

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Financial Statements and Supplemental Information  
Together with Report of Independent Public Accountants**

**For the Years Ended June 30, 2015 and 2014**



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**JUNE 30, 2015 and 2014**

**CONTENTS**

<b>REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS</b>	1
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	3
<b>FINANCIAL STATEMENTS</b>	
Statements of Net Position	7
Statements of Revenues, Expenses and Change in Net Position	8
Statements of Cash Flows	9
Notes to the Financial Statements	10
<b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Non-Federal Support	17



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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

Board of Regents  
Morgan State University

### **Report on the Financial Statements**

We have audited the accompanying statements of net position of WEAA-FM (the Station, a program of Morgan State University), as of June 30, 2015 and 2014, and the related statements of revenues, expenses and change in net position and cash flows for the years then ended and the related notes to the financial statements.

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

The Station's 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Station'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 Station's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Station, as of June 30, 2015 and 2014, and changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



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***Other Matters***

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, change in financial position and cash flows of only that portion of the financial reporting segment of Morgan State University (the University) that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position, changes in financial position and cash flows of the University as of and for the years ended June 30, 2015 and 2014.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Station's basic financial statements. The supplemental schedule of non-Federal support is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of non-Federal support is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of non-Federal support is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hunt Valley, Maryland  
January 14, 2016

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Management's Discussion and Analysis  
As of June 30, 2015**

**Introduction**

This section of the report provides a discussion and analysis of WEAA-FM's (the Station) financial performance for the year ended June 30, 2015. This analysis should be read in conjunction with the Station's basic financial statements and the notes to the basic financial statements.

**Overview of the Financial Statements**

The three primary financial statements of the Station presented are the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. These statements are prepared in conformity with accounting principles generally accepted in the United States. The management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the Station for the fiscal years ended June 30, 2015 and 2014, and should be read in conjunction with financial statements and notes thereto. This overview is required by GASB, by a primary government or component but is not required by the Station; however management has elected to provide one. The MD&A, financial statements, and notes thereto, are the responsibility of the Station's management.

The notes to the financial statements provides required disclosures and other information that are essential to full understanding of the material data provided in the statements. The notes present information about the Station's accounting policies, significant account balances and activities, obligations and subsequent events, if any and can be found beginning on page 10 of this report. The information contained in the basic financial statements of the Station is incorporated within Morgan State University's Annual Financial Statements.

**Statement of Net Position**

The Statement of Net Position presents the financial position of the Station at the end of the fiscal year and includes all assets and liabilities of the Station. Assets and liabilities are presented as either current or noncurrent to provide an indication of their anticipated liquidation. The difference between total assets and total liabilities equals net position. The net position is an indicator of the current financial condition of the Station. A summary of assets, liabilities, and net position as of June 30, 2015 and 2014, is as follows:

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Management's Discussion and Analysis  
As of June 30, 2015**

**Statement of Net Position (continued)**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Current assets	\$ 311,901	\$ 324,768
Non-current assets	127,468	-
<b>Total Assets</b>	<u>439,369</u>	<u>324,768</u>
<b>Liabilities</b>		
Current liabilities	281,664	257,665
Non-current liabilities	46,917	46,030
<b>Total Liabilities</b>	<u>328,581</u>	<u>303,695</u>
<b>Net Position</b>		
Net investment in capital assets	127,468	-
Unrestricted	(16,680)	21,073
<b>Total Net Position</b>	<u>\$ 110,788</u>	<u>\$ 21,073</u>

**Fiscal Year 2015 compared to Fiscal Year 2014**

- Current assets as of the fiscal year ended 2015 decreased by \$12,867 or 4% primarily due to reduction of prepaid expenses. Non-current assets increased \$127,468 due to purchase of a radio transmitter, resulting in a net increase of assets of \$114,601 or 35.3%.
- Total liabilities in fiscal year end 2015 increased by \$24,886 or 8.2% due to a slight increase in operating expenses.
- Total net position in fiscal year end 2015 increased by \$89,715 compared to fiscal year end 2014 due to increase in net investment in capital assets.

**Statement of Revenues, Expenses and Changes in Net Position**

The statement of revenues, expenses, and changes in net position presents the Station's results of operations. The statement distinguishes revenues and expenses between operating and non-operating categories and provides a view of the Station's operating margin. A summary of revenues, expenses, and changes in net position for the years ended June 30, 2015 and 2014, is as follows:

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Management's Discussion and Analysis  
As of June 30, 2015**

**Statement of Revenues, Expenses and Changes in Net Position (continued)**

	<u>2015</u>	<u>2014</u>
<b>Operating Income</b>		
Operating revenues	\$ 427,063	\$ 437,159
Operating expenses	<u>1,798,570</u>	<u>1,705,493</u>
<b>Operating Loss</b>	<u>(1,371,507)</u>	<u>(1,268,334)</u>
 <b>Non-operating Revenues</b>		
Appropriations from Morgan State University	<b>886,000</b>	687,463
Donated facilities and administrative support from Morgan State University	<b>565,991</b>	534,488
In-kind contributions	<u>9,231</u>	<u>68,935</u>
<b>Total Non-operating Revenues</b>	<u><b>1,461,222</b></u>	<u>1,290,886</u>
 <b>Total Change in Net Position</b>	<b>89,715</b>	22,552
Net position, beginning of year	<u>21,073</u>	<u>(1,479)</u>
<b>Net Position, End of Year</b>	<u><b>\$ 110,788</b></u>	<u>\$ 21,073</u>

**Fiscal Year 2015 compared to Fiscal Year 2014**

- Total operating revenues for fiscal year 2015 decreased by \$10,096 or 2.3% from fiscal year 2014. The fluctuation is due to a decrease in grant and underwriting income.
- Non-operating revenues increased by \$170,336 or 13.2% for fiscal year 2015 due to a decrease of in-kind contributions and an increase in donated facilities from Morgan State University and the University's purchase of the transmitter.
- Total operating expenses in fiscal year 2015 increased by \$93,077 or 5.5% as compared to fiscal year 2014 due to an increase in broadcast related expenditures.

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Management's Discussion and Analysis  
As of June 30, 2015**

**Statement of Cash Flows**

The statement of cash flows provides information about the Station's receipts and disbursement of cash during the year. This statement also assists users in assessing the Station's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing. A summary of cash flows for the years ended June 30, 2015 and 2014, is as follows:

	<u>2015</u>	<u>2014</u>
<b>Cash Provided by (Used in):</b>		
Operating activities	\$ (546,387)	\$ (650,023)
Non-capital financing activities	756,371	687,463
Capital financing activities	<u>(129,629)</u>	<u>-</u>
<b>Net Increase in Cash</b>	<b>80,355</b>	<b>37,440</b>
Cash, beginning of year	<u>226,584</u>	<u>189,144</u>
<b>Cash, End of Year</b>	<b><u>\$ 306,939</u></b>	<b><u>\$ 226,584</u></b>

**SUMMARY**

In fiscal year 2015, the Station showed modest decline in operating revenues of 2.3%. This decrease is basically due to a decline in overall market conditions and revenue. Operating expenses increased by 5.5% as the Station hired a full time Membership Director. There were two membership drives, spring and fall in fiscal year 2015 with those funds going to support various expenses for the Station. The Station hired a new Membership Director in September, thus we did not incur salary expenses for that position from July through September 2014.

The Station began new digital/website development through NPR and we incurred new expenses year to year.

The University continues to provide support for the Station. The radio market continues to pace negatively thereby impacting media revenues in commercial and public radio. The staff at the Station continues to develop strategies to increase underwriting and fundraising revenues from all external funding sources to support the mission and goals of the Station.



**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Statements of Net Position  
As of June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 306,939	\$ 226,584
Accounts receivable, net	1,487	2,983
Pledges receivable, net	334	73
Grant receivable	3,141	75,998
Prepaid expenses	-	19,130
<b>Total Current Assets</b>	<u>311,901</u>	<u>324,768</u>
<b>Non-Current Assets</b>		
Equipment, net	<u>127,468</u>	-
<b>Total Assets</b>	<u>439,369</u>	<u>324,768</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	46	33,300
Accrued vacation	25,092	10,154
Accrued payroll	53,927	43,047
Unearned grant revenue	184,099	170,051
Unearned revenue	18,500	1,113
<b>Total Current Liabilities</b>	<u>281,664</u>	<u>257,665</u>
<b>Non-Current Liabilities</b>		
Accrued vacation, net of current portion	<u>46,917</u>	46,030
<b>Total Liabilities</b>	<u>328,581</u>	<u>303,695</u>
<b>Net Position</b>		
Net investment in capital assets	127,468	-
Unrestricted	(16,680)	21,073
<b>Total Net Position</b>	<u>\$ 110,788</u>	<u>\$ 21,073</u>

The accompanying notes are an integral part of these financial statements.

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Statements of Revenues, Expenses and Change in Net Position  
For the Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Operating Revenues</b>		
Subscription and membership income	\$ 119,477	\$ 114,502
Underwriting income	105,722	140,908
Grants	197,575	176,046
Fundraising income	2,951	4,639
Rental income	1,338	1,064
<b>Total Operating Revenues</b>	<u>427,063</u>	<u>437,159</u>
<b>Operating Expense</b>		
Program services:		
Programming and production	425,530	422,082
Broadcasting	536,400	453,832
Program information	23,950	22,607
Total program services	<u>985,880</u>	<u>898,521</u>
Management and general	479,107	554,917
Fundraising and membership development	333,583	252,055
<b>Total Operating Expense</b>	<u>1,798,570</u>	<u>1,705,493</u>
<b>Operating Loss</b>	<u>(1,371,507)</u>	<u>(1,268,334)</u>
<b>Non-Operating Revenues</b>		
Appropriations from Morgan State University	886,000	687,463
Donated facilities and administrative support from Morgan State University	565,991	534,488
In-kind contributions	9,231	68,935
<b>Total Non-Operating Revenues</b>	<u>1,461,222</u>	<u>1,290,886</u>
<b>Change in Net Position</b>	89,715	22,552
Net position, beginning of year	21,073	(1,479)
<b>Net Position, End of Year</b>	<u>\$ 110,788</u>	<u>\$ 21,073</u>

The accompanying notes are an integral part of these financial statements.

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Statements of Cash Flows  
For the Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities</b>		
Subscription and membership income	\$ 114,866	\$ 122,262
Underwriting income	129,800	128,644
Grants	284,481	180,553
Rental income	1,338	1,064
Fundraising income	2,951	4,639
Payments to employees	(886,171)	(778,027)
Payments to suppliers and contractors	(193,652)	(309,158)
<b>Net Cash from Operating Activities</b>	<u>(546,387)</u>	<u>(650,023)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Appropriations from Morgan State University	<u>756,371</u>	<u>687,463</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchase of capital assets	<u>(129,629)</u>	<u>-</u>
Net change in cash	80,355	37,440
Cash, Beginning of Year	226,584	189,144
<b>Cash, End of Year</b>	<u>\$ 306,939</u>	<u>\$ 226,584</u>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>		
Operating Loss	\$ (1,371,507)	\$ (1,268,334)
Donated facilities and administrative support from Morgan State University	565,991	534,488
In-kind contributions	9,231	68,935
Depreciation	2,161	-
Purchase of capital assets	129,629	-
Effect of changes in non-cash operating assets and liabilities:		
Accounts receivable, net	1,496	(2,325)
Pledges receivable, net	(261)	2,518
Grant receivable	72,857	(69,219)
Prepaid expenses	19,130	(19,130)
Accounts payable and accrued expenses	(33,254)	31,852
Accrued vacation	15,825	(6,134)
Accrued payroll	10,880	6,077
Unexpended grants	14,048	73,727
Unearned revenue	17,387	(2,478)
<b>Net Cash from Operating Activities</b>	<u>\$ (546,387)</u>	<u>\$ (650,023)</u>

The accompanying notes are an integral part of these financial statements.

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Notes to the Financial Statements  
June 30, 2015 and 2014**

**1. DESCRIPTION OF ORGANIZATION**

WEAA-FM (the Station) is a National Public Radio Station licensed and owned by Morgan State University (the University). The Station, which broadcasts in stereo on a frequency of 88.9 MHz, began operating on January 10, 1977, and serves the Baltimore/Washington Metropolitan area. Both the University and the Station are governed by a Board of Regents appointed by the State of Maryland.

The financial activity of the Station is included in the financial statements of the University. These accompanying financial statements of the Station present only that portion of the business-type activities of the University that is attributable to the transactions of the Station. They do not represent the financial position, changes in financial position, or cash flows of the University.

**Relationship with the University**

Administrative support from the University consists of allocated financial costs and certain other expenses incurred by the University on behalf of the Station, and are reported as operating revenue and expenses in accordance with valuation guidelines prescribed by the Corporation for Public Broadcasting. Revenue and expenses for administrative support totaling \$565,991 and \$534,488 was reported for the fiscal year ended June 30, 2015 and 2014, respectively. This allocation from the University is not necessarily representative of the Station's cost as if they were a stand-alone entity and could significantly change in the future.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Station's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenue is recognized when earned, and expenses are recorded when an obligation has been incurred.

The University has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with Governmental Accounting Standards Board (GASB). The University has elected to not apply FASB pronouncements issued after November 30, 1989.

**Use of 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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Notes to the Financial Statements  
June 30, 2015 and 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Accounts Receivable**

Accounts receivable represents amounts related to underwriting sales that have not been collected as of year-end and are recorded at their net realizable value. The allowance for doubtful accounts is based on specific identification of uncollectable accounts and the Station's historical collection experience. The reserve for doubtful accounts as of June 30, 2015 and 2014 was \$8,425 and \$ 6,231, respectively.

**Pledges Receivable**

Pledges receivable represents amounts pledged to the Station by individual donors and is reported at its net realizable value. The Station distinguishes contributions received for each net position category in accordance with donor restrictions. For the years ended June 30, 2015 and 2014, there were no pledges with donor restrictions.

Pledges are written off when deemed uncollectable. Recoveries of receivables previously written off are recorded as revenue when received. A receivable is considered to be past due when the balance is outstanding for greater than one year. The reserve for doubtful accounts as of June 30, 2015 and 2014 was \$33,042 and \$28,655, respectively.

**Grants Receivable**

Grants receivable represents amounts due from grants and is reported at their net realizable value. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and the Station's historical collection experience. As of June 30, 2015 and 2014, management believes all grants receivable are fully collectable.

**Capital Assets**

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation. The Station's capitalization policy includes all equipment with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The useful lives of studio and other equipment range between 5 and 15 years. Certain capital assets used by the Station that are owned by the University are allocated to the Station.

**Compensated Absences**

Compensated absences are accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as compensated absences in the statement of net position and as a component of the appropriate functional category of expense in the statement of revenues, expenses, and change in net position.

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Notes to the Financial Statements  
June 30, 2015 and 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Unearned Revenue**

Unearned revenues are funds collected for underwriting sales before the year-end for radio spots that run after the year-end.

Unearned grant revenues represent funds received from granting agencies before the year-end that have not been expended as of the end of the year.

**Classification of Revenues and Expenses**

The Station has classified its revenue as either operating or non-operating according to the following criteria:

*(1) Operating*

Operating revenues includes activities that have the characteristics of exchange transactions such as subscription and membership income, underwriting income, grants income, and other income.

*(2) Non-operating*

Non-operating revenues includes activities that have the characteristics of non-exchange transactions, such as appropriations from Morgan State University, donated facilities and services, and in-kind donations.

**Donated Facilities and Administrative Support**

The University provides certain facilities and administrative support to the Station. Donated facilities and administrative support represents the Station's allocated amounts of institutional support and donated facilities and is recorded as revenues and expenses in the statement of revenues, expenses, and changes in net assets. Institutional support is based on the Station's pro-rata share of the University's total salaries, wages, and administrative expenses. Donated facilities are the Station's pro-rate share of the University's total plant expenses along with calculated occupancy costs permitted by the Corporation for Public Broadcasting. For the year ended June 30, 2015 and 2014, the Station's allocated amounts of donated facilities and administrative support are calculated based on amounts stated in University's audited financial statements.

**Appropriations from Morgan State University**

The appropriation from the University represents support from the University for salaries and operating expenses not provided through other resources.

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Notes to the Financial Statements  
June 30, 2015 and 2014**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Risk Management**

The Station is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters. The Station, through the University, participates in the State's various self-insurance programs. The State is self-insured for general liability, property and casualty, workers' compensation, environmental and antitrust liabilities, and certain employee health benefits.

The State allocates the cost of providing claims servicing and claims payment by charging a "premium" to the University based on a percentage of the University's estimated current-year payroll or based on the average loss experienced by the University. This charge considers recent trends in actual claims experience of the State as a whole and makes provisions for catastrophic losses.

**New Accounting Pronouncements**

As of the year ended June 30, 2015, GASB issued Statement No. 72, entitled *Fair Value Measurement and Application*; Statement No. 73, entitled *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68*, and *Amendments to certain Provisions of GASB Statements 67 and 68*; GASB Statement No 74 entitled, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; GASB Statement No 75 entitled, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*; and GASB Statement No 76 entitled, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. These statements may have a material effect on the Station's financial statements once implemented. The Station will be analyzing the effects of these pronouncements and plans to adopt them as applicable by their effective date.

**Reclassification**

Certain 2014 amounts have been reclassified to conform to the 2015 financial statement presentation. These reclassifications had no effect on previously reported results of operations or net position.

**Subsequent Events**

The Station's management evaluated subsequent events and transactions through January 14, 2016, the date the financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Notes to the Financial Statements  
June 30, 2015 and 2014**

**3. CASH**

As of June 30, 2015 and 2014, the Station had cash on deposit in an internal pooled cash account with the Maryland State Treasurer (the Treasurer) in the amount of \$306,939 and \$226,584, respectively. The Treasurer has statutory responsibility for the State's cash management activities. The Treasurer maintains these and other State agency funds on a pooled basis in accordance with State statutes. As of June 30, 2015 and 2014, the Station's amount due from the Treasurer was less than 1% of total deposits with the Treasurer. For additional information on cash risk, see the State of Maryland Comprehensive Annual Financial Report for the year ended June 30, 2015.

**4. CAPITAL ASSETS**

Capital assets as of June 30, 2015 were as follows:

	<u>Balance at June 30, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2015</u>
<b>Capital Assets</b>				
Depreciated assets:				
Equipment	\$ -	\$ 129,629	\$ -	\$ 129,629
Less Accumulated Depreciation	-	2,161	-	2,161
<b>Capital Assets, Net</b>	<u>\$ -</u>	<u>\$ 127,468</u>	<u>\$ -</u>	<u>\$ 127,468</u>

Depreciation expense for the year ended June 30, 2015, was \$2,161.

**5. NON-CURRENT LIABILITIES**

Changes in non-current liabilities consisted of the following for the year ended June 30, 2015:

	<u>Balance as of June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of June 30, 2015</u>	<u>Amount Due Within One Year</u>
Accrued vacation	<u>\$ 56,184</u>	<u>\$ 45,113</u>	<u>\$ 29,288</u>	<u>\$ 72,009</u>	<u>\$ 25,092</u>

Changes in non-current liabilities consisted of the following for the year ended June 30, 2014:

	<u>Balance as of June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of June 30, 2014</u>	<u>Amount Due Within One Year</u>
Accrued vacation	<u>\$ 62,318</u>	<u>\$ 18,335</u>	<u>\$ 24,469</u>	<u>\$ 56,184</u>	<u>\$ 10,154</u>



**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Notes to the Financial Statements  
June 30, 2015 and 2014**

**6. RETIREMENT PLANS**

Eligible employees who perform services for the Station and employees of the State are covered under the retirement plans of the State Retirement and Pension System of Maryland (the System) and are also entitled to certain healthcare benefits upon retirement. The Station's only liability for retirement and post-employment benefits is its required annual contribution to the University, which in turn was paid in full to the State of Maryland prior to year end. The System is considered part of the State's financial reporting entity, and is not considered a part of the Fund's reporting entity. The System prepares a separate Comprehensive Annual Financial Report, which can be obtained from the Retirement and Pension System of Maryland at 120 East Baltimore Street, Baltimore, Maryland 21202.

## **SUPPLEMENTAL INFORMATION**

**MORGAN STATE UNIVERSITY  
WEAA-FM**

**Schedule of Non-Federal Support  
For the Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Operating Revenues</b>	<u>\$ 228,150</u>	<u>\$ 289,222</u>
<b>Non-Operating Revenues</b>		
Appropriations from Morgan State University	<u>886,000</u>	<u>687,463</u>
<b>Total Direct Non-Federal Financial Support</b>	<u>1,114,150</u>	<u>976,685</u>
Indirect Non-Federal Financial Support	<u>565,991</u>	<u>534,488</u>
<b>Total Non-Federal Financial Support</b>	<u>\$ 1,680,141</u>	<u>\$ 1,511,173</u>