

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**

**JUNE 30, 2014**

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**

**C O N T E N T S**

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*Stoy, Malone & Company, P.C.*  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Towson University Public Media, Inc.

We have audited the accompanying financial statements of Towson University Public Media, Inc., a not for profit organization, which comprise the statement of financial position as of June 30, 2014 and the related statements of activities and changes in net assets, and cash flows for the period from March 12, 2014 (date of inception) to June 30, 2014, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 auditor considers 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.

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.  
INDEPENDENT AUDITORS' REPORT (Cont'd).**

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Towson University Public Media, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the period from March 12, 2014 (inception) to June 30, 2014 in conformity with accounting principles generally accepted in the United States of America.

*Stoy, Malone & Company, P.C.*

Baltimore, Maryland  
October 13, 2014

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2014**

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<b>ASSETS</b>	
Cash	\$ 189,862
Prepaid expenses	<u>6,826</u>
Total assets	<u>\$ 196,688</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 92,006
<b>NET ASSETS - UNRESTRICTED</b>	<u>104,682</u>
Total liabilities and net assets	<u>\$ 196,688</u>

The Notes to Financial Statements are an integral part of these statements.

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE PERIOD FROM MARCH 12, 2014 (Date of Inception)**  
**TO JUNE 30, 2014**

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**REVENUE**

Membership pledges and contributions	\$ 244,083
Support from Towson University	55,805
Miscellaneous	508
Total revenue	300,396

**EXPENSES**

Program services	
Programming and production	110,103
Total program services	110,103

Supporting services	
Fundraising, solicitation and membership	44,246
Management and general	41,365
Total supporting services	85,611
Total expenses	195,714

**CHANGE IN UNRESTRICTED NET ASSETS** 104,682

**NET ASSETS**

Beginning of period	-
End of period	\$ 104,682

The Notes to Financial Statements are an integral part of these statements.

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM MARCH 12, 2014 (Date of Inception)**  
**TO JUNE 30, 2014**

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**OPERATING ACTIVITIES**

Change in net assets	\$ 104,682
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Prepaid expenses	(6,826)
Accounts payable and accrued expenses	92,006
Net cash provided by operating activities	<u>189,862</u>

**CHANGE IN CASH**

189,862

**CASH**

Beginning of period	<u>-</u>
End of period	<u>\$ 189,862</u>

The Notes to Financial Statements are an integral part of these statements.

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Towson University Public Media, Inc. (TUPM) is a not for profit entity formed March 12, 2014, to operate WTMD, a public radio station licensed to and owned by Towson University (the University), pursuant to a management agreement dated April 30, 2014. TUPM will act as an affiliated foundation of the University.

WTMD provides the Baltimore and the central Maryland region with contemporary popular music, news and cultural events coverage. WTMD supports and provides air time to local bands and artists. Academically, WTMD provides internships and independent study opportunities to University students and other volunteers. TUPM solicits and collects funds to be invested and reinvested for the financial support of WTMD.

The University owns all assets of WTMD, including but not limited to the FCC license, the operational equipment, and the leasehold interest in the physical space in which WTMD operates.

**Member Pledges and Contributions**

TUPM engages in periodic fundraising campaigns manifested by offering some special programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to WTMD for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding listeners. Contributions including unconditional promises to give and membership receipts are recognized as revenue in the period received or given.

Member pledges and contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

**Net Assets**

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. TUPM records any restrictions met within the same fiscal year as unrestricted revenue.

**Donated Services**

No amounts have been reflected in the financial statements for donated services, as no objective basis is available to measure the value of such services. However, a substantial number of volunteers donate significant amounts of time to TUPM's program service, fund-raising campaigns, and general administration.

Additionally, TUPM utilizes facilities and equipment of the University. The fair value of this support of \$52,801 is recognized in the statement of activities as revenue and expense for the period from March 12, 2014 (inception) to June 30, 2014.

**NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**Functional Allocation of Expenses**

The costs of providing the various program services and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services on the basis of benefits received.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - CONCENTRATION OF CREDIT RISK**

TUPM has a cash account in a commercial bank. During the normal course of business, TUPM may have funds on deposit which exceed federally insured limits.

**NOTE 3 - INCOME TAXES**

TUPM has applied for its exemption from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, TUPM does not consider itself a private foundation within the meaning of Section 509(a) of the Code and is awaiting this determination from the Internal Revenue Service.

TUPM follows the provisions of Accounting for Uncertainty in Income Taxes under the Income Taxes Topic of the Codification. The Codification requires the evaluation of tax positions, which include maintaining its tax-exempt status and the taxability of any unrelated business income, and does not allow recognition of tax positions which do not meet a "more-likely-than-not" threshold of being sustained by the applicable tax authority. Management does not believe it has taken any tax position that would not meet this threshold. TUPM's policy is to reflect interest and penalties related to uncertain tax positions as part of its income tax expense, when and if they become applicable.

TUPM will file federal and state information returns beginning with tax year 2013 which is subject to examinations by major tax authorities, generally for three years after it is filed.

**NOTE 4 - RETIREMENT BENEFITS**

TUPM employees are eligible to participate in TUPM's defined contribution retirement plan, pursuant to requirements of IRC 403(b). TUPM makes contributions to this plan, equal to 7.25% of compensation. The contributions to this plan vest immediately to each employee. TUPM made contributions to eligible employees totaling \$3,193 for the period from March 12, 2014 (inception) to June 30, 2014.

**NOTE 5 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 13, 2014, the date that the financial statements were available to be issued. No recognized or non-recognized subsequent events were identified for recognition or disclosure in the financial statements.