BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

SECTION: 13
DATE: February 8, 2024

RECOMMENDATION

WEMU-FM FINANCIAL STATEMENTS AS OF JUNE 30, 2023 AND AUDITOR'S REPORT

ACTION REQUESTED

It is recommended that the Board of Regents receive and place on file the WEMU-FM Financial Statements as of June 30, 2023 and related auditor's report.

STAFF SUMMARY

WEMU-FM, Eastern Michigan University's public radio station, is required as a condition of participation in the public broadcasting program to file an annual audited statement of financial operations. Plante & Moran, PLLC prepares this audit annually as part of its financial audit engagement with the University.

The financial report, statements and opinion are attached. Plante & Moran indicates that, in their opinion, the financial statements present fairly the financial position of WEMU-FM as of June 30, 2023 and 2022. Additionally, it is Plante & Moran's opinion that the changes in WEMU-FM's financial position and cash flows for the years ended 2023 and 2022 were in accordance with generally accepted accounting principles.

WEMU-FM realized a Change in Net Position of $(50,664) during the period ended June 30, 2023 (see Statement of Revenues, Expenses and Changes in Net Position, Page 10). Increased programming/production and management related expenses in addition to reduced contributions and federal PPP loan forgiveness were the largest contributing factors in the change in net position in fiscal year 2023.

FISCAL IMPLICATIONS

None

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

[redacted]

University Executive Officer

January 18, 2024

Date

Eastern Michigan University WEMU-FM

Financial Report

June 30, 2023

Eastern Michigan University WEMU-FM

Contents

plante moran

Plante & Moran, PLLC
[redacted]

Independent Auditor's Report

To the Board of Regents
Eastern Michigan University WEMU-FM

Opinion

We have audited the financial statements of Eastern Michigan University WEMU-FM (the "Station"), a department of Eastern Michigan University, as of and for the years ended June 30, 2023 and 2022 and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Station as of June 30, 2023 and 2022 and the changes in its financial position and its cash flows thereof 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 Audits of the Financial Statements* section of our report. We are required to be independent of the Station 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

We draw attention to Note 1, which explains that these financial statements present only the Station and do not purport to, and do not, present fairly the financial position of Eastern Michigan University as of June 30, 2023 and 2022 and the changes in its financial position and changes in its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 the Station's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits 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.

To the Board of Regents
Eastern Michigan University WEMU-FM

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Other Matter

Management has omitted the required supplemental information related to the adoption of Governmental Accounting Standards Board (GASB) Statement Nos. 68 and 75, which accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by GASB, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Required Supplemental 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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.

Plante & Moran, PLLC

January 3, 2024

Management's Discussion and Analysis (Unaudited) (Continued)

This section of Eastern Michigan University WEMU-FM's (the "Station" or "WEMU") annual financial report presents management's discussion and analysis of the financial performance of the Station during the fiscal years ended June 30, 2023, 2022, and 2021. This discussion should be read in conjunction with the accompanying financial statements and footnotes. The financial statements, notes, and this discussion are the responsibility of the Station's management.

Using the Annual Financial Report

This annual report consists of financial statements prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. In 2015, the Station adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The Station reported a liability of $145,877, $89,963, $257,723 for its allocated share of the University's net pension liability at June 30, 2023, 2022, and 2021, respectively. In 2018, the Station adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The Station reported an asset of $17,121 and $6,850 and liabilities of $15,966 for its allocated share of the University's Other Postemployment Benefits (OPEB) liability at June 30, 2023, 2022 and 2021, respectively. The Station had deferred outflows consisting of $27,536, $22,673, and $20,156 primarily in University pension and OPEB contributions subsequent to the measurement date of the accrued actuarial pension obligation at June 30, 2023, 2022, and 2021, respectively. In addition, at June 30, 2023, 2022, and 2021, the Station had deferred inflows consisting of $0, $16,031, and $4,404, respectively, in the net difference between projected and actual earnings on pension and OPEB plan investments in respect to the fair value of pension and OPEB obligations.

The financial statements prescribed by GASB statements (the statement of net position, statement of revenue, expenses, and changes in net position, and statement of cash flows) present financial information in a form similar to that used by corporations. They are prepared under the accrual basis of accounting, whereby revenue and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The statement of net position includes all assets and liabilities. Over time, increases or decreases in net position (the difference between assets and liabilities) are one indicator of the improvement or erosion of the Station's financial health when considered with nonfinancial facts such as the condition of facilities.

The statement of revenue, expenses, and changes in net position presents the revenue earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. A public radio station's dependency upon gifts could result in operating deficits because the financial reporting model classifies gifts as nonoperating revenue. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The statement of cash flows presents information related to cash inflows and outflows summarized by operating, noncapital financing, capital financing, and related investing activities, and helps measure the ability to meet financial obligations as they mature.

Management's Discussion and Analysis (Unaudited) (Continued)

Condensed Statement of Net Position
(in thousands)

	June 30		
	2023	2022	2021
Assets			
Current assets	$ 482	$ 513	$ 418
Noncurrent assets	135	128	100
Total assets	617	641	518
Deferred Outflows of Resources	28	23	20
Liabilities			
Current liabilities	-	21	155
Noncurrent liabilities	206	138	510
Total liabilities	206	159	665
Deferred Inflows of Resources	-	16	4
Net Position			
Net investment in capital assets	117	122	100
Restricted - Expendable	66	94	145
Unrestricted (deficit)	256	273	(376)
Total net position	$ 439	$ 489	$ (131)

Management's Discussion and Analysis (Unaudited) (Continued)

Condensed Statement of Revenue, Expenses, and Changes in Net Position
(in thousands)

	Year Ended June 30		
	2023	2022	2021
Operating Revenue			
Grants from Corporation for Public Broadcasting	$ 126	$ 133	$ 133
Rental income	24	24	28
Total operating revenue	150	157	161
Operating Expenses			
Program services:			
Programming and production	1,102	639	798
Broadcasting	36	62	43
Program information	42	52	33
Support services:			
Fundraising	57	46	35
Management	322	253	294
Total operating expenses	1,559	1,052	1,203
Operating Loss	(1,409)	(895)	(1,042)
Nonoperating Revenue			
General appropriations from the University	343	312	258
Administrative support from the University	309	177	188
Contributions	707	809	765
Invoice forgiveness	-	74	74
Stabilization funds from Corporation for Public Broadcasting	-	-	154
PPP Loan forgiveness	-	143	-
Total nonoperating revenue	1,359	1,515	1,439
Change in Net Position	(50)	620	397
Net Position - Beginning of year	489	(131)	(528)
Net Position - End of year	$ 439	$ 489	$ (131)

Noteworthy Financial Activity

Significant components of the radio station's financial condition include:

- The Station's total assets as of June 30, 2023 decreased versus the prior year approximately $24,000, primarily due to a decrease in Cash ($42,000), offset with an increase in OPEB assets ($10,000) and Accounts Receivable ($12,000). Investment in capital assets was $116,834 as of June 30, 2023. The Station's total assets as of June 30, 2022 increased versus the prior year approximately $123,600, primarily due to an increase in Cash ($118,600), OPEB assets ($6,850) and a decrease in Accounts Receivable ($23,500).

- In 2023, liabilities increased approximately $46,000, primarily due to increase in Pension Obligation ($56,000) and Compensated Absences ($12,000) offset with the reduction in Accounts Payable ($21,000). In 2022, liabilities decreased approximately $505,000, primarily due to decreases in Compensated Absences ($23,500), Accounts Payable ($155,000), Pension Obligation ($168,000), OPEB Obligation ($16,000) and the Paycheck Protection Program Loan ($143,000).

- In 2023, operating revenue decreased approximately $7,000, primarily due to a decrease in Grant distributions ($7,000). In 2022, operating revenue decreased approximately $4,000, primarily due to a decrease in rental income ($3,400)

- In 2023, non-operating revenue decreased approximately $136,000, primarily due to a decrease in Contributions ($102,000). In 2022, non-operating revenue increased approximately $75,000, primarily due to an increase in General Appropriations ($53,500), Contributions ($44,000) and PPP Loan forgiveness ($142,700) offset by the decrease in Administrative Support ($11,500) and Stabilization funds from Corporation for Public Broadcasting ($153,700).

- In 2023, operating expenses increased approximately $385,000, primarily due to an increase in Program Services ($376,000), and Management Support ($44,000) offset by an increase in Broadcasting ($29,000) and Program Information ($13,000). In 2022, operating expenses decreased approximately $151,800, primarily due to a reduction in Program Services ($158,800), and Management Support ($41,700) offset by an increase in Fundraising ($10,700), Broadcasting ($20,000) and Program Information ($18,000).

Condensed Statement of Cash Flows
(in thousands)

	Year Ended June 30		
	2023	2022	2021
Cash (Used in) Provided by			
Operating activities	$ (1,380)	$ (1,163)	$ (1,143)
Noncapital financing activities	1,338	1,305	1,490
Capital and related financing activities	-	(24)	-
Net Increase (Decrease) in Cash	(42)	118	347
Cash - Beginning of year	465	347	-
Cash - End of year	**$ 423**	**$ 465**	**$ 347**

Looking Ahead

In fiscal year 2023, WEMU continued in its goal to reduce reliance on General Fund support while providing real-time news coverage, interviews and updates, and music that listeners appreciated when 'news fatigue' became overwhelming.

WEMU listeners responded with $807,000 in donations, a record for the station.

The station continued its strategy of targeted 'pop-up' fundraisers and shorter on-air appeals to raise the necessary operational funds. WEMU also received a six-figure legacy gift which was included in its fundraising totals.

WEMU will also need to filled two full-time positions at the end of FY22 and one at the beginning of FY23, due to two staff departures and one staff death.

In fiscal year 2024, WEMU will continue its aggressive audience building and fundraising strategies with increased focus on corporate and foundation gifts and a continued heavy emphasis on recruiting and retaining first-time and lapsed donors. While traditional outreach is still limited, the staff continues its work on more online and social media options to reach out to prospective listeners and lapsed donors.

WEMU's technical issues were fewer than in previous years, thanks to regular maintenance and diligence from the part time engineer, new data drops in key areas, and the replacement of aging computers. Aging equipment and infrastructure continues to be a concern. WEMU has begun looking into replacement costs and potential funders for critical equipment needs including digital control boards, a remote control for the transmitters, and, eventually, a new transmitter.

Thanks to an investment from Eastern Michigan University, WEMU was able to upgrade its news software system, ENCO, which also strengthened cyber security.

In FY24 Eastern Michigan University will replace its ancient HVAC system, helping to stabilize air quality and temperatures for the health of staff and equipment.

Management's Discussion and Analysis (Unaudited) (Continued)

WEMU remains committed to serve the University's mission of public service through programming, community support, civic engagement, and free public service announcements to nonprofits and arts organizations. Based on listener feedback, WEMU has played a critical role in supplying the community with critical and relevant information about the pandemic and will continue to do so through FY24 and beyond.

Eastern Michigan University WEMU-FM

Statement of Net Position

	June 30	
	2023	2022
Assets		
Current assets:		
Cash	$ 422,820	$ 465,214
Accounts receivable from the University	59,623	48,082
Total current assets	482,443	513,296
Noncurrent assets:		
Property and equipment - Net (Note 3)	116,834	121,644
OPEB asset	17,121	6,850
Total noncurrent assets	133,955	128,494
Total assets	616,398	641,790
Deferred Outflows of Resources (Note 5)	27,536	22,673
Liabilities		
Current liabilities - Accounts Payable (Note 7)	-	21,289
Noncurrent liabilities:		
Compensated absences	59,623	48,082
Pension obligation	145,877	89,963
Total noncurrent liabilities	205,500	138,045
Total liabilities	205,500	159,334
Deferred Inflows of Resources (Note 5)	-	16,031
Net Position		
Net investment in capital assets	116,834	121,644
Restricted - Expendable	65,743	94,241
Unrestricted	255,857	273,213
Total net position	**$ 438,434**	**$ 489,098**

Eastern Michigan University WEMU-FM

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2023	2022
Operating Revenue		
Grants from Corporation for Public Broadcasting	$ 125,907	$ 132,996
Rental income	24,105	24,105
Total operating revenue	150,012	157,101
Operating Expenses		
Program services:		
Programming and production	1,102,369	638,920
Broadcasting	35,552	61,359
Program information	41,786	51,484
Support services:		
Fundraising	57,067	46,125
Management	322,446	252,796
Total operating expenses	1,559,220	1,050,684
Operating Loss	(1,409,208)	(893,583)
Nonoperating Revenue		
General appropriations from the University	342,437	311,710
Administrative support from the University	308,884	176,633
Contributions	707,223	808,846
Invoice forgiveness (Note 7)	-	73,586
PPP Loan Forgiveness (Note 8)	-	142,745
Total nonoperating revenue	1,358,544	1,513,520
Change in Net Position	(50,664)	619,937
Net Position - Beginning of year	489,098	(130,839)
Net Position - End of year	**$ 438,434**	**$ 489,098**

Eastern Michigan University WEMU-FM

Statement of Cash Flows

	Year Ended June 30 2023	Year Ended June 30 2022
Cash Flows from Operating Activities		
Cash received from Corporation for Public Broadcasting	$ 125,907	$ 132,996
Cash received from tower leases	24,105	24,105
Cash paid for programming services	(1,151,713)	(1,015,622)
Cash paid for management and fundraising	(378,342)	(305,078)
Net cash used in operating activities	(1,380,043)	(1,163,599)
Cash Flows from Noncapital Financing Activities		
Cash received from University appropriations	321,542	320,820
Cash received from administrative support	308,884	176,633
Contributions received	707,223	808,846
Net cash provided by noncapital financing activities	1,337,649	1,306,299
Cash Flows from Capital and Related Financing Activities:		
Purchase of equipment	-	(24,049)
Net (Decrease) Increase in Cash	(42,394)	118,651
Cash - Beginning of year	465,214	346,563
Cash - End of year	**$ 422,820**	**$ 465,214**
Reconciliation of Operating Loss to Net Cash used in Operating Activities		
Operating loss	$ (1,409,208)	$ (893,583)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	4,810	2,405
Changes in assets and liabilities:		
Accounts receivable - Net	(11,541)	23,545
Accrued compensated absences	11,542	(23,545)
Accounts payable	(21,289)	(81,845)
Net pension obligation and related deferred inflows and outflows	55,914	(167,760)
Net OPEB obligation and related deferred inflows and outflows	(10,271)	(22,816)
Total changes in assets and liabilities	24,355	(272,421)
Net cash used in operating activities	**$ (1,380,043)**	**$ (1,163,599)**

See Notes to Financial Statements.

Note 1 - Organization

Eastern Michigan University WEMU-FM (the "Station" or "WEMU") is a public telecommunications radio station licensed to Eastern Michigan University (the "University"). WEMU serves the Washtenaw County radio market with a mission to participate in the educational and public service purposes of the University by providing programming which addresses the needs and the interests of the Station's coverage area.

WEMU is owned and operated by the University and does not have separate legal status or existence. The financial position, support, revenue, and expenditures of WEMU are included in the University's financial statements.

Note 2 - Basis of Presentation and Significant Accounting Policies

Basis of Presentation - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for publicly owned colleges and universities and is presented in accordance with the reporting model as prescribed in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended by GASB Statements No. 37, No. 38, and No. 63. WEMU follows the "business-type" activities requirements of GASB Statement No. 34. This approach requires the following components of WEMU's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements including a Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows; and Notes to the Financial Statements

The GASB established standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a consolidated basis to focus on the University as a whole, with resources classified for accounting and reporting purposes into three net position categories according to externally imposed restrictions.

Note 2 - Basis of Presentation and Significant Accounting Policies (Continued)

The three net position categories are as follows:

- **Net Investment in Capital Assets** - Includes capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- **Restricted - Expendable** - Includes net position whose whole use is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.
- **Unrestricted** - Includes net position not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Board of Regents or may otherwise be limited by contractual agreements with outside parties.

Cash - Cash is held in Eastern Michigan University funds. The amounts reflected in the accompanying statement of net position represent the net amounts due to the Station from the University's pooled cash system.

Property and Equipment - Property and equipment are recorded at cost or, if acquired by gift, at the fair value as of the date of donation. Depreciation is computed on the straight-line method over the estimated service lives (5 to 15 years) of the respective assets. Expenditures for repairs and maintenance are charged to expense as incurred.

Compensated Absences - Compensated absences include sick leave, annual leave, and compensatory time accrued by station employees per University policy and paid by the University. It is the University's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is a liability for unpaid accumulated sick leave since the University does have a policy to pay half of any amounts accumulated when eligible employees retire from the University. All vacation pay is accrued when incurred. A receivable from the University and a liability is reported for these amounts as of year-end.

General Appropriations from the University - General appropriations from the University consist of certain payroll and other direct expenses paid by the University on behalf of WEMU. Because the University pays for WEMU's compensated absences, a receivable from the University has been established in the statement of net position in the amount of accrued compensated absences.

Indirect Administrative Support - A portion of the University's general overhead costs relates to and benefits WEMU. Such items include administration, utilities, maintenance, repairs, and other institutional support expenditures of the University. These services were provided without cost and have been allocated to WEMU. The fair value of these services is reported as revenue (administrative support from the University) and expenditures in the accompanying statement of revenue, expenses, and changes in net position.

Note 2 - Basis of Presentation and Significant Accounting Policies (Continued)

Contributions and Grants - Unrestricted gifts are recognized as revenue when received.

WEMU receives an annual community service grant from the Corporation for Public Broadcasting. These funds may be used at the discretion of WEMU and are reported as restricted grant revenue in the accompanying financial statements.

Allocation of Expenditures - Expenditures are reported by their functional classification. Accordingly, certain expenditures for facility operations, institutional support, interest, and depreciation have been allocated to functional classifications based on the time devoted to these activities.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of sources and application of net assets during the reporting period. Actual results could differ from those estimates.

Deferred Outflows - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows are related to pension and OPEB obligations described in Note 5.

Deferred Inflows - In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows are related to the pension and OPEB plans described in Note 5.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Note 2 - Basis of Presentation and Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs - For purposes of measuring the net other employment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the MPSERS and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, MPSERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Upcoming GASB Statements – In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2025.

Note 3 - Property and Equipment

Property and equipment at June 30, 2023 and 2022 consist of the following:

	2022	Additions	Retirement	2023
Land	$ 100,000	$ -	$ -	$ 100,000
Transmitter and tower	288,800	-	-	288,800
Studio and technical equipment	164,846	-	-	164,846
Furniture, fixture, and equipment	126,813	-	-	126,813
Subtotal	680,459	-	-	680,459
Less accumulated depreciation	(558,815)	(4,810)	-	(563,625)
Net property and equipment	$ 121,644	$ (4,810)	$ -	$ 116,834

	2021	Additions	Retirement	2022
Land	$ 100,000	$ -	$ -	$ 100,000
Transmitter and tower	288,800	-	-	288,800
Studio and technical equipment	140,797	24,049	-	164,846
Furniture, fixture, and equipment	126,813	-	-	126,813
Subtotal	656,410	24,049	-	680,459
Less accumulated depreciation	(556,410)	(2,405)	-	(558,815)
Net property and equipment	$ 100,000	$ 21,644	$ -	$ 121,644

Note 3 - Property and Equipment (Continued)

For the years ended June 30, 2023 and 2022, depreciation expense for WEMU totaled $4,810 and $2,405, respectively. In conformity with the Corporation of Public Broadcasting's Financial Reporting Guidelines, depreciation expense is allocated to the various operating functional expense categories in the Statement of Revenues, Expenses and Changes in Net Position based on the operational function of each individual piece of property or equipment.

Note 4 - Retirement Benefits and Compensated Absences

Through December 31, 1995, the University offered participation in one of two retirement plans for all qualified employees: The Michigan Public School Employees' Retirement System (MPSERS) and the Teachers Insurance and Annuities Association - College Retirement Equities Fund (TIAA-CREF). The MPSERS plan is further discussed in Note 5.

Defined Contribution Plan

TIAA-CREF is a defined contribution retirement plan. Substantially all full-time employees of the University are eligible to participate in the TIAA-CREF plan. Employee benefits generally vest immediately. The University contributes a specified percentage of employee wages, as defined by the appropriate labor contract. For the years ended June 30, 2023, 2022, and 2021, WEMU-FM contributed approximately $18,000, $18,000, and $24,000, respectively, to the TIAA-CREF plan. The University has no liability beyond its own contributions under the TIAA-CREF plan.

The University provides termination benefits upon retirement resulting from unused sick days. The University calculates its sick pay liability in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. The University established a policy to eliminate sick leave accruals and retirement payouts for certain employees. The policy also includes a short-term disability plan to provide income protection for certain employees unable to work for an extended period because of nonwork-related illness or period of incapacity. The Station's portion of this liability is $59,623 and $48,082 as of June 30, 2023 and 2022, respectively.

Note 5 - Michigan Public School Employees' Retirement System

Plan Description - The Station, through the University, participates in the Michigan Public School Employees' Retirement System (MPSERS or the "System"), a statewide, cost sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the University hired in 1996 or earlier. Certain University employees also receive defined contribution retirement and healthcare benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment healthcare benefits to retirees and beneficiaries who elect to receive those benefits.

Note 5 - Michigan Public School Employees' Retirement System (Continued)

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the pension and postemployment healthcare plans. That report is available on the web at http://www.michigan.gov/orsschools. Separate pension information related to the Station's employees included in this plan is not available.

Benefits Provided - Benefit provisions of the defined benefit pension plan and the postemployment healthcare plan (OPEB) are established by state statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit pension plan and the postemployment healthcare plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of service times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced to 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member's date of hire, MPSERS offers the option of participating in the defined contribution plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits, but with an actuarial reduction.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS, with the balance deducted from the monthly pension of each retiree healthcare recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Note 5 - Michigan Public School Employees' Retirement System (Continued)

Contributions - Public Act 300 of 1980, as amended, requires the University to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state legislature. Under these provisions, each University's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree healthcare and keeping the premium subsidy benefit described above or choosing not to pay the 3 percent contribution and instead, opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stop paying the 3 percent contribution to the retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

The University's contributions are determined based on employee elections. There are multiple different pension and healthcare benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The range of rates is as follows:

	Pension	OPEB
October 1, 2020 - September 30, 2021	19.74% - 26.26%	5.99% - 6.91%
October 1, 2021 - September 30, 2022	19.86% - 26.38%	5.87% - 6.79%
October 1, 2022 - September 30, 2023	10.00%-16.52%	0.00%-.92%

Depending on the plan selected, member pension contributions range from 0 percent up to 7 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The University's required and actual pension contributions to the plan for the year ended June 30, 2023 and 2022 were $43,561,508 and $17,704,373, respectively, which include the University's contributions required for those members with a defined contribution benefit. The University's required and actual pension contributions include an allocation of $37,158,900 and $12,125,131 in revenue received from the State of Michigan, and remitted to the System, to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2023 and 2022, respectively.

Note 5 - Michigan Public School Employees' Retirement System (Continued)

The University's required and actual OPEB contributions to the plan for the years ended June 30, 2023 and 2022 were $1,447,104 and $1,620,241, respectively. These amounts include the University's contributions required for those members with a defined contribution benefit.

As a result of the above requirements, WEMU records an allocation of the University's required and actual contributions to the plan for the years ended June 30, 2023 and 2022, which was approximately $25,000 ($23,000 for pension and $2,000 for OPEB), and $25,000 ($20,000 for pension and $5,000 for OPEB), respectively.

Net Pension Liability - At June 30, 2023 and 2022, the Station reported a liability of $145,877 and $89,963, respectively, for its allocated share of the University's net pension liability. The net pension liability was measured as of September 30, 2022 and 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2021 and 2020, which used updated procedures to roll forward the estimated liability to September 30, 2022 and 2021. The University's proportion of the MPSERS net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. The amount the University allocated to the Station is based on the Station's current year contributions to the Plan, as a percentage of the University's total current year contributions to the Plan. At September 30, 2022, 2021, and 2020, the Station's allocation was 0.37, 0.13, and 0.31 percent, respectively, of the University's proportionate share. Subsequent to the Station's year-end on July 20, 2023, Michigan Act No. 106 of Public Acts of 2023 was approved. The Act's Section 236h provides total appropriations of $200 million for all universities to pay MPSERS towards the unfunded pension liability. This additional appropriation and subsequent payment to MPSERS will significantly reduce the net pension liability.

Net OPEB Asset & Liability - At June 30, 2023 and 2022, the Station reported an asset of $17,121 and $6,850, respectively, for its allocated share of the University's OPEB liability. The net OPEB liability was measured as of September 30, 2022 and 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2021 and 2020, which used updated procedures to roll forward the estimated liability to September 30, 2022. The University's proportion of the MPSERS net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. The amount the University allocated to the Station is based on the Station's current year contributions to the Plan, as a percentage of the University's total current year contributions to the Plan. At September 30, 2022, 2021, and 2020, the Station's allocation was 0.37, 0.13, 0.31 percent, respectively, of the University's proportionate share.

Note 5 - Michigan Public School Employees' Retirement System (Continued)

Pension Expense and Deferrals of Resources Related to Pensions - For the years ended June 30, 2023 and 2022, WEMU recognized pension expense of $55,919 and $167,760, respectively. At June 30, 2023 and 2022, WEMU reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 7,804	$ -	$ -	$ (12,113)
Total amortized deferrals	7,804	-	-	(12,113)
University contributions subsequent to the measurement date	18,244	-	21,115	-
Total	$ 26,048	$ -	$ 21,115	$ (12,113)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2024	$ 726
2025	201
2026	(996)
2027	8,276
Total	$ 8,207

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year (2024).

Note 5 - Michigan Public School Employees' Retirement System (Continued)

OPEB Expense and Deferrals of Resources Related to OPEB - For the years ended June 30, 2023 and 2022, WEMU recognized OPEB recovery of $10,271 and $22,815, respectively. At June 30, 2023 and 2022, WEMU reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 1,403	$ -	$ -	$ (3,919)
Total amortized deferrals	1,403	-	-	(3,919)
University contributions subsequent to the measurement date	85	-	1,558	-
Total	$ 1,489	$ -	$ 1,558	$ (3,919)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB were recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and therefore will not be included in future pension expense):

Years Ending June 30	Amount
2023	$ (108)
2024	(331)
2025	(585)
2026	2,427
Total	$ 1,403

Note 5 - Michigan Public School Employees' Retirement System (Continued)

Actuarial Assumptions - The total pension liability and total OPEB liability as of September 30, 2023 and 2022 is based on the results of an actuarial valuation as of September 30, 2022 and September 30, 2021, and rolled forward. The following actuarial assumptions applied to all periods included in the measurement:

As of September 30, 2022:		
Actuarial cost method		Entry age normal cost actuarial method
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00%	Net of investment expenses based on the groups
Salary increases	2.75 - 11.55%	Including wage inflation of 2.75%
Healthcare cost trend rate	5.25-7.75%	Year 1 graded to 3.5% in Year 15, 3.0% in Year 120
Mortality basis	Retirees & Active	RP-2014 Male and Female Healthy Annuitant Mortality Tables, 100% for active (retirees scaled by 78% for females and 82% for males) adjusted for mortality improvements using projections scale MP-2017 from 2006
Cost of living pension adjustments	3.00%	Annual non-compunded for MIP members
As of September 30, 2021:		
Actuarial cost method		Entry age normal cost actuarial method
Investment rate of return - Pension	6.00%-6.80%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.95%	Net of investment expenses based on the groups
Salary increases	2.75 - 11.55%	Including wage inflation of 2.75%
Healthcare cost trend rate	5.25-7.75%	Year 1 graded to 3.0% Year 12
Mortality basis	Retirees & Active	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006
Cost of living pension adjustments	3.00%	Annual non-compunded for MIP members

Assumption changes as a result of an experience study for the periods 2012 to 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation.

Significant assumption changes since the prior measurement date, September 30, 2021, for the OPEB plan include a decrease in the discount rate used in the September 30, 2022 actuarial valuation by 0.80% percentage points in the pension plan and 0.95% percentage points in the OPEB plan. The investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.80% percentage points in the pension plan 0.95% percentage points in the OPEB plan. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2021.

Note 5 - Michigan Public School Employees' Retirement System (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.00 and 6.80 percent as of September 30, 2022 and 2021, respectively. The discount rate used to measure the total OPEB liability was 6.00 percent and 6.95 percent as of September 30, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that University contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Plan Year September 30, 2022		Plan Year September 30, 2021	
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.0%	5.1%	25.0%	5.4%
Private equity pools	16.0%	8.7%	16.0%	9.1%
International equity pools	15.0%	6.7%	15.0%	7.5%
Fixed-income pools	13.0%	-0.2%	10.5%	-0.7%
Real estate and infrastructure pools	10.0%	5.3%	10.0%	5.4%
Absolute return pools	9.0%	2.7%	9.0%	2.6%
Real return/opportunities pools	10.0%	5.8%	12.5%	6.1%
Short-term investment pools	2.0%	-0.5%	2.0%	-1.3%
Total	100%		100%	

Note 5 - Michigan Public School Employees' Retirement System (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the University, calculated using the discount rate depending on the plan option. The following also reflects what the University's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2023		
	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Station's proportionate share of the net pension liability - June 30, 2023	$ 203,218	$ 145,877	$ 97,201

	2022		
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Station's proportionate share of the net pension liability - June 30, 2022	$ 108,091	$ 89,963	$ 74,487

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the University, calculated using the current discount rate. The following also reflects what the University's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2023		
	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Station's proportionate share of the net OPEB asset - June 30, 2023	$ (9,159)	$ (17,121)	$ (23,884)

	2022		
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Station's proportionate share of the net OPEB liability - June 30, 2022	$ (11,940)	$ (17,121)	$ (25,994)

Note 5 - Michigan Public School Employees' Retirement System (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the net OPEB liability of the University, calculated using the current healthcare cost trend rate. The following also reflects what the University's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2023		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Station's proportionate share of the net OPEB asset - June 30, 2023	$ (24,308)	$ (17,121)	$ (8,877)

	2022		
	1% Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Station's proportionate share of the net OPEB liability - June 30, 2022	$ (26,481)	$ (17,121)	$ (11,564)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS financial report.

Note 6 - Nonfederal Financial Support (NFFS)

The Corporation for Public Broadcasting (CPB) allocates a portion of its funds annually to public broadcasting entities, primarily based on NFFS, which is defined by CPB. NFFS is defined as the total value of cash and the fair market value of services received as contributions or payments and meeting all the respective criteria for each.

Calculated in accordance with CPB guidelines, the combined network reported total NFFS of $1,325,819 and $1,264,901, for the years ended June 30, 2023 and 2022, respectively.

Note 7 – Invoice Forgiveness

During 2020, WEMU discovered certain unrecorded accounts payable invoices from periods before 2019 totaling approximately $327,000. During 2020, WEMU entered into an agreement with the third-party vendor, which outlined WEMU was to repay approximately $180,000 of the unpaid invoices at certain dates starting on September 30, 2020. As those payments are made, the third-party vendor will forgive approximately $147,000 of the unpaid invoices. If the payments are not made at the proper dates, the invoices will not be forgiven.

Note 7 – Invoice Forgiveness (Continued)

During 2022 and 2021, under the terms of the agreement, WEMU paid $84,845 and $76,780 of the unpaid invoices, respectively, and recognized nonoperating revenue of $73,586 and $73,700, respectively, for the invoices forgiven. As of June 30, 2022, the total remaining amount of unpaid and unforgiven invoices totaled approximately $22,000 which which was paid in full in 2023 with no additional amounts forgiven during 2023.

Note 8 – Paycheck Protection Program Loan

During the year ended June 30, 2021, WEMU received a Paycheck Protection Program (PPP) loan in the amount of $142,745. The PPP Loan program was created under the Coronavirus, Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met. WEMU may use the funds on qualifying expenses over a covered period of up to 24 weeks. At the conclusion of the covered period, any balance that is not forgiven by the SBA will be repaid over a period of five years with interest accruing at a rate of 0.98 percent, with monthly payments of principal and interest beginning ten months after the conclusion of the covered period. Based on the loan amount, irrespective of any potential forgiveness that may be granted in the future, monthly principal payments would be approximately $2,400 during the repayment period.

On March 25, 2022, the entire loan balance was forgiven and is recorded as nonoperating revenue on the statement of revenues, expenses, and changes in net position for the year ended June 30, 2022.

Plante & Moran, PLLC
[redacted]

Independent Accountant's Report

To the Board of Regents
Eastern Michigan University WEMU-FM
c/o Eastern Michigan University

We have examined, for Eastern Michigan University WEMU-FM (WEMU), a department of Eastern Michigan University, management's assertion that the accompanying Corporation for Public Broadcasting (CPB) Schedule of Non-Federal Financial Support (NFFS) for the fiscal year ended June 30, 2023 is presented in accordance with CPB's *Fiscal Year 2023 Financial Reporting Guidelines* governing the amounts reported as NFFS. WEMU's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, management's assertion that the Schedule of Non-Federal Financial Support of Eastern Michigan University WEMU-FM for the fiscal year ended June 30, 2023 is presented in accordance with CPB's *Fiscal Year 2023 Financial Reporting Guidelines* governing amounts reported as NFFS is fairly stated in all material respects.

This report is intended solely for the information and use of the Corporation for Public Broadcasting and management of WEMU and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

January 3, 2024

plante moran

Plante & Moran, PLLC
[redacted]

January 3, 2024

To the Board of Regents and Management
Eastern Michigan University WEMU-FM

We have audited the financial statements of Eastern Michigan University - WEMU-FM (the "Station") as of and for the year ended June 30, 2023 and have issued our report thereon dated January 3, 2024. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 23, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Station. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 13, 2023.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Station are described in Note 2 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2023.

We noted no transactions entered into by the Station during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

PRAXITY Empowering Business Globally

This information is intended solely for the use of the board of regents and management of the Station and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

[redacted]

Brian Greko, CPA
Partner

EASTERN MICHIGAN UNIVERSITY

EMU Board of Regents
WEMU-FM Update

February 8, 2024

Overview

- WEMU celebrated strong audience numbers in 2023
- Focused on strategic priorities of strong listener growth, increased fundraising, and critical technology upgrades
- In 2011, WEMU announced as part of its strategic plan it would voluntarily reduce GF support by $250,000 over three years to become more self-sustaining
- Exceeded goal with reduction of more than $600,000 – from $834K in FY11 to less than $200K in FY23
- Poised to remain a local, regional and national leader for another 59+ years

Successes

- Five-year average audience and share remains high, remaining #3 in the market with behind powerhouses Michigan Radio and WJR Detroit (Nielsen Audio)
- More than 200 first-time donors and more than 600 donors returned to WEMU after a lapse of more than three years, keeping pace with the previous year
- Online listening continues to grow nationwide (Google Analytics)
- Creation of WEMU Community Champions Major Giving Circle for gifts of $1,200+
- Increased foundation support with major gifts from The Erb Family Foundation, the Multiverse Foundation, and the Mosaic Foundation of Rita and Peter Heydon
- Increased return to live listener and donor events

Successes

- WEMU was honored with 12 Broadcast Excellence Awards from the Michigan Association of Broadcasters, including **STATION OF THE YEAR**, Public Radio Group One

- WEMU retains the Current Magazine "Best of Washtenaw County" awards for radio: Best Local Radio Station and Best Local Radio Host

- WEMU moved its popular free 5:01 Jazz series to the Blue Llama Jazz Club

Successes

- Celebrated 40th anniversary of senior music programmer and jazz host, Michael Jewett
- Announcers returned to the stage as emcees for the 2023 Ann Arbor Summer Festival and Detroit Jazz Festival
- Continued providing Eastern students with radio and broadcasting real-world experience through targeted internships
- Flagship station for Eastern football and basketball – in FY23 broadcast 50+ games including postseason games for football, men's and women's basketball

Examples of ongoing coverage of EMU

- *EMU to receive funding for building renovation from supplemental spending bill*
- *Legendary EMU basketball coach to have court named in his honor at George Gervin GameAbove Center in Ypsilanti*
- *EMU biology students prepare to observe tarantulas in their natural habitat next summer*
- *Las Vegas Raiders star Maxx Crosby donates $1 million to alma mater EMU*
- *EMU professor launches grassroots oral history project*

Community support

"Thanks for the great local journalism. We need that. So glad you're watching what goes on."

"Your on-air staff are incredible. Their programming is a valued gift to our household and a lifeline to reality."

"Thank you for enriching this community!"

"This is the best jazz station I have ever listened to (informed, great selection of shows, etc.), including the NYC stations that I used to listen to."

WEMU produced three monthly series featuring daily vignettes or weekly features for Black History Month, Jazz Appreciation Month, and Black Music Month.

"I thought those daily stories during Black History Month were fascinating, and really well done. We're members here of four different radio public stations and nothing compared with what you folks did at EMU."

~ Lisa Pasbjerg, WEMU listener and donor

Challenges in FY24

- Traditional fundraising and corporate support, while increasing, are not at pre-pandemic response levels
- Static support from Corporation for Public Broadcasting
- Increased competition from commercial and non-profit organization crowdfunding campaigns
- Aging infrastructure/equipment
- Filling open positions with qualified candidates

Looking Ahead

- Stay focused on strategic priorities of strong listener growth, increased fundraising, and content partnerships for increased coverage
- Continue to re-vamp news coverage, fundraising, and outreach with a focus on new and lapsed listeners and donors.
- Increased emphasis on major gifts and foundation support
- Commitment to hyper-local focus in news, music, and arts partnerships
- Continued focus on cost containment
- Awaiting response to grant application for replacing aging equipment

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Comments/Questions?

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EASTERN MICHIGAN UNIVERSITY

EMU Board of Regents

WEMU-FM Update

February 8, 2024