

# **TEMPLE UNIVERSITY WRTI-FM**

Financial Statements as of and for the Years Ended June 30,  
2025 and 2024, and Independent Auditor's Report



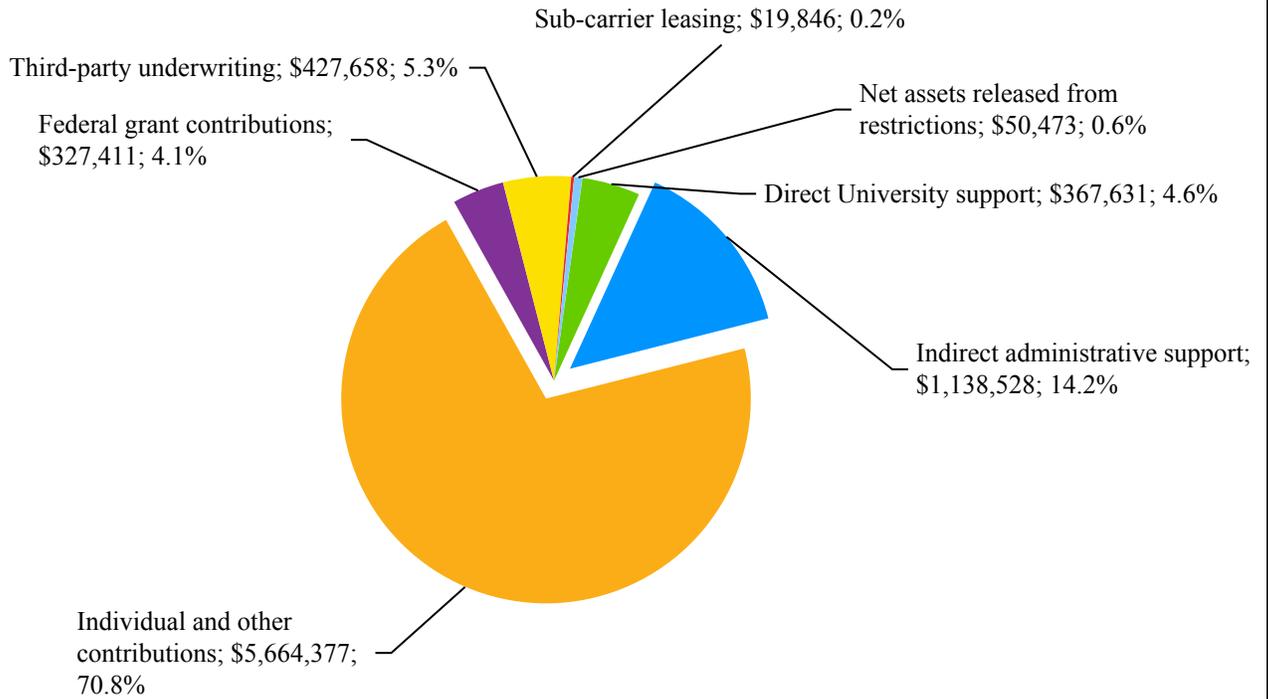
# TEMPLE UNIVERSITY WRTI-FM

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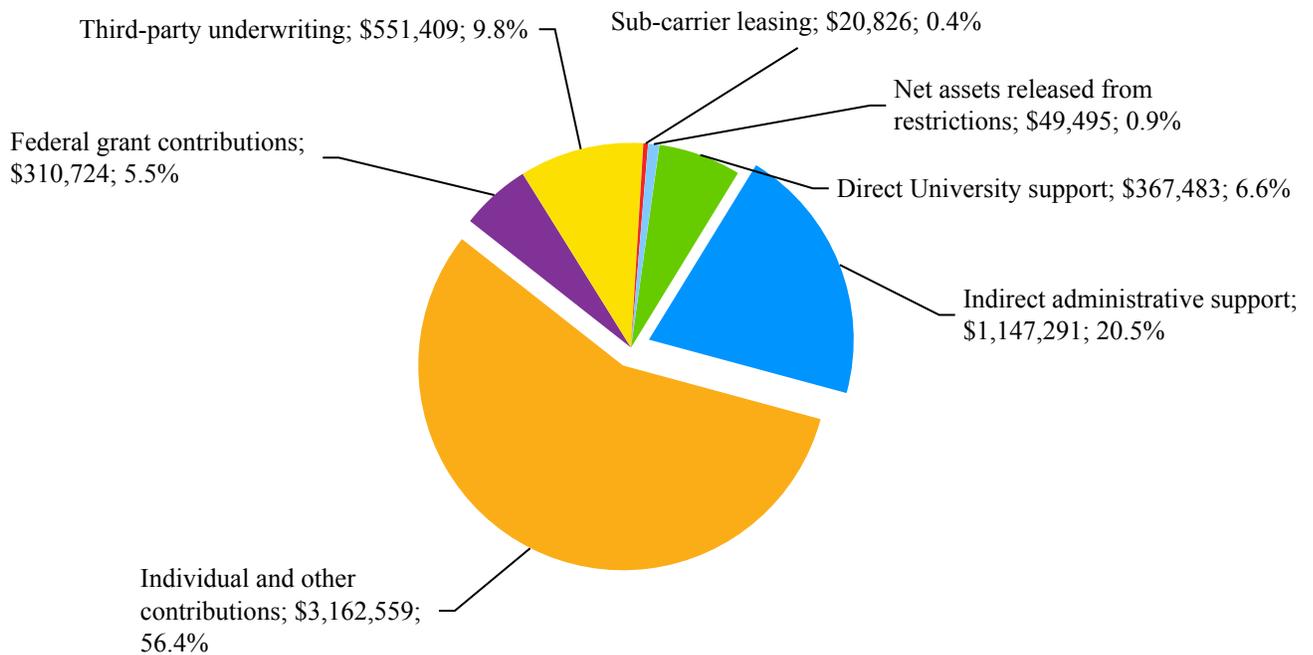
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**TEMPLE UNIVERSITY WRTI-FM**  
Revenues Without Donor Restrictions by Source

**Fiscal 2025 Revenues Without Donor Restrictions by Source: \$7,995,924**

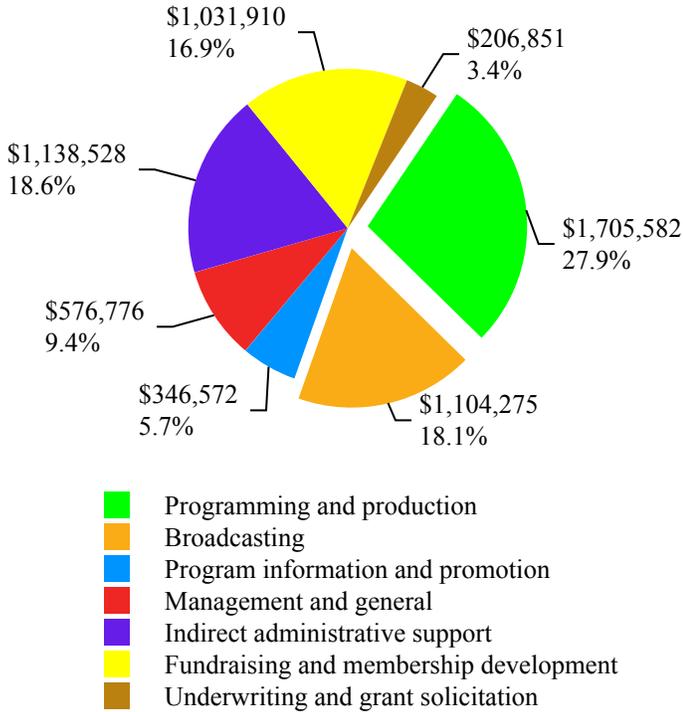


**Fiscal 2024 Revenues Without Donor Restrictions by Source: \$5,609,787**

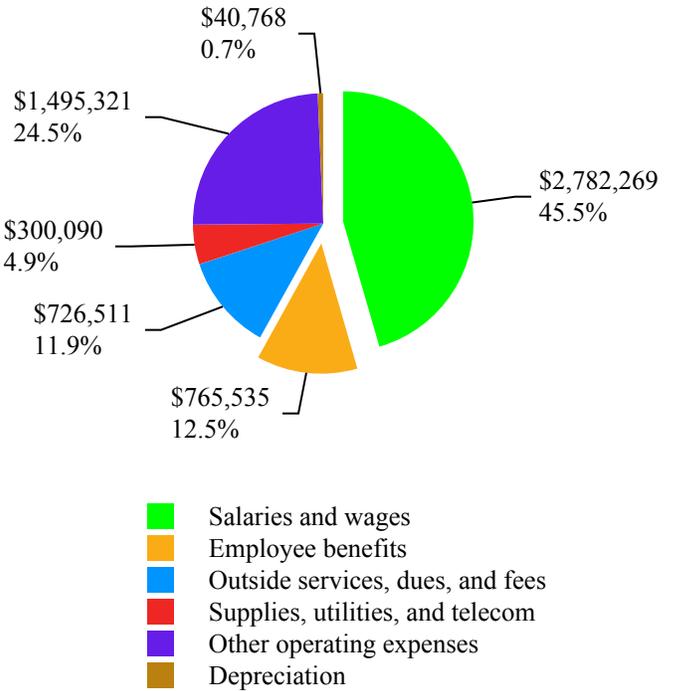


**TEMPLE UNIVERSITY WRTI-FM**  
 Operating Expenses by Function and Natural Expense Type

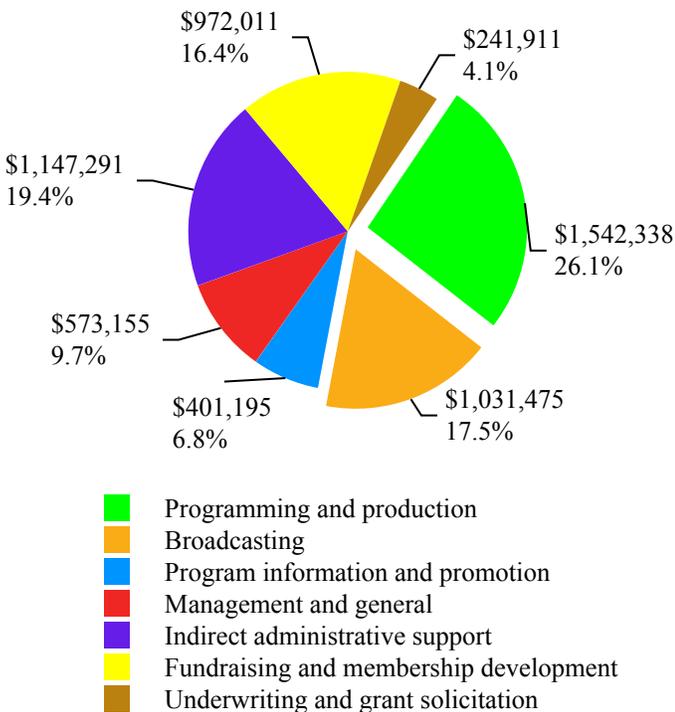
**Fiscal 2025 Operating Expenses by Function: \$6,110,494**



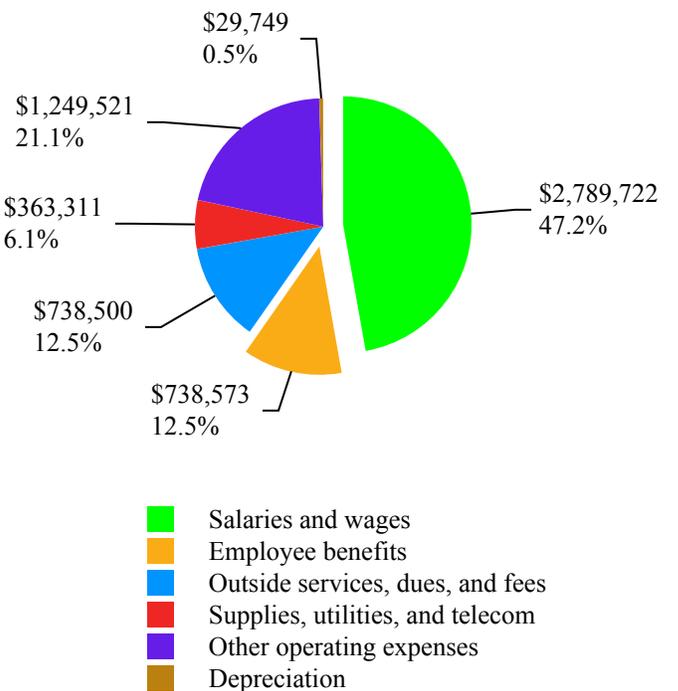
**Fiscal 2025 Operating Expenses by Natural Expense Type: \$6,110,494**



**Fiscal 2024 Operating Expenses by Function: \$5,909,376**



**Fiscal 2024 Operating Expenses by Natural Expense Type: \$5,909,376**



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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Temple University

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Temple University WRTI-FM, which comprise the statements of financial position as of June 30, 2025 and 2024, the related statements of activities 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 Temple University WRTI-FM as of June 30, 2025 and 2024 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Temple University WRTI-FM 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.

#### *Emphasis of Matter*

As described in Notes 1 and 2, the Station is operated by Temple University - of The Commonwealth System of Higher Education (the University). The accounts included in the financial statements only present the financial activity of the Station that is operated by the University.

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### ***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 Temple University WRTI-FM's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's 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 auditor's 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 Temple University WRTI-FM'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.



## MITCHELL TITUS

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Temple University WRTI-FM'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.

### **Other Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The summary of statements of activities for the years ended June 30, 2025 and 2024, as described in the table of contents and presented on pages i and ii, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Mitchell Titus, LLP*

March 5, 2026

**TEMPLE UNIVERSITY WRTI-FM**  
Statements of Financial Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<b>Assets:</b>		
<b>Current assets:</b>		
Cash	\$ 2,885,239	\$ 1,017,104
Accounts and contributions receivable	68,241	50,701
Less: Allowance for doubtful accounts	(27,690)	(16,859)
Accounts and contributions receivable, net	<u>40,551</u>	<u>33,842</u>
<b>Total current assets:</b>	<u>2,925,790</u>	<u>1,050,946</u>
<b>Non-current assets:</b>		
Endowment investments	1,409,812	1,273,898
Operating lease right-of-use assets	822,947	748,169
Equipment	3,453,397	3,496,250
Less: Accumulated depreciation	(3,328,382)	(3,406,900)
Equipment, net	<u>125,015</u>	<u>89,350</u>
<b>Total non-current assets</b>	<u>2,357,774</u>	<u>2,111,417</u>
<b>Total assets</b>	<u>\$ 5,283,564</u>	<u>\$ 3,162,363</u>
<b>Liabilities and net assets:</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 401,923	\$ 365,250
<b>Total current liabilities</b>	401,923	365,250
<b>Non-current liabilities:</b>		
Operating lease liabilities	642,622	579,438
<b>Total non-current liabilities</b>	<u>642,622</u>	<u>579,438</u>
<b>Total liabilities</b>	<u>1,044,545</u>	<u>944,688</u>
<b>Net assets</b>		
Without donor restrictions	2,829,207	943,777
With donor restrictions	1,409,812	1,273,898
<b>Total net assets</b>	<u>4,239,019</u>	<u>2,217,675</u>
<b>Total liabilities and net assets</b>	<u>\$ 5,283,564</u>	<u>\$ 3,162,363</u>

See accompanying notes to financial statements.

**TEMPLE UNIVERSITY WRTI-FM**

Statement of Activities  
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue:</b>			
Direct University support	\$ 367,631	\$ —	\$ 367,631
Indirect administrative support	1,138,528	—	1,138,528
Individual and other contributions	5,664,377	—	5,664,377
Federal grant contributions	327,411	—	327,411
Third-party underwriting	427,658	—	427,658
Sub-carrier leasing	19,846	—	19,846
Investment income, net	—	186,387	186,387
Net assets released from restrictions	50,473	(50,473)	—
<b>Total revenue</b>	<b>7,995,924</b>	<b>135,914</b>	<b>8,131,838</b>
<b>Expenses:</b>			
Program services:			
Programming and production	1,705,582	—	1,705,582
Broadcasting	1,104,275	—	1,104,275
Program information and promotion	346,572	—	346,572
<b>Total program services</b>	<b>3,156,429</b>	<b>—</b>	<b>3,156,429</b>
Support services:			
Management and general	576,776	—	576,776
Indirect administrative support	1,138,528	—	1,138,528
Fundraising and membership development	1,031,910	—	1,031,910
Underwriting and grant solicitation	206,851	—	206,851
<b>Total support services</b>	<b>2,954,065</b>	<b>—</b>	<b>2,954,065</b>
<b>Total expenses</b>	<b>6,110,494</b>	<b>—</b>	<b>6,110,494</b>
<b>Change in net assets</b>	<b>1,885,430</b>	<b>135,914</b>	<b>2,021,344</b>
<b>Net assets, beginning of year</b>	<b>943,777</b>	<b>1,273,898</b>	<b>2,217,675</b>
<b>Net assets, end of year</b>	<b>\$ 2,829,207</b>	<b>\$ 1,409,812</b>	<b>\$ 4,239,019</b>

See accompanying notes to financial statements.

**TEMPLE UNIVERSITY WRTI-FM**

Statement of Activities  
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue:</b>			
Direct University support	\$ 367,483	\$ —	\$ 367,483
Indirect administrative support	1,147,291	—	1,147,291
Individual and other contributions	3,162,559	—	3,162,559
Federal grant contributions	310,724	—	310,724
Third-party underwriting	551,409	—	551,409
Sub-carrier leasing	20,826	—	20,826
Investment income, net	—	144,036	144,036
Net assets released from restrictions	49,495	(49,495)	—
<b>Total revenue</b>	<b>5,609,787</b>	<b>94,541</b>	<b>5,704,328</b>
<b>Expenses:</b>			
Program services:			
Programming and production	1,542,338	—	1,542,338
Broadcasting	1,031,475	—	1,031,475
Program information and promotion	401,195	—	401,195
<b>Total program services</b>	<b>2,975,008</b>	<b>—</b>	<b>2,975,008</b>
Support services:			
Management and general	573,155	—	573,155
Indirect administrative support	1,147,291	—	1,147,291
Fundraising and membership development	972,011	—	972,011
Underwriting and grant solicitation	241,911	—	241,911
<b>Total support services</b>	<b>2,934,368</b>	<b>—</b>	<b>2,934,368</b>
<b>Total expenses</b>	<b>5,909,376</b>	<b>—</b>	<b>5,909,376</b>
<b>Change in net assets</b>	<b>(299,589)</b>	<b>94,541</b>	<b>(205,048)</b>
<b>Net assets, beginning of year</b>	<b>1,243,366</b>	<b>1,179,357</b>	<b>2,422,723</b>
<b>Net assets, end of year</b>	<b>\$ 943,777</b>	<b>\$ 1,273,898</b>	<b>\$ 2,217,675</b>

See accompanying notes to financial statements.

**TEMPLE UNIVERSITY WRTI-FM**  
 Statements of Cash Flows  
 For the Years Ended June 30, 2025 and 2024

	<b>Year Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 2,021,344	\$ (205,048)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation	40,768	29,749
Realized and unrealized (gain) on investments, net	(185,321)	(141,644)
Contributions and investment income restricted for endowment	(4,902)	(5,804)
Changes in operating assets and liabilities:		
Accounts receivable	(6,709)	13,557
Accounts payable, accrued expenses and other liabilities	16,712	(20,314)
Net change in operating lease right of use assets and liabilities	8,367	(6,222)
Net cash used in operating activities	<u>1,890,259</u>	<u>(335,726)</u>
<b>Cash flows from investing activities:</b>		
Purchases of investments restricted for endowment	(245,940)	(185,913)
Sales of investments restricted for endowment	316,455	182,752
Net change in short-term investments restricted for endowment	(21,107)	50,264
Purchase of equipment	(76,434)	(28,920)
Net cash provided by investing activities	<u>(27,026)</u>	<u>18,183</u>
<b>Cash flows from financing activities:</b>		
Proceeds from contributions and investment income restricted for endowment	4,902	5,804
Net cash provided by financing activities	<u>4,902</u>	<u>5,804</u>
Net change in cash	1,868,135	(311,739)
Cash, beginning of year	1,017,104	1,328,843
Cash, end of year	<u>\$ 2,885,239</u>	<u>\$ 1,017,104</u>

See accompanying notes to financial statements.

# TEMPLE UNIVERSITY WRTI-FM

## Notes to Financial Statements

June 30, 2025 and 2024

### 1. Organization

WRTI-FM (the "Station") is a member-supported public radio station. The Station's programming is music-intensive, primarily broadcasting classical and jazz content along with other arts and cultural programming. The Station is operated by Temple University — Of The Commonwealth System of Higher Education (the "University").

### 2. Summary of Significant Accounting Policies

**Basis of Presentation** — The financial statements and accompanying notes have been prepared in United States ("U.S.") dollars and in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for not-for-profit organizations. The accounts included in the financial statements only present the financial activity of the Station, that is operated by the University.

The Station's financial statements are presented such that net assets, revenues, gains, expenses, and losses are classified as net assets without donor restrictions or net assets with donor restrictions based on the existence or absence of donor-imposed restrictions as follows:

*Net Assets without Donor Restrictions:* Net assets not subject to donor-imposed restrictions. These net assets may be designated for specific purposes by action of the Station or may otherwise be limited by contractual agreements with outside parties. The Station reports donor-restricted support whose restrictions are met in the same reporting period as support within *Net assets without donor restrictions*. All expenses from operations are reported as a reduction of *Net assets without donor restrictions*, since the use of restricted contributions in accordance with donors' stipulations results in the release of the restriction.

*Net Assets with Donor Restrictions* — Net assets subject to donor-imposed restrictions, which are donor stipulations that specify a use for a contributed asset that is more specific than broad limits resulting from the following: a) the nature of the not-for-profit entity, b) the environment in which it operates and c) the purposes specified in its articles of incorporation or bylaws or comparable documents. Net assets subject to donor-imposed restrictions include contributions for which donor-imposed restrictions have not been met and donor restricted endowment funds.

The Station reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to *Net assets without donor restrictions* and reported in the statements of activities as *Net assets released from restriction*.

**Accounts and Contributions Receivable** — Accounts and contributions receivable are reported at their net realizable value. The allowance for doubtful accounts is based upon management's judgment including such factors as collection history, type of receivable, and periodic assessment of collectibility of individual accounts. The Station writes-off receivables when they are determined to be uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts. The Station does not accrue interest on these amounts.

**Endowment Investments** — The Station's endowment funds are invested and managed by the University. The value of the Station's endowment represents donor restricted contributions, plus accumulated investment earnings thereon (net of expenses), from pooled investment funds managed by the University. Shares assigned to the Station's endowment funds have a unit value which is based upon the fair value of the net investment

assets in the pooled fund(s) divided by the total number of unit shares outstanding. The University allocates earnings of the pool, net of related expenses, to each endowment fund based upon the number of unit shares owned in relation to the total outstanding shares as of the effective date of the allocation. The University reports investments in the pool including debt and equity securities at fair value. The University also invests in various limited partnerships, hedge funds, and other investment funds whose fair value is measured at net asset value per share as determined by the respective fund managers and financial information provided by the investment entities. This financial information includes assumptions and methods that are reviewed by the University. Because these investments are not readily marketable, the estimated fair values are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market existed, and such differences could be material.

The University categorizes its assets and liabilities measured at fair value into a three-level hierarchy, based on the priority of the inputs to the respective valuation techniques, with assets that are measured using the net asset value per share practical expedient being excluded from the fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset's or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The University's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels (see Note 4).

The carrying values of short-term assets and liabilities, accounts receivable, and accounts payable, approximate their fair values. Endowment investments are carried at their estimated fair value (see Notes 4 and 5). Considerable judgment is necessary to interpret market data and develop estimated fair values. Accordingly, the estimates presented are not necessarily indicative of the amounts at which these instruments could be purchased, sold, or settled.

The University has adopted, for endowments (including the Station's endowments) and funds designated by the board of trustees to be invested as endowments, a spending rule based on a percentage of the fair value of such investments, computed as a moving average over the past twelve quarters. For these investments, the spending rule amount is reported as *Investment income, net* in revenues. (see Note 5).

Investments, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

**Equipment** — Equipment is recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to twenty years. Equipment with a unit cost of \$5,000 or greater is capitalized. There were no losses on disposals for fiscal years 2025 and 2024.

**Long-Lived Assets** — The Station reviews long-lived assets, such as property, plant, and equipment, for impairment whenever events or changes indicate that the carrying value of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to their expected undiscounted future cash flows. If such assets are considered to be impaired, the impairment is measured by the amount the carrying value exceeds the fair value of the assets. No impairment of long-lived assets occurred in 2025 or 2024.

**Leases** — The Station determines if an arrangement is a lease at inception. A contract is or contains a lease if the contract conveys the right to control and obtain substantially all of the economic benefits from an identified asset, and provides the Station with the right to direct the use of the identified asset for a period of

time in exchange for consideration. Operating leases are included in *Operating lease right-of-use assets*, *Operating lease liabilities (non-current)*, and *Accounts payable and accrued expenses (current)*. Operating lease right-of-use (“ROU”) assets represent the Station's right to use an underlying asset for the lease term. Operating lease liabilities represent the Station's obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. If a lease agreement does not provide an implicit rate, based on the information available at the commencement date, the Station uses its incremental borrowing rate in determining the present value of lease payments. The rates implicit on the Station's leases were not readily available and, as such, the Station used the incremental borrowing rate when measuring all leases. The Station determines its incremental borrowing rate based on the approximate rate at which the University would borrow, on a collateralized basis over a similar term. The determination of the incremental borrowing rate includes numerous assumptions such as credit standing, lease term, amount of borrowing, and location of leased assets. Certain leases (primarily radio towers) include options to extend or terminate agreements (see Note 3). Options to extend or terminate the lease are considered in determining the lease term only when it is reasonably certain that the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Station elected the practical expedient that allows lessees to choose not to separate lease and non-lease components and is applying this expedient to all leases. Additionally, the Station elected to not recognize lease assets and lease liabilities for all leases with a term of 12 months or less; such lease payments are recognized as expense on a straight-line basis over the lease term. The Station's operating leases are primarily for radio towers.

**Indirect Administrative Support** — Indirect administrative support consists of donated facilities, services, and administrative support from the University. Indirect administrative support is recorded as revenue and as a support services expense in the period in which the support was received. Donated facilities from the University consist of office and studio space. The cost of donated facilities is measured in accordance with valuation guidelines established by the Corporation for Public Broadcasting. Administrative support charges are calculated based on administrative overhead charges as reported in the licensee’s audited financial statements for the fiscal years ended June 30, 2025 and 2024. It is the opinion of management that the amounts provided in these financial statements provide a reasonable basis for estimating this charge and are in accordance with standards established in the Corporation for Public Broadcasting Financial Reporting Guidelines.

**Third-party Underwriting** — Third-party underwriting represents regulated on-air announcement services provided by the Station for various companies and non-profit organizations. Underwriting revenues may be provided directly or indirectly to the Station. For those provided indirectly, the Station must constructively receive the revenues. The Station recognizes the revenue in accordance with standards established in the Corporation for Public Broadcasting Financial Reporting Guidelines..

**Functional Allocation of Expenses** — The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited, based on total personnel costs or other systematic bases (See Note 7).

**Income Tax Status** — The Station is operated by the University and, therefore, is included in the University’s tax returns for tax reporting purposes under Section 501(c)(3) of the Internal Revenue Code. The University files U.S. federal, state, and local information returns and no returns are currently under examination. The statute of limitations on the University's U.S. federal information returns remains open for three years following the year they are filed.

U.S. GAAP requires that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. The University does not believe the Station's financial statements include any uncertain tax positions that would require disclosure.

**Use of Estimates** — The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expense during the reported periods. Actual results could differ materially from those estimates.

**Recently Issued Accounting Pronouncements** — Recently issued accounting pronouncements that are applicable to the Station's financial statements are as follows:

Standard	Description	Adoption
<b>Standards that were adopted during fiscal years 2025 and 2024:</b>		
<p>Financial Instruments- Credit Losses (Topic 326) Troubled Debt Restructurings and Vintage Disclosures</p> <p>ASU 2022-02 (Topic 326)</p>	<p>Creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of activities as the amounts expected to be collected change. The new standard did not have a material impact on the Station's financial statements.</p>	<p>July 1, 2023 (interim and annual periods)</p> <p>Prospective or modified retrospective application</p>
<b>Standards issued, but not yet adopted</b>		
<p>Financial Instruments - Credit Losses</p> <p>ASU 2025-05 Financial Instruments — Credit Losses: Measurement of Credit Losses for Accounts Receivable and Contract Assets. (Topic 326)</p>	<p>In July 2025, the FASB issued ASU 2025-05, <i>Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets</i>. The new guidance provides targeted relief to simplify the application of the CECL model for certain receivables.</p> <p>The standard introduces two key changes: a practical expedient and an accounting policy election: i) <b>Practical Expedient</b>: provision allows all entities to assume that current economic conditions as of the balance sheet date will not change over the remaining life of the asset when estimating expected credit losses. This eliminates the need for entities to develop complex, forward-looking macroeconomic forecasts for these short-term receivables, such as student tuition and fees; and ii) <b>Accounting Policy Election</b>: permits an accounting policy election to consider cash collections that occur after the balance sheet date but before the financial statements are issued. This allows the Station to factor in actual cash received on receivables, which can reduce the allowance for credit losses and provide a more accurate picture of collectibility.</p> <p>ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, with early adoption permitted. The Station is currently evaluating the impact of this new standard on its financial statements. The adoption will be applied prospectively, with no restatement of prior periods required.</p>	<p>July 1, 2026</p> <p>Prospective application</p>

### 3. Leases

The Station reports its leases in accordance with FASB ASC 842 – *Leases*, which defines a lease as a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment (the underlying asset) for a period of time in exchange for consideration. Both finance leases and operating leases create a right-of-use asset and a liability measured at the present value of the lease payments, with the corresponding right-of-use asset being adjusted for any prepaid (accrued) rent, lease incentives, and initial direct costs.

The Station leases certain facilities and equipment with initial terms in excess of one year. Leases with an initial term of 12-months or less are not recorded on the statement of financial position; the Station recognizes lease expense for these leases on a straight-line basis over the lease term. The useful life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase/renewal option that is reasonably certain of exercise. There are no material restrictions or covenants imposed by the Station's leases. See Note 2 for a summary of the Station's lease accounting policy.

The right-of-use assets and liabilities under the Station's operating leases as of June 30, 2025 and 2024 are as follows:

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<b>Operating leases:</b>		
Assets:		
Right-of-use assets	\$ 1,595,697	\$ 1,312,811
Accumulated amortization and periodic reduction of ROU assets on operating leases	(772,750)	(564,642)
Right-of-use assets, net	<u>\$ 822,947</u>	<u>\$ 748,169</u>
Balance sheet classification	Operating lease right-of-use assets	Operating lease right-of-use assets
Liabilities:		
Current portion of lease liability, balance	\$ 203,576	\$ 183,615
Non-current portion of lease liability, balance	642,622	579,438
Lease liabilities	<u>\$ 846,198</u>	<u>\$ 763,053</u>
Current portion of lease liabilities, classification	Accounts payable and accrued expenses	Accounts payable and accrued expenses
Non-current portion of lease liabilities, classification	Operating lease liabilities	Operating lease liabilities

A summary of the components of lease expense for the years ended June 30, 2025 and 2024 is as follows:

	<b>Natural Expense Type</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<b>Operating lease cost:</b>			
Fixed rent expense	Outside services, dues, and fees	\$ 209,643	\$ 187,762
<b>Total lease cost</b>		<u>\$ 209,643</u>	<u>\$ 187,762</u>

A maturity analysis of the future lease payments under operating leases (with initial terms in excess of one year) at June 30, 2025 is as follows:

<b>Maturity of Lease Liabilities</b>	<b>Operating Leases</b>
2026	\$ 218,562
2027	200,964
2028	193,381
2029	96,707
2030	67,886
Thereafter	113,732
Obligation, gross	<u>891,232</u>
Liability accretion	(45,036)
Total obligation, net of liability accretion	<u><u>\$ 846,196</u></u>

Supplemental lease information as of June 30, 2025 and 2024 is as follows:

<b>Lease-Term and Discount Rates</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Weighted average remaining lease-term (years)	5.02	5.33
Weighted average discount rates	2.06 %	2.15 %

<b>Supplemental Cash Flow Information</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows <sup>1</sup>	\$ 216,855	\$ 193,983
Right-of-use assets obtained in exchange for new and modified finance and operating lease liability	282,645	—

<sup>1</sup> Payments relating to operating leases are presented within operating activities in the statement of cash flows.

As most of the Station's leases do not provide an implicit rate, the incremental borrowing rate, which is based on information available at the lease commencement date, is used to determine the present value of future lease payments. The Station's incremental borrowing rate applicable to the lease, is determined by estimating what it would cost the Station to borrow a collateralized amount equal to the total lease payments over the lease term based on the contractual terms of the lease and the location of the leased asset.

The Station's lease agreements provide the Station with various options to extend or terminate certain lease terms. Options to extend or terminate a lease are considered in determining the lease term only when it is reasonably certain that the option will be exercised. If the option to extend or terminate is not reasonably certain to be exercised, such term options are excluded from the ROU asset and related lease liability.

#### **4. Fair Value Measurements**

As discussed in Note 2, the Station's endowment funds are invested and managed by the University. The disclosures below are related to the pooled investments managed by the University. The University applies the provisions of FASB ASC 820, Fair Value Measurement, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed

at fair value in the financial statements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

A financial asset or liability classification is determined based on the lowest level input that is significant to the fair value measurement. The fair value hierarchy consists of the following three levels:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the University can access at the measurement date. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 assets primarily consist of money market funds, U.S. treasury securities, equity securities, exchange traded futures contracts, and equity and fixed income mutual funds.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 2 assets primarily consist of corporate bonds and notes.

Level 3 — Unobservable inputs based on management’s own assumptions used to measure assets and liabilities at fair value or assets that management does not have the ability to redeem. Level 3 inputs include values determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting the University’s own assumptions. The Station did not hold any level 3 investments at June 30, 2025 and 2024.

Investments for which fair value is measured using the net asset value per share practical expedient are not included within the fair value hierarchy.

The following tables represents the Station's allocable share of the investments in the University's investment pool carried at fair value measured on a recurring basis as of June 30, 2025 and 2024 :

<b>June 30, 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Investments:</b>				
Money market funds	\$ 49,350	\$ —	\$ —	\$ 49,350
Corporate bonds and notes	—	6,378	—	6,378
U.S. government and agency securities	84,744	—	—	84,744
Equity funds and securities	71,378	—	—	71,378
Futures contracts	4,788	—	—	4,788
Total investments in fair value hierarchy	<u>\$ 210,260</u>	<u>\$ 6,378</u>	<u>\$ —</u>	<u>216,638</u>
Investments measured at NAV				1,193,174
Total investments				<u>\$ 1,409,812</u>

<b>June 30, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Investments:</b>				
Money market funds	\$ 27,082	\$ —	\$ —	\$ 27,082
Corporate bonds and notes	—	4,994	\$ —	4,994
U.S. government and agency securities	80,134	—	—	80,134
Equity funds and securities	65,580	—	—	65,580
Futures contracts	793	—	—	793
Total investments in fair value hierarchy	<u>\$ 173,589</u>	<u>\$ 4,994</u>	<u>\$ —</u>	178,583
Investments measured at NAV				1,095,315
Total investments				<u>\$ 1,273,898</u>

The University assesses the valuation hierarchy for each asset or liability measured on an annual basis. From time to time, assets or liabilities will be transferred within the fair value hierarchy as a result of changes in, among other things, inputs used, liquidity, or valuation methodologies. During the years ended June 30, 2025 and 2024, there were no significant transfers between levels within the fair value hierarchy.

Information for investments whose fair value is estimated using its net asset value (“NAV”) practical expedient (or its equivalent) at June 30, 2025 and 2024 is as follows:

<b>June 30, 2025</b>	<b>Fair Values</b>	<b>Redemption</b>	
	<b>Investments / Endowment</b>	<b>Frequency</b>	<b>Notice Period</b>
Commodity funds	\$ 25,223	Daily	2 days
Multi-strategy hedge funds	331,147	Quarterly	90 days
Private equity	154,705	Illiquid	N/A
Real estate funds	26,406	Quarterly	45-90 days
Fixed income funds	74,430	Monthly-Semi-annually	15-90 days
Equity funds	529,981	Daily-Quarterly	1-90 days
Opportunistic funds	51,282	Quarterly-Illiquid	60 days - N/A
Total value	<u>\$ 1,193,174</u>		

<b>June 30, 2024</b>	<b>Fair Values</b>	<b>Redemption</b>	
	<b>Investments / Endowment</b>	<b>Frequency</b>	<b>Notice Period</b>
Commodity funds	\$ 25,770	Daily	2 days
Multi-strategy hedge funds	309,554	Quarterly	90 days
Private equity	128,659	Illiquid	N/A
Real estate funds	27,105	Quarterly	45-90 days
Fixed income funds	64,797	Monthly-Quarterly	15-90 days
Equity funds	485,595	Daily-Monthly	1-90 days
Opportunistic funds	53,835	Quarterly-Illiquid	60 days - N/A
Total value	<u>\$ 1,095,315</u>		

Unfunded commitments at June 30, 2025 and 2024 are as follows:

	<b>June 30, 2025</b>	<b>June 30, 2023</b>
Private equity	\$ 170,722	\$ 146,935
Opportunistic funds	—	11,531
<b>Total value</b>	<b>\$ 170,722</b>	<b>\$ 158,466</b>

*Commodity funds* include investments in both long and short commodity derivatives in a unitized fund structure.

*Multi-strategy hedge funds* include hedge fund-of-funds that invest in the commingled funds of hedge fund managers. Funds are allowed to take both long and short positions, use leverage and derivatives, and invest in many markets. Hedge funds may make equity, credit/fixed income, rate, and currency investments. Strategies employed may include long/short, event-driven, arbitrage, and macro.

*Private equity* investments include private partnerships, funds and/or other special purpose vehicles that invest in a range of strategies including venture capital, growth equity, leveraged buyouts, credit-oriented opportunities, mezzanine and distressed debt, and special situations. Investments fund “start-up” companies or the buyout of existing companies or divisions within a company. Investments include domestic or international and encompass private and public securities. These funds can never be redeemed and these investments typically require capital lock-ups of 10 years or more.

*Real estate funds* include investments in public or private partnerships, funds and/or special purpose vehicles that make private real estate investments located within or outside the United States. Major sectors within this space include apartments, office properties, regional properties, industrial properties, and hotels, but may include land, medical facilities, self-storage and other real property investments. Investments may include equity, debt, or both and may encompass “core”, “value-added”, or “opportunistic” opportunities. Investments are typically structured as partnerships.

*Fixed income funds* include investments made in commingled funds or fund-of-funds that invest in sovereign and government debt securities, corporate debt securities, and U.S. Treasury Inflation-Protected securities. These funds generally seek long-term capital appreciation and provide a hedge against inflation.

*Equity funds* include investments made in commingled funds or fund-of-funds that invest in U.S., international, and global equity securities through a variety of active strategies. The funds generally seek long-term capital appreciation.

*Opportunistic funds* include investments with attractive risk/return characteristics based on a particular market environment. These investments include strategies such as private credit, distressed debt, and direct lending.

## **5. Endowment**

The Station’s endowment consists of donor restricted endowment funds established for a variety of purposes, including providing a funding source for programs dedicated to developing partnerships with local community organizations and schools, jazz broadcasting and programming. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law** — ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of donor-restricted endowment funds for not-for-profit organizations subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) and improves disclosure

about an organization's endowment funds regardless of whether the organization is subject to UPMIFA. The Commonwealth has not adopted UPMIFA, but rather has enacted Pennsylvania Act 141. The Board of Trustees has interpreted Commonwealth of Pennsylvania Act 141 as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Trustees of the University has interpreted the relevant law as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Station considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Station has interpreted the relevant law to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with the relevant law, the Station considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (i) the duration and preservation of the fund; (ii) the purposes of the organization and the donor-restricted endowment fund; (iii) general economic conditions; (iv) the possible effect of inflation and deflation; (v) the expected total return from income and the appreciation of investments; (vi) other resources of the organization; and (vii) the investment policies of the University.

**Endowment Investment Policy** — The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this approach, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the total of the amount drawn annually for operations plus the rate of inflation and investment management fees. The University expects its endowment funds, over time, to provide an average real rate of return, net of investment management fees, of approximately 5.00% annually. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Endowment Spending Policy** — Annually, the Board of Trustees approves a spending rule distribution percentage that is consistent with the long-term preservation of the real value of the assets, but in no event shall the percentage be less than 2.00% nor more than 7.00% per year. During the years ended June 30, 2025 and 2024, the University's spending rule limited the spending of endowment resources to 4.25% of the average fair value of endowment funds for the prior twelve fiscal quarters. To the extent that current yield is inadequate to meet the spending rule, a portion of cumulative realized net gains is available for current use. The draw to operations under the spending policy for the years ended June 30, 2025 and 2024 totaled \$50,473 and \$49,495, respectively.

The Station's endowment balances by net asset classification at June 30, 2025 and 2024 are as follows:

<b>June 30, 2025</b>	<b>With Donor Restrictions</b>
<b>Donor-restricted endowment funds:</b>	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	1,093,024
Accumulated investment gains	296,403
Term endowment funds	20,385
<b>Total endowment funds</b>	<b>\$ 1,409,812</b>

<b>June 30, 2024</b>	<b>With Donor Restrictions</b>
<b>Donor-restricted endowment funds:</b>	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	1,093,024
Accumulated investment gains	162,379
Term endowment funds	18,495
<b>Total endowment funds</b>	<b>\$ 1,273,898</b>

<sup>^</sup> At June 30, 2025 and 2024, the Station's endowment was comprised entirely of donor-restricted funds. No endowments without donor restrictions were held during 2025 or 2024.

The changes in the Station's endowment assets for the year ended June 30, 2025 and 2024 are as follows:

<b>June 30, 2025</b>	<b>With Donor Restrictions</b>
Endowment net assets, beginning of the year	\$ 1,273,898
Investment return, net	186,387
<b>Contributions and transfers:</b>	
Donor contributions	—
Other	—
<b>Total contributions and transfers</b>	<b>1,460,285</b>
Appropriation of endowment assets for expenditure (spending rule)	(50,473)
<b>Endowment net assets, end of the year</b>	<b>\$ 1,409,812</b>

<b>June 30, 2024</b>	<b>With Donor Restrictions</b>
Endowment net assets, beginning of the year	\$ 1,179,357
Investment return, net	144,036
<b>Contributions and transfers:</b>	
Donor contributions	—
Other	—
<b>Total contributions and transfers</b>	<b>1,323,393</b>
Appropriation of endowment assets for expenditure (spending rule)	(49,495)
<b>Endowment net assets, end of the year</b>	<b>\$ 1,273,898</b>

As discussed in Notes 2 and 4, the Station's endowment funds are invested by the University. The value of the Station's interest in the University's pooled investment account(s) for the years ended June 30, 2025 and 2024 is \$1,409,812 and \$1,273,898, respectively.

## 6. Liquidity and Availability of Resources

The Station's financial assets available within one year of the statements of financial position for general expenses (e.g. operating expenses and scheduled payments on debt) are as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 2,885,239	\$ 1,017,104
Accounts, loans, and contributions receivable, net	40,551	33,842
Total financial assets available within one year to fund general expenses	<u>\$ 2,925,790</u>	<u>\$ 1,050,946</u>

As part of the Station's liquidity management plan, the Station structures its assets to be available as its general expenditures, liabilities, and other obligations are due.

## 7. Expenses by Functional and Natural Classification

Expenses are presented by functional classification in alignment with the Corporation for Public Broadcasting Financial Reporting Guidelines. Each functional classification displays all expenses related to the underlying operations by natural classification. Depreciation related to the Station's fixed assets is fully allocated to broadcasting expense.

Functional expense categories are as follows:

### ***Programs Services:***

*Programming and production:* The Station's programming and production category contains the main drivers for content that is carried out via the airwaves. Programming expenses include most of the content staff (excluding full-time hosts) and part-time contractors as well as production costs including staff and equipment needs.

*Broadcasting:* The Station's broadcasting category contains the broadcast infrastructure costs including physical structures (i.e. towers, data lines, etc.) and engineering costs that support the infrastructure.

*Program information and promotion:* The Station's program information and promotion category contains the costs for digital content delivery and technology including internal and contracted personnel.

### ***Support Services:***

*Management and general:* The Station's management and general category contains the costs for support roles such as administration, finance and other non-customer facing functions including internal and contracted personnel.

*Indirect administrative support:* The Station's indirect administrative support category consists of donated facilities, services, and administrative support from the University. Indirect administrative support is recorded as revenue and as a support services expense in the period in which the support was received. Donated facilities from the University consist of office and studio space. The cost of donated facilities is measured in accordance with valuation guidelines established by the Corporation for Public Broadcasting.

*Fundraising and membership development:* The Station's fundraising and membership development category contains the individual giving (<\$1,000) functions and major donor (>\$1,000) functions of the development division and well as development infrastructure costs.

*Underwriting and grant solicitation:* The Station's underwriting and grant solicitation category contains the institutional sponsorship functions of the development division.

Expenses by functional and natural classification for the years ended June 30, 2025 and 2024 are as follows:

2025	Program / Production	Broad- casting	Program Information and Promotion	Management and General	Indirect Admin. Support	Fundraising and Membership Development	Underwriting and Grant Solicitation	Total Expenses
Salaries and wages	\$ 1,108,508	\$ 167,676	\$ 220,508	\$ 360,743	\$ 562,951	\$ 239,010	\$ 122,873	\$ 2,782,269
Employee benefits	303,479	46,135	62,904	99,377	149,861	68,514	35,265	765,535
Outside services, dues, and fees	207,935	497,680	1,223	14,292	—	5,381	—	726,511
Supplies, utilities, and telecom	2,466	126,098	20,508	49,801	—	57,604	43,613	300,090
Other operating expenses	83,194	225,918	41,429	52,563	425,716	661,401	5,100	1,495,321
Depreciation	—	40,768	—	—	—	—	—	40,768
Total operating expenses	<u>\$ 1,705,582</u>	<u>\$ 1,104,275</u>	<u>\$ 346,572</u>	<u>\$ 576,776</u>	<u>\$ 1,138,528</u>	<u>\$ 1,031,910</u>	<u>\$ 206,851</u>	<u>\$ 6,110,494</u>

2024	Program / Production	Broad- casting	Program Information and Promotion	Management and General	Indirect Admin. Support	Fundraising and Membership Development	Underwriting and Grant Solicitation	Total Expenses
Salaries and wages	\$ 910,771	\$ 170,745	\$ 239,461	\$ 358,838	\$ 567,283	\$ 392,310	\$ 150,314	\$ 2,789,722
Employee benefits	238,273	46,955	65,852	87,646	151,015	107,496	41,336	738,573
Outside services, dues, and fees	273,786	390,361	—	17,944	—	54,533	1,876	738,500
Supplies, utilities, and telecom	2,301	190,092	20,205	32,396	—	89,132	29,185	363,311
Other operating expenses	117,207	203,573	75,677	76,331	428,993	328,540	19,200	1,249,521
Depreciation	—	29,749	—	—	—	—	—	29,749
Total operating expenses	<u>\$ 1,542,338</u>	<u>\$ 1,031,475</u>	<u>\$ 401,195</u>	<u>\$ 573,155</u>	<u>\$ 1,147,291</u>	<u>\$ 972,011</u>	<u>\$ 241,911</u>	<u>\$ 5,909,376</u>

## 8. Commitments and Contingencies

From time to time, claims are made against the University based on a variety of theories of liability, including without limitation alleged negligence, acts of discrimination, medical malpractice, breach of contract or disagreements arising from the interpretation of laws or regulations. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the Station's future financial position or change in net assets. See Note 3 for commitments under operating leases.

## 9. Subsequent Events

The Station has evaluated subsequent events through March 5, 2026, the date the financial statements were available to be issued. Except as noted below, the Station is not aware of any such events which would require recognition or disclosure in the financial statements.

On July 24, 2025, the federal government enacted a rescission package that eliminated all future funding for the Corporation for Public Broadcasting. Following this loss of federal support, the Corporation for Public Broadcasting announced it would wind down operations, officially dissolving in January 2026. The Station

received federal grant funding totaling \$327,411 and \$310,724 for the fiscal years ended June 30, 2025, and 2024, respectively. In response to the permanent elimination of this revenue stream, the Station has implemented strategic actions to mitigate the financial impact beginning in fiscal year 2026.

\* \* \* \* \*