

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**

**JUNE 30, 2020**

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**

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

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

*Certified Public Accountants*

705 York Road  
Baltimore, MD 21204  
410-828-1961  
Fax 410-821-8814

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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., which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our 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 that 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, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Towson University Public Media, Inc.'s June 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 24, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statement from which it has been derived.

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

Baltimore, Maryland  
October 26, 2020

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

	June 30,	
	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 548,632	\$ 185,750
Member pledges and contributions receivable	172,974	306,216
Investments	8,912	23,215
Prepaid expenses	<u>27,932</u>	<u>18,738</u>
Total assets	<u>\$ 758,450</u>	<u>\$ 533,919</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 126,601	\$ 168,649
Payroll protection program loan	<u>264,300</u>	<u>-</u>
Total liabilities	<u>390,901</u>	<u>168,649</u>
<b>NET ASSETS</b>		
Without donor restrictions	359,383	340,270
With donor restrictions	<u>8,166</u>	<u>25,000</u>
Total net assets	<u>367,549</u>	<u>365,270</u>
Total liabilities and net assets	<u>\$ 758,450</u>	<u>\$ 533,919</u>

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

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	Year Ended June 30, 2020			Year Ended June 30, 2019
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUE</b>				
Member pledges and contributions	\$ 869,349	\$ 62,346	\$ 931,695	\$ 887,230
Underwriting	546,650	-	546,650	851,537
Radio Community Service Grant	261,899	-	261,899	182,621
Support from Towson University	755,144	-	755,144	743,266
Investment income	2,981	-	2,981	2,226
Miscellaneous	14,453	-	14,453	15,706
Special events	81,842	-	81,842	102,535
Less: Special events - direct cost	(27,722)	-	(27,722)	(45,606)
Net assets released from restrictions	<u>79,180</u>	<u>(79,180)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>2,583,776</u>	<u>(16,834)</u>	<u>2,566,942</u>	<u>2,739,515</u>
<b>EXPENSES</b>				
Program services				
Programming and production	<u>1,429,739</u>	<u>-</u>	<u>1,429,739</u>	<u>1,661,980</u>
Total program services	<u>1,429,739</u>	<u>-</u>	<u>1,429,739</u>	<u>1,661,980</u>
Supporting services				
Fundraising, solicitation and membership	878,300	-	878,300	972,906
Management and general	<u>256,624</u>	<u>-</u>	<u>256,624</u>	<u>255,215</u>
Total supporting services	<u>1,134,924</u>	<u>-</u>	<u>1,134,924</u>	<u>1,228,121</u>
Total expenses	<u>2,564,663</u>	<u>-</u>	<u>2,564,663</u>	<u>2,890,101</u>
<b>CHANGES IN NET ASSETS</b>	19,113	(16,834)	2,279	(150,586)
<b>NET ASSETS</b>				
Beginning of year	<u>340,270</u>	<u>25,000</u>	<u>365,270</u>	<u>515,856</u>
End of year	<u>\$ 359,383</u>	<u>\$ 8,166</u>	<u>\$ 367,549</u>	<u>\$ 365,270</u>

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

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR END JUNE 30, 2020**

	Program Services	Management and General	Fundraising	Total
Consulting	\$ 2,625	\$ -	\$ -	\$ 2,625
Professional organizations	3,560	869	1,056	5,485
Professional services	858	21,759	3,935	26,552
Bank fees	-	1,716	-	1,716
Computers	1,381	398	877	2,656
Equipment repair and maintenance	3,136	236	239	3,611
Underwriting expenses	-	-	10,730	10,730
Online services	10,630	447	984	12,061
Membership expenses	-	-	94,779	94,779
Office expenses	1,586	458	1,007	3,051
Office supplies	1,281	369	813	2,463
Postage and mailing service	983	283	624	1,890
Printing and copying	1,959	565	1,243	3,767
Telecommunications	8,000	2,308	5,077	15,385
Hardware/software support	15,046	30	17,145	32,221
Marketing	2,592	-	1,396	3,988
National programming	46,680	-	-	46,680
Subscriptions	330	95	209	634
Music purchases	468	-	-	468
Insurance	8,805	2,540	5,588	16,933
Equipment	6,107	-	-	6,107
Personnel expenses	681,638	147,289	551,339	1,380,266
Events	24,080	-	8,026	32,106
1st Thursday expenses	132,723	-	33,181	165,904
Facility rental expense	-	-	263	263
Meals and refreshments	1,498	432	950	2,880
Travel and meetings	6,812	1,362	5,449	13,623
Research	95	-	-	95
Occupancy expense	466,866	66,695	133,390	666,951
Taxes	-	2,473	-	2,473
Charitable contributions	-	6,300	-	6,300
	<u>\$ 1,429,739</u>	<u>\$ 256,624</u>	<u>\$ 878,300</u>	<u>\$ 2,564,663</u>

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

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR END JUNE 30, 2019**

	Program Services	Management and General	Fundraising	Total
Consulting	\$ 550	\$ -	\$ -	\$ 550
Professional organizations	3,002	95	863	3,960
Professional services	5,931	21,482	-	27,413
Bank fees	-	2,486	-	2,486
Computers	3,738	230	-	3,968
Equipment repair and maintenance	26,972	238	-	27,210
Underwriting expenses	-	-	13,336	13,336
Online services	9,020	370	1,556	10,946
Membership expenses	-	-	87,721	87,721
Office expenses	1,899	548	1,202	3,649
Office supplies	1,747	524	1,223	3,494
Postage and mailing service	2,389	717	1,672	4,778
Printing and copying	1,777	535	1,244	3,556
Telecommunications	7,686	2,306	5,380	15,372
Hardware/software support	17,465	-	19,796	37,261
Marketing	30,207	-	9,215	39,422
National programming	55,066	-	-	55,066
Subscriptions	191	136	136	463
Music purchases	509	-	-	509
Insurance	13,280	3,831	8,427	25,538
Equipment	6,885	-	-	6,885
Personnel expenses	678,213	148,822	596,950	1,423,985
Recruitment expenses	282	240	-	522
Events	33,817	-	11,273	45,090
1st Thursday expenses	259,217	-	64,804	324,021
Facility rental expense	-	-	600	600
Meals and refreshments	2,567	740	1,629	4,936
Gifts	36	139	-	175
Travel and meetings	1,445	709	3,745	5,899
Research	622	-	-	622
Occupancy expense	497,467	71,067	142,134	710,668
	<u>\$ 1,661,980</u>	<u>\$ 255,215</u>	<u>\$ 972,906</u>	<u>\$ 2,890,101</u>

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



**TOWSON UNIVERSITY PUBLIC MEDIA, INC.**  
**STATEMENTS OF CASH FLOWS**

	Year Ended June 30,	
	2020	2019
<b>OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 2,279	\$ (150,586)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Net gain on investments	(1,946)	(895)
Gifts in kind	(16,301)	(21,056)
Changes in operating assets and liabilities		
Member pledges and contributions receivable	133,242	78,347
Prepaid expenses	(9,194)	13,024
Accounts payable and accrued expenses	(42,048)	2,041
Net cash provided by (used in) operating activities	<u>66,032</u>	<u>(79,125)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	<u>32,550</u>	<u>-</u>
Net cash provided by investing activities	<u>32,550</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	<u>264,300</u>	<u>-</u>
Net cash provided by financing activities	<u>264,300</u>	<u>-</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	362,882	(79,125)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>185,750</u>	<u>264,875</u>
End of year	<u>\$ 548,632</u>	<u>\$ 185,750</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**

**Nature of Organization**

Towson University Public Media, Inc. (TUPM) is a nonprofit affiliated foundation of Towson University (University). Its purpose is to manage WTMD, a public radio station licensed to and owned by the University.

WTMD is listener-supported radio that provides Baltimore and the central Maryland region with contemporary popular music, news and cultural events coverage, also providing support and air time to local bands and artists. Academically, WTMD provides internships and independent study opportunities to University students and other volunteers.

Pursuant to a management agreement, TUPM manages and operates WTMD under the supervision and control of the University, as FCC licensee. 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.

**Basis of Presentation**

The Financial Statements are prepared on the accrual basis of accounting.

TUPM's financial statements present net assets, support and revenue, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Net assets are classified as net assets without donor restrictions and net assets with donor restrictions, and the amounts of change in each of those classes of net assets are displayed in the statement of activities.

**Reclassifications**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation of the current year financial statements. Total net assets and change in net assets are unchanged due to these reclassifications.

**Revenue Recognition**

In accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 958-605, *Not-for-Profit Entities – Revenue Recognition* (FASB ASC 958-605), unconditional contributions are generally recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give are recognized as revenues once a valid pledge has been received. The receivable and the corresponding revenue are recognized concurrently at estimated net realizable value if expected to be collected within one year. Conditional contributions and pledges are recorded when the conditions have been met.

An allowance for uncollectible member pledges and contributions receivable is provided which is based on management's assessment of the collectability of receivables. TUPM's policy is to charge off uncollectible contributions receivable when management determines the receivable will not be collected. Management considers all receivables collectible as of June 30, 2020 and 2019, and accordingly, recorded no allowance for doubtful accounts.

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.  
NOTES TO FINANCIAL STATEMENTS (Cont'd.)**

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

**Cash and cash equivalents**

TUPM considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Investments**

Investments are carried at fair value with gains and losses included on the statement of activities as changes in unrestricted net assets.

**Property and Equipment**

Property and equipment are recorded at cost if purchased or at fair value at the date of the donation if received by gift. Generally, property and equipment is gifted to the University and expensed by TUPM as acquired. Property and equipment retained by TUPM is depreciated over its estimated useful life using the straight-line method.

**Donated Services**

Donated services are recognized as contributions in accordance with FASB ASC 958-605 if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by TUPM. Volunteers also provide assistance in program and supporting services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC 958-605 are not met.

**Corporation for Public Broadcasting Community Service Grants**

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of the recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years.

Certain *General Provisions* must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These *General Provisions* pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

**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.

**Summarized Prior Year Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should only be read in conjunction with TUPM's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

**Recent Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-02, Leases (Topic 842), which requires balance sheet recognition of leases and note disclosure of certain information about lease arrangements. The new standard is effective for fiscal years beginning after December 15, 2020. TUPM is evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

**New Accounting Pronouncements**

During the year ended June 30, 2020, TUPM adopted the requirements of the Financial Accounting Standards Board issued Accounting Standards Update 2018-08 Not-for-Profit Entities *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies revenue recognition of grants and contributions; distinguishing exchange transactions and contributions; and whether contributions are conditional or unconditional. There were no material changes to the financial statements as a result of implementation.

During the year ended June 30, 2019, TUPM adopted the requirements of the Financial Accounting Standards Board issued Accounting Standards Update 2016-14 Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. Additionally, a footnote on liquidity has been added, as required by the new standard.

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.  
NOTES TO FINANCIAL STATEMENTS (Cont'd.)**

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**NOTE 2 - INCOME TAXES**

TUPM is exempt from federal and state income taxes, except on unrelated activities, under Section 501(c)(3) of the Internal Revenue Code.

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.

**NOTE 3 - MEMBER PLEDGES AND CONTRIBUTIONS RECEIVABLE**

Member pledges and contributions receivable reflect unconditional donor pledges as of June 30, 2020 and 2019, and are expected to be collected within one year.

**NOTE 4 - INVESTMENTS**

Investments reported at fair value are classified based on inputs used to determine the value as follows:

- Level 1 - Observable inputs that reflect unadjusted quoted prices for identical assets in active markets;
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, and;
- Level 3 - Unobservable inputs, such as reporting entity's data.

The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although TUPM believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.  
NOTES TO FINANCIAL STATEMENTS (Cont'd.)**

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**NOTE 4 - INVESTMENTS (Cont'd.)**

The following table sets forth by level, within the Fair Value hierarchy, TUPM's assets at Fair Value at June 30, 2020 and 2019:

	Assets at Fair Value Year Ended June 30, 2020	
	Level 1	Total
Equity securities	\$ 8,912	\$ 8,912

  

	Assets at Fair Value Year Ended June 30, 2019	
	Level 1	Total
Equity securities	\$ 23,215	\$ 23,215

**NOTE 5 - PAYROLL PROTECTION PROGRAM LOAN**

In May 2020, the Company was awarded a loan in the amount of \$264,300 under the Small Business Administration's Payroll Protection Program (PPP). The loan bears interest at a rate of 1% per annum and is deferred until the six month anniversary of the loan. Upon the expiration of the deferral period, the outstanding principal and interest that is not forgiven under the PPP shall convert to an amortizing loan maturing in May 2022. Under PPP guidelines, loans will be forgiven if used to pay payroll, rent, mortgage interest, and utility expenses. Management intends to use the funding to pay these expenses and apply for forgiveness in accordance PPP guidelines.

**NOTE 6 - RELATED PARTY TRANSACTIONS**

Pursuant to a management agreement with the University, TUPM shall reimburse the University for a portion of the salary and benefits of the Executive Director and certain support staff members as paid employees of the University. During the years ended June 30, 2020 and 2019, TUPM reimbursed the University \$363,046 and \$378,621, respectively for salary and benefits.

TUPM also reimbursed the University for other expenses totaling \$14,797 and \$20,000 during the years ended June 30, 2020 and 2019, respectively.

**NOTE 7 - NONFEDERAL FINANCIAL SUPPORT (NFFS)**

The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on NFFS. NFFS is defined as the total value of cash and the fair market value of property and services received either as a contribution or a payment and meeting all of the respective criteria for each.

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.  
NOTES TO FINANCIAL STATEMENTS (Cont'd.)**

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**NOTE 7 - NONFEDERAL FINANCIAL SUPPORT (NFFS) (Cont'd.)**

A “contribution” is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station or for the production, acquisition, distribution, or dissemination of educational television and related activities; and (4) the recipient must be a public broadcasting entity.

A “payment” is cash, property or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state, any agency or political subdivision of a state, or an educational institution; (2) the form of the payments must be appropriations or contract payments in exchange for specific services or materials; (3) the purpose must be for educational or instructional radio programming; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

Reported NFFS was \$2,233,047 and \$2,448,975 for the years ended June 30, 2020 and 2019, respectively.

**NOTE 8 - NONCASH SUPPORT AND EXPENDITURES**

**Administrative Support**

During the years ended June 30, 2020 and 2019, TUPM received \$33,193 and \$32,598, respectively, of University support for general operating expenses, along with \$721,951 and \$710,668, respectively, of University support for facilities and equipment. Total University support of \$755,144 and \$743,266 is recognized in the statements of activities as revenue and expense for June 30, 2020 and 2019, respectively.

**In-kind Donations**

During the years ended June 30, 2020 and 2019, the value of contributed materials and services meeting the requirements for recognition in the financial statements amounted to \$61,798 and \$112,874 respectively. The in-kind donations are reported as revenue and expenses or investments in the accompanying financial statements.

**NOTE 9 - 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 \$40,316 and \$53,525 for the years ended June 30, 2020 and 2019, respectively.

**TOWSON UNIVERSITY PUBLIC MEDIA, INC.  
NOTES TO FINANCIAL STATEMENTS (Cont'd.)**

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**NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL STATEMENTS**

TUPM has \$730,518 of financial assets available within one year of the financial statements to date to meet cash needs for general expenditures consisting of all cash and cash equivalents of \$548,632, member pledges and contributions receivable of \$172,974 and investments of \$8,912. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the financial statement date. TUPM has a policy to structure its financial assets to be available as its general expenditures and other obligations come due. Additionally, TUPM receives support from Towson University to support operations. See Note 7.

**NOTE 11 - CONCENTRATION OF CREDIT RISK**

TUPM's cash is maintained at one bank, where accounts are insured up to the maximum limits allowed by the Federal Deposit Insurance Corporation ("FDIC"). From time to time, amounts on deposit exceed the FDIC limits.

**NOTE 12 - UNCERTAINTIES**

TUPM's operations have been affected by the recent and ongoing global outbreak of COVID-19 which was declared a pandemic by the World Health Organization in March 2020. On March 23, 2020 the Governor of Maryland declared a health emergency and issued an order to close all nonessential businesses. Maryland is currently in phase 3 of its reopening plan. TUPM's offices remain closed with substantially all operations being conducted remotely; special events have been cancelled and/or postponed; and related revenue has been lost. The further extent to which the COVID-19 outbreak impacts TUPM's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to contain it or treat its impact. In particular, the continued spread of COVID-19 could continue to adversely impact TUPM's operations and workforce, including marketing activities, which in turn could have a continued adverse impact on business, financial conditions, results of operations, and cash flows.

**NOTE 13 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 26, 2020, 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.