,607
<b>Total</b>	<b>\$ 744,333</b>	<b>\$ 524,628</b>

**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 \$297,038 and \$310,389 during fiscal years 2022 and 2021, respectively. These amounts are reflected in WXPN's operating expenses.

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**11. Commitments**

*Operating Lease*

WXPN leases office space at the Hajoca Building located at 3025 Walnut Street, Philadelphia. WXPN entered into a lease agreement with the University of Pennsylvania through October 2029. Rental expense was \$598,783 for each of the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments as of June 30, 2022 are as follows:

Year Ending June 30,		
2023	\$	575,705
2024	\$	592,791
2025	\$	604,647
2026	\$	616,740
2027	\$	629,074
Thereafter	\$	1,515,743