



Financial Statements  
September 30, 2021 and 2020  
**Prairie Public Broadcasting, Inc.**

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## Independent Auditor's Report

The Board of Directors  
Prairie Public Broadcasting, Inc.  
Fargo, North Dakota

### Report on the Financial Statements

We have audited the accompanying financial statements of Prairie Public Broadcasting, Inc. (Organization), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prairie Public Broadcasting, Inc. as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters****Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information (actual column) on pages 27 through 38 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information (actual column) on pages 27 through 38 is fairly stated in all material respects in relation to the financial statements as a whole.

The supplementary information (budget column) on pages 27 through 38 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Fargo, North Dakota  
January 17, 2022

Prairie Public Broadcasting, Inc.  
 Statements of Financial Position - Assets  
 September 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 9,167,167	\$ 6,550,309
Grants receivable	321,452	317,872
Contributions receivable, net of allowance for uncollectible accounts of \$14,700 in 2021 and \$14,100 in 2020	483,084	462,556
In-kind contributions receivable	25,000	26,563
Trade accounts receivable, net of allowance for uncollectible accounts of \$23,100 in 2021 and \$27,600 in 2020	128,152	193,772
Inventory	14,406	14,260
Prepaid expenses	465,416	99,074
Total current assets	10,604,677	7,664,406
Property and Equipment, Net	8,834,422	9,538,602
Other Assets		
Board directed endowment	6,238,374	4,876,709
Investments	444,993	1,117,821
In-kind contributions receivable, net of present value discount of \$95,000 in 2021 and \$105,000 in 2020	310,987	325,800
Patronage refunds receivable	671,507	651,829
Radio licenses	220,000	220,000
Total other assets	7,885,861	7,192,159
Total assets	\$ 27,324,960	\$ 24,395,167

Prairie Public Broadcasting, Inc.  
 Statements of Financial Position - Liabilities and Net Assets  
 September 30, 2021 and 2020

	2021	2020
Liabilities and Net Assets		
Current Liabilities		
Current portion of deferred contract revenues	\$ 794	\$ 6,750
Accounts payable	144,045	293,340
Accrued liabilities	612,781	787,443
Total current liabilities	757,620	1,087,533
Deferred Contract Revenues, Net of Current Portion	-	1,688
Total liabilities	757,620	1,089,221
Net Assets		
Without donor restrictions		
General reserves	11,128,923	10,703,391
Board designated	6,238,374	4,876,709
Property and equipment	8,834,422	6,888,144
Total without donor restrictions	26,201,719	22,468,244
With donor restrictions	365,621	837,702
Total net assets	26,567,340	23,305,946
Total liabilities and net assets	\$ 27,324,960	\$ 24,395,167

Prairie Public Broadcasting, Inc.  
Statement of Activities  
Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Members	\$ 2,220,971	\$ -	\$ 2,220,971
Corporation for Public Broadcasting	2,393,509	-	2,393,509
Grants	307,405	86,250	393,655
State support	914,636	448,746	1,363,382
Underwriting	264,390	61,140	325,530
Fees	22,969	-	22,969
Gaming (net of prize payouts and cost of sales)	5,411,479	-	5,411,479
Other	260,721	20,000	280,721
Rents	992,161	-	992,161
Net investment return	1,059,438	51,609	1,111,047
Net assets released from restrictions	1,139,826	(1,139,826)	-
Total public support and revenue	<u>14,987,505</u>	<u>(472,081)</u>	<u>14,515,424</u>
Expenses			
Program services			
Television	4,156,233	-	4,156,233
Radio	1,516,636	-	1,516,636
Total program services	<u>5,672,869</u>	<u>-</u>	<u>5,672,869</u>
Support services			
Television development	343,308	-	343,308
Radio development	74,526	-	74,526
General administration	1,555,405	-	1,555,405
Total support services	<u>1,973,239</u>	<u>-</u>	<u>1,973,239</u>
Gaming and concessions	3,607,922	-	3,607,922
Total expenses	<u>11,254,030</u>	<u>-</u>	<u>11,254,030</u>
Revenues in Excess of Expenses and Increase in Net Assets	3,733,475	(472,081)	3,261,394
Net Assets, Beginning of the Year	<u>22,468,244</u>	<u>837,702</u>	<u>23,305,946</u>
Net Assets, End of Year	<u>\$ 26,201,719</u>	<u>\$ 365,621</u>	<u>\$ 26,567,340</u>

Prairie Public Broadcasting, Inc.  
Statement of Activities  
Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Members	\$ 2,132,874	\$ -	\$ 2,132,874
Corporation for Public Broadcasting	1,815,834	-	1,815,834
Grants	355,668	214,031	569,699
State support	745,417	765,148	1,510,565
Underwriting	213,524	132,770	346,294
Fees	19,717	-	19,717
Gaming (net of prize payouts and cost of sales)	3,760,855	-	3,760,855
Other	322,211	20,054	342,265
Rents	910,324	-	910,324
Extinguishment of debt	-	946,400	946,400
Net investment return	526,080	19,226	545,306
Net assets released from restrictions	1,554,623	(1,554,623)	-
Total public support and revenue	<u>12,357,127</u>	<u>543,006</u>	<u>12,900,133</u>
Expenses			
Program services			
Television	4,233,926	-	4,233,926
Radio	1,621,998	-	1,621,998
Total program services	<u>5,855,924</u>	<u>-</u>	<u>5,855,924</u>
Support services			
Television development	378,277	-	378,277
Radio development	89,552	-	89,552
General administration	1,525,421	-	1,525,421
Total support services	<u>1,993,250</u>	<u>-</u>	<u>1,993,250</u>
Gaming and concessions	2,993,324	-	2,993,324
Total expenses	<u>10,842,498</u>	<u>-</u>	<u>10,842,498</u>
Revenues in Excess of Expenses and Increase in Net Assets	1,514,629	543,006	2,057,635
Net Assets, Beginning of the Year	<u>20,953,615</u>	<u>294,696</u>	<u>21,248,311</u>
Net Assets, End of Year	<u>\$ 22,468,244</u>	<u>\$ 837,702</u>	<u>\$ 23,305,946</u>



Prairie Public Broadcasting, Inc.  
Statement of Functional Expenses  
Year Ended September 30, 2021

	Program Services			Supporting Services				Gaming	Total
	Television	Radio	Total	Television Development	Radio Development	General and Administrative	Total		
Salaries	\$ 1,445,704	\$ 738,098	\$ 2,183,802	\$ -	\$ -	\$ 585,851	\$ 585,851	\$ 653,094	\$ 3,422,747
Depreciation	902,180	126,292	1,028,472	-	-	65,807	65,807	63,428	1,157,707
Supplies	4,200	533	4,733	-	-	7,883	7,883	1,469,100	1,481,716
Benefits	464,979	129,582	594,561	-	-	101,421	101,421	126,040	822,022
Gaming taxes	-	-	-	-	-	-	-	954,804	954,804
Program rights	564,246	-	564,246	-	-	-	-	-	564,246
Power costs	214,341	156,413	370,754	-	-	-	-	-	370,754
Miscellaneous	77,018	16,242	93,260	213,757	-	4,048	217,805	7,358	318,423
Contracted services	145,238	9,624	154,862	-	-	13,517	13,517	26,564	194,943
Program acquisition	-	247,145	247,145	-	-	-	-	-	247,145
Repairs and maintenance	66,198	6,915	73,113	-	-	108,589	108,589	4,311	186,013
Payroll taxes	110,349	47,449	157,798	-	-	47,849	47,849	-	205,647
Insurance	-	-	-	-	-	179,757	179,757	15,823	195,580
Rent and leases	57,545	-	57,545	-	-	11,029	11,029	190,548	259,122
Utilities	-	-	-	-	-	89,704	89,704	26,226	115,930
Professional fees	-	-	-	-	-	118,691	118,691	1,120	119,811
Bad debts	-	-	-	28,725	8,722	-	37,447	-	37,447
Membership	-	-	-	23,276	23,291	-	46,567	-	46,567
Premiums	-	-	-	58,981	-	-	58,981	-	58,981
Travel	15,266	3,559	18,825	-	-	575	575	20,940	40,340
Bank Fees	-	-	-	-	-	58,276	58,276	-	58,276
Printing and postage	22,093	2,579	24,672	11,547	-	6,979	18,526	3,812	47,010
Dues and subscriptions	15,365	-	15,365	-	-	39,302	39,302	-	54,667
New member acquisition	-	-	-	-	42,513	-	42,513	-	42,513
Equipment	492	18,967	19,459	-	-	27,313	27,313	13,569	60,341
Telephone	7,076	1,478	8,554	-	-	22,391	22,391	3,322	34,267
Computer	-	-	-	-	-	32,623	32,623	-	32,623
Production	22,018	-	22,018	-	-	-	-	-	22,018
Promotion	-	-	-	6,898	-	-	6,898	25,057	31,955
Program information	21,369	-	21,369	-	-	-	-	-	21,369
Cleaning	-	-	-	-	-	18,920	18,920	-	18,920
Satellite interconnection fees	-	11,338	11,338	-	-	-	-	-	11,338
Board costs	-	-	-	-	-	341	341	-	341
Vending	-	-	-	-	-	-	-	3,994	3,994
Hiring	-	-	-	-	-	9,534	9,534	-	9,534
Training	556	422	978	-	-	2,720	2,720	23	3,721
NSF checks	-	-	-	-	-	-	-	(1,523)	(1,523)
Workers compensation	-	-	-	-	-	2,285	2,285	312	2,597
Customer service	-	-	-	124	-	-	124	-	124
	<u>\$ 4,156,233</u>	<u>\$ 1,516,636</u>	<u>\$ 5,672,869</u>	<u>\$ 343,308</u>	<u>\$ 74,526</u>	<u>\$ 1,555,405</u>	<u>\$ 1,973,239</u>	<u>\$ 3,607,922</u>	<u>\$ 11,254,030</u>

Prairie Public Broadcasting, Inc.  
Statement of Functional Expenses  
Year Ended September 30, 2020

	Program Services			Supporting Services				Gaming	Total
	Television	Radio	Total	Television Development	Radio Development	General and Administrative	Total		
Salaries	\$ 1,472,042	\$ 748,809	\$ 2,220,851	\$ -	\$ -	\$ 612,304	\$ 612,304	\$ 803,561	\$ 3,636,716
Depreciation	931,726	160,583	1,092,309	-	-	71,040	71,040	61,197	1,224,546
Supplies	9,406	500	9,906	-	-	9,304	9,304	915,500	934,710
Benefits	509,079	182,441	691,520	-	-	48,529	48,529	114,336	854,385
Gaming taxes	-	-	-	-	-	-	-	784,565	784,565
Program rights	526,292	-	526,292	-	-	-	-	-	526,292
Power costs	219,411	158,273	377,684	-	-	-	-	-	377,684
Miscellaneous	75,514	8,114	83,628	196,681	-	7,451	204,132	14,146	301,906
Contracted services	144,563	14,651	159,214	-	-	13,563	13,563	29,324	202,101
Program acquisition	-	245,097	245,097	-	-	-	-	-	245,097
Repairs and maintenance	76,932	18,297	95,229	-	-	131,593	131,593	4,509	231,331
Payroll taxes	101,689	55,068	156,757	-	-	52,754	52,754	-	209,511
Insurance	-	-	-	-	-	174,982	174,982	15,382	190,364
Rent and leases	56,215	-	56,215	-	-	10,806	10,806	165,434	232,455
Utilities	-	-	-	-	-	80,760	80,760	27,283	108,043
Professional fees	-	-	-	-	-	82,640	82,640	127	82,767
Bad debts	-	-	-	54,748	18,452	-	73,200	-	73,200
Membership	-	-	-	39,090	29,482	-	68,572	-	68,572
Premiums	-	-	-	61,737	-	-	61,737	-	61,737
Travel	18,691	3,537	22,228	870	-	10,690	11,560	24,469	58,257
Bank Fees	-	-	-	-	-	56,416	56,416	-	56,416
Printing and postage	22,431	2,095	24,526	18,628	-	7,803	26,431	3,180	54,137
Dues and subscriptions	13,596	-	13,596	-	-	38,627	38,627	-	52,223
New member acquisition	-	-	-	-	41,618	-	41,618	-	41,618
Equipment	295	11,438	11,733	-	-	26,893	26,893	2,893	41,519
Telephone	5,914	1,757	7,671	-	-	23,489	23,489	3,173	34,333
Computer	-	-	-	-	-	30,795	30,795	-	30,795
Production	24,961	-	24,961	-	-	-	-	-	24,961
Promotion	-	-	-	5,617	-	323	5,940	16,584	22,524
Program information	21,821	-	21,821	-	-	-	-	-	21,821
Cleaning	-	-	-	-	-	18,440	18,440	-	18,440
Satellite interconnection fees	-	11,338	11,338	-	-	-	-	-	11,338
Board Fees	-	-	-	-	-	10,820	10,820	-	10,820
Vending	-	-	-	-	-	-	-	4,585	4,585
Hiring	-	-	-	-	-	4,056	4,056	-	4,056
Training	3,348	-	3,348	5	-	470	475	-	3,823
NSF checks	-	-	-	-	-	-	-	2,884	2,884
Workers compensation	-	-	-	-	-	806	806	192	998
Customer service	-	-	-	901	-	-	901	-	901
Interest	-	-	-	-	-	67	67	-	67
	<u>\$ 4,233,926</u>	<u>\$ 1,621,998</u>	<u>\$ 5,855,924</u>	<u>\$ 378,277</u>	<u>\$ 89,552</u>	<u>\$ 1,525,421</u>	<u>\$ 1,993,250</u>	<u>\$ 2,993,324</u>	<u>\$ 10,842,498</u>

Prairie Public Broadcasting, Inc.  
Statements of Cash Flows  
Years Ended September 30, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	\$ 3,261,394	\$ 2,057,635
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,157,707	1,224,546
Net change in unrealized gain and losses on investments	(889,054)	(363,391)
Net realized gains and losses on investments	(96,443)	(17,757)
In-kind contributions	16,376	26,893
Loss on sale of equipment	13,705	-
Changes in assets and liabilities		
Grants receivable	(3,580)	119,465
Contributions receivable	(20,528)	(30,481)
Trade accounts receivable	65,620	101,227
Inventory	(146)	33
Prepaid expenses	(366,342)	405,110
Accounts payable	(149,295)	141,179
Accrued liabilities	(174,662)	91,102
Deferred revenue	(7,644)	(667,644)
Net Cash from Operating Activities	2,807,108	3,087,917
Investing Activities		
Purchases and construction of property and equipment	(628,127)	(364,685)
Proceeds from sale of investments	1,506,663	3,798,954
Proceeds from sale of property and equipment	160,895	-
Purchases of investments	(1,210,003)	(2,018,516)
Change in patronage refunds receivable	(19,678)	(20,554)
Net Cash from (used for) Investing Activities	(190,250)	1,395,199
Net Change in Cash and Cash Equivalents	2,616,858	4,483,116
Cash and Cash Equivalents, Beginning of Year	6,550,309	2,067,193
Cash and Cash Equivalents, End of Year	\$ 9,167,167	\$ 6,550,309

## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization and Nature of Operations**

Prairie Public Broadcasting, Inc. (Organization) is a trusted public service dedicated to building an exciting and productive future for the prairie and its people. The Organization offers a window on the world through national and regional television and radio programming; creates a forum for the most important issues facing our region with locally produced, topical documentaries; partners with others to foster education for all ages; and utilizes digital technology and web services to expand those valued services. Beginning with a single television transmitter in Fargo, the Organization has grown to become the premier broadcaster of public television and radio services throughout the prairie region.

The Organization operates nine non-commercial television stations, (KBME-DT – Bismarck, ND; KCGE-DT – Crookston, MN; KMDE-DT – Devils Lake, ND; KDSE-TV – Dickinson, ND; KJRE-DT – Ellendale, ND; KFME-TV – Fargo, ND; KFGE-TV – Grand Forks, ND; KSRE-DT – Minot, ND; and KWSE—DT – Williston, ND), and ten non-commercial public FM radio stations (KCND-FM – Bismarck, ND; KPPD-FM – Devils Lake, ND; KDPR-FM – Dickinson, ND; KDSU-FM – Fargo, ND; KFJM-FM – Grand Forks, ND; KUND-FM – Grand Forks, ND; KPRJ-FM – Jamestown, ND; KMPR-FM – Minot, ND; KPPW-FM – Williston, ND; and KPPR-FM – Williston, ND). The financial statements include the accounts of all affiliated stations operated by the Organization. The Organization raises funds through pledges, donations, and charitable gaming activities at several locations.

### **Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

### **Cash and Cash Equivalents**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment, or other long-term purposes of the Organization are excluded from this definition.

### **Grants Receivable**

The Organization receives grants from federal and private agencies for various programs. Grants receivable represents amounts requested from granting agencies for services performed. Grants receivable is reduced once the cash has been received from the granting agencies.

**Contributions Receivable**

Contributions receivable expected to be collected within one year are recorded at net realizable value. Contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectable contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectable.

**Receivables and Credit Policies**

Trade receivables are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. The receivables are non-interest bearing. Payments of trade receivables are applied to the earliest unpaid invoices. The carrying amount of trade receivables is reduced by an amount that reflects management's best estimate of the amounts that will not be collected.

**Inventory**

Inventory is comprised of gaming jar tickets, bingo paper, concession supplies and resale promotional items, and is stated at the lower of cost or net realizable value determined by the first-in, first-out method.

**Property and Equipment**

Property and equipment acquisitions in excess of \$1,000 for equipment and \$5,000 for buildings and land are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years, or in the case of leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any remaining gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Gifts of long-lived assets such as land, buildings, or equipment are reported as additions to net assets without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when donated or when acquired long-lived assets are placed in service.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended September 30, 2021 and 2020.

### **Board Directed Endowment**

The Board Directed Endowment includes investments set aside by the Board of Directors. The earnings on these investments are available to support operations. The Board Directed Endowment is reflected as a noncurrent asset and a board designated net asset in the accompanying financial statements.

### **Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment management and custodial fees.

### **Patronage Refund Receivable**

Patronage refund receivable represents undistributed balances held by utility cooperative organizations for the account of the Organization. These patronage refunds are distributed at the discretion of the cooperatives' management and/or boards of directors.

### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

**Net Assets With Donor Restrictions** – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

### **Revenue and Revenue Recognition**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization had no outstanding conditional promises to give as of September 30, 2021.

Gaming revenues are recognized upon the satisfaction of the performance obligation to honor the outcome of the game played, which occurs at a point in time. Revenue is recognized from program services and admissions when the performance obligation is satisfied at the point in time the service is provided. All revenues recognized from contracts with customers are recognized at a point in time.

Deferred revenues represent advance payments for events or program services that will be recognized when the services are provided. Deferred revenues as of September 30, 2021 and 2020 were \$794 and \$8,438, respectively.

The Organization rents building and tower space under operating lease agreements and income is recognized on a straight-line basis over the term of the rent agreements.

### **In-Kind Contributions**

The Organization leases rooftop space from unrelated third parties, the value of which has been contributed. Contributed goods are recorded at fair value at the date of donation (Note 12).

### **Fundraising Costs**

The costs of fundraising are presented as development expenses included in support services on the statements of activities. There were no joint costs allocated to fund raising costs in either year presented. Fund raising expenses were approximately \$447,000 and \$494,000 for the years ended September 30, 2021 and 2020.

### **Advertising**

The Organization uses advertising to promote its programs. The costs of advertising and promotion are expensed as incurred. During 2021 and 2020, advertising and promotion costs totaled \$76,697 and \$62,569.

### **Income Taxes**

The Organization is organized as a North Dakota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

### **Gaming Taxes**

The state of North Dakota assesses a tax on gaming adjusted gross proceeds.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, professional services, office expenses, insurance, and other, which are allocated on the basis of usage.

### **Subsequent Events**

The Organization has evaluated subsequent events through January 17, 2022, the date which the financial statements were available to be issued.



**Note 2 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 9,167,167	\$ 6,550,309
Receivables		
Grants	321,452	317,872
Contributions	483,084	462,556
Trade	128,152	193,772
Board Directed Endowment	6,238,374	4,876,709
Investments	<u>444,993</u>	<u>1,117,821</u>
	16,783,222	13,519,039
Less Amounts Not Available to be used Within One Year		
Net assets designated by the board	(6,238,374)	(4,876,709)
Net assets with donor restrictions	<u>(365,621)</u>	<u>(837,702)</u>
	<u>\$ 10,179,227</u>	<u>\$ 7,804,628</u>

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board has established designated amounts to be set aside as donor advised funds. Although the Organization does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, certificates of deposit, and money market funds.

**Note 3 - Property and Equipment**

Property and equipment consists of the following at September 30, 2021 and 2020:

	2021	2020
Land	\$ 680,970	\$ 680,971
Buildings and Improvements	4,991,150	5,144,066
Vehicles and Equipment	42,090,869	41,371,360
Construction in Process	-	114,965
	47,762,989	47,311,362
Less accumulated depreciation	(38,928,567)	(37,772,760)
Net property and equipment	\$ 8,834,422	\$ 9,538,602

**Note 4 - Investments**

**Board Directed Endowment**

The Board Directed Endowment investments at September 30, 2021 and 2020 are shown in the following table. Investments in fixed income mutual funds, equity securities, and stock mutual funds are stated at fair value. Investments in cash and cash equivalents are stated at cost plus accrued interest, if applicable.

	2021	2020
Board Directed Endowment		
Fixed income mutual funds	\$ 1,522,443	\$ 1,126,231
Equity securities	1,638,715	1,339,342
Stock mutual funds	3,009,848	2,358,767
Cash and cash equivalents	67,368	52,369
	\$ 6,238,374	\$ 4,876,709

**Investments**

Investments in fixed income mutual funds, stock mutual funds, and other investments are stated at fair value. Investments in cash and cash equivalents and certificates of deposit are stated at cost plus accrued interest, if applicable. Investments include the following at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Investments		
Endowment		
Fixed income mutual funds	\$ 150,913	\$ 124,659
Equity securities	230,691	187,318
Cash and cash equivalents	20,605	18,621
Certificates of deposit	-	750,000
Other	42,784	37,223
	<u>\$ 444,993</u>	<u>\$ 1,117,821</u>

**Note 5 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods.

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for Specified Purpose or Time		
Grants	\$ 20,000	\$ 99,066
State support	10,871	391,043
Underwriting	-	32,843
	<u>30,871</u>	<u>522,952</u>
Endowments		
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation		
Operations	<u>334,750</u>	<u>314,750</u>
	<u>\$ 365,621</u>	<u>\$ 837,702</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Satisfaction of Purpose Restrictions		
CPB	\$ 19,464	\$ -
FCC Repack	169,452	114,965
State support	825,317	374,105
Underwriting	73,984	99,927
PPP loan forgiveness	-	946,400
	<u>1,088,217</u>	<u>1,535,397</u>
Restricted - Purpose Appropriations		
General	<u>51,609</u>	<u>19,226</u>
	<u>\$ 1,139,826</u>	<u>\$ 1,554,623</u>

#### Note 6 - Endowments

The Organization's endowment (Endowment) consists of funds established by donors to provide annual funding for specific activities and general operations. The Endowment also includes certain net assets without donor restrictions designated for endowment by the Board of Directors.

The Board of Directors has interpreted the North Dakota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At September 30, 2021 and 2020, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts, including promises to give at fair value donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

At September 30, 2021 and 2020, the Organization had the following endowment net asset composition by type of fund:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
September 30, 2021			
Board-designated endowment funds	\$ 6,238,374	\$ -	\$ 6,238,374
Donor-designated endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	334,750	334,750
	<u>\$ 6,238,374</u>	<u>\$ 334,750</u>	<u>\$ 6,573,124</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
September 30, 2020			
Board-designated endowment funds	\$ 4,876,709	\$ -	\$ 4,876,709
Donor-designated endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	314,750	314,750
	<u>\$ 4,876,709</u>	<u>\$ 314,750</u>	<u>\$ 5,191,459</u>

The following were the changes in the endowment net assets for the years ended September 30, 2021 and 2020:

	Without Donor Restriction	With Donor Restrictions	Total
Balance as of September 30, 2019	\$ 4,280,237	\$ 294,696	\$ 4,574,933
Contributions	147,379	20,054	167,433
Investment gain	449,093	19,226	468,319
Amounts appropriated	-	(19,226)	(19,226)
Balance as of September 30, 2020	4,876,709	314,750	5,191,459
Contributions	356,790	20,000	376,790
Investment gain	1,004,875	51,609	1,056,484
Amounts appropriated	-	(51,609)	(51,609)
Balance as of September 30, 2021	<u>\$ 6,238,374</u>	<u>\$ 334,750</u>	<u>\$ 6,573,124</u>

**Board Designated Endowment Performance Since Creation**

The performance of the board designated endowment since it was created by the Board of Directors is as follows:

Amount initially established in board designated endowment	\$ 250,000
Board designated contributions since creation	3,225,577
Investment income, net, since creation	<u>2,762,797</u>
Balance as of September 30, 2021	<u>\$ 6,238,374</u>

The board designated endowment is recorded at fair value. The investment income (losses) noted above include interest income, realized and unrealized gains and losses, and fees.

The Organization has a budget which provides for an improvement in working capital position. The improvement goal was set at 1% of revenues from ongoing operating revenues, which excludes revenues for land, building and equipment. For 2021 and prior, any actual improvement from operations of the working capital position above the budgeted goal, limited to \$200,000, is to be invested in the Organization's Board Directed Endowment Fund in the following fiscal year.

For fiscal year 2021, the improvement goal was set at \$70,381. As of September 30, 2021 and 2020, the working capital position was \$9,847,056 and \$6,576,873, which is an increase of \$3,270,183. The improvement above the budget goal of \$3,199,802. \$200,000 from the prior year surplus will be designated for investment in the board designated endowment in fiscal year 2022. For 2022, an additional \$200,000 will be designated for investment in the board designated endowment from the current year budgeted surplus.

### **Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to support the operations while seeking to maintain the purchasing power of the endowment assets. The long-term objective for the Endowment is to earn a total rate of return from investment assets which shall exceed demands placed on the portfolio to support the Organization's spending policy plus the rate of inflation, as measured by the national Consumer Price Index. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time. Endowment assets include funds with donor restrictions and board designated funds without donor restrictions. Only a majority vote of the Board of Directors would change the designation of these funds to be recorded in operating net assets without donor restrictions. The endowment assets are invested in a manner that is intended to produce results that exceed the price and yield positive results while assuming a low level of investment risk.

### **Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Organization relies on an investment allocation with investments in mutual funds and cash equivalents.

### **Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of September 30, 2021 and 2020.

### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Organization's policy is to maintain sufficient financial stability for the operations of the Organization. Interest and dividends net of investment expense are currently included in the endowments and until a decision is made regarding the use of those funds.

**Note 7 - Retirement Plan**

Substantially all employees of the Organization participate in a defined contribution retirement plan. Employer contributions to the plan are based on a percentage of employee compensation and are paid as accrued. Retirement expense was \$163,528 and \$165,269 for the years ended September 30, 2021 and 2020.

**Note 8 - Funds Held by Foundations**

There were funds totaling approximately \$307,000 and \$274,000 held by various foundations at September 30, 2021 and 2020. These amounts are not included in the assets reported in the statement of financial position. These funds are managed by the foundations. The Organization receives the interest income from these funds on an annual basis.

**Note 9 - Leases**

The Organization leases office and tower space to various lessees under long term leases. Rental income totaled \$992,161 and \$910,324 for the years ended September 30, 2021 and 2020.

Future minimum lease payments receivable on these leases are as follows:

<u>Years Ending September 30,</u>	<u>Amount</u>
2022	\$ 874,106
2023	687,299
2024	587,838
2025	437,159
2026	385,992
Thereafter	<u>910,198</u>
Total minimum payments receivable	<u><u>\$ 3,882,592</u></u>



**Note 10 - Fair Value of Assets**

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk or liquidity profile of the asset or liability.

A significant portion of the Organization's investment assets are classified within Level 1 because they include equity securities, and open-end mutual funds with readily determinable fair values based on daily redemption values. The other assets are classified as Level 3 because the Organization values them based on unobservable (non-market) information received.

The related fair values of these assets are determined as follows:

	<u>Total</u>	<u>Quoted Prices In Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
<b>September 30, 2021</b>				
Fixed income mutual funds	\$ 1,673,356	\$ 1,673,356	\$ -	\$ -
Equity securities	1,869,406	1,869,406	-	-
Stock mutual funds	3,009,848	3,009,848	-	-
Other investments	<u>42,784</u>	<u>-</u>	<u>-</u>	<u>42,784</u>
	<u>\$ 6,595,394</u>	<u>\$ 6,552,610</u>	<u>\$ -</u>	<u>\$ 42,784</u>
	<u>Total</u>	<u>Quoted Prices In Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
<b>September 30, 2020</b>				
Fixed income mutual funds	\$ 1,250,890	\$ 1,250,890	\$ -	\$ -
Equity securities	1,526,660	1,526,660	-	-
Stock mutual funds	2,358,767	2,358,767	-	-
Other investments	<u>37,223</u>	<u>-</u>	<u>-</u>	<u>37,223</u>
	<u>\$ 5,173,540</u>	<u>\$ 5,136,317</u>	<u>\$ -</u>	<u>\$ 37,223</u>

Following is a reconciliation of activity for the assets measured at fair value based upon significant unobservable (non-market) information:

	<u>Other Investments</u>
Balance, September 30, 2019	\$ 35,714
Investment income (loss), net of expenses	3,036
Withdrawals	<u>(1,527)</u>
Balance, September 30, 2020	37,223
Investment income (loss), net of expenses	6,951
Withdrawals	<u>(1,390)</u>
Balance, September 30, 2021	<u>\$ 42,784</u>

**Note 11 - Commitments and Contingencies****Operating Leases**

The Organization leases a portion of its equipment under operating leases expiring during the next five years. The Organization also leases land on which to place its broadcast towers. These leases are also operating leases and expire over the next twenty years. Lastly, the Organization holds gaming leases which are short-term leases as they are renewed annually. The total rental expense for all operating leases was \$259,122 and \$232,455 for the years ended September 30, 2021 and 2020.

The following is a schedule of future minimum rental payments required under all long-term operating leases as of September 30, 2021.

<u>Years Ending September 30,</u>	<u>Amount</u>
2022	\$ 92,854
2023	87,545
2024	79,293
2025	67,856
2026	67,653
Thereafter	<u>938,805</u>
Total	<u>\$ 1,334,006</u>

**Self-Insurance**

The Organization is self-insured with respect to certain employee medical costs. Terms of the plan include a stop-loss provision which limits the Organization's liability to \$35,000 per individual or approximately \$760,000 in aggregate annually. The self-insurance is included in accrued liabilities on the statement of financial position.

	<u>Beginning Balance</u>	<u>Expense</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2021	\$ 51,000	\$ 449,292	\$ (449,292)	\$ 51,000
2020	51,000	579,491	(579,491)	51,000

**Note 12 - In-Kind Contribution**

During 2019, the Organization entered into two agreements with unrelated third parties to lease microwave antenna space for varying periods of time. The lease payment requirements were not equivalent to the fair value of the space that is being leased. The Organization has recorded an in-kind contribution in relation to the value of the use of the space throughout the period of the leases.

Future discount on the lease is as follows:

Years Ending September 30,	Fair Value	Discount	Net
2022	\$ 25,000	\$ -	\$ 25,000
2023	25,000	(1,394)	23,606
2024	25,000	(2,061)	22,939
2025	25,000	(2,710)	22,290
2026	25,000	(3,340)	21,660
Thereafter	306,250	(85,757)	220,493
Total	\$ 431,250	\$ (95,262)	\$ 335,988

**Note 13 - Paycheck Protection Program (PPP) Loan**

In 2020, the Organization was granted a \$946,400 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. The Organization initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released by the SBA. The Organization recognized \$946,400 of loan forgiveness income for the year ended September 30, 2020.

**Note 14 - Contingencies**

**COVID-19 Pandemic**

During 2020 and 2021, the world-wide coronavirus pandemic impacted national and global economies. The Organization is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future impact to the Organization is not known.



Supplementary Information  
September 30, 2021

**Prairie Public Broadcasting, Inc.**

Prairie Public Broadcasting, Inc.  
Supporting Schedule to the Statement of Activities  
Year Ended September 30, 2021

	Budget (unaudited)	Actual
<b>Television</b>		
Support and Revenue	\$ 4,394,021	\$ 5,535,415
Expenses		
Programming and production	2,383,740	2,018,481
Engineering	2,330,689	2,137,752
Development	386,310	343,308
Total expenses	5,100,739	4,499,541
Excess of (Expenses over Support and Revenue) Support and Revenue over Expenses	\$ (706,718)	\$ 1,035,874
<b>Radio</b>		
Support and Revenue	\$ 1,027,900	\$ 1,349,642
Expenses		
Programming and production	1,106,850	1,061,266
Engineering	508,850	455,370
Development	117,650	74,526
Total expenses	1,733,350	1,591,162
Excess of Expenses over Support and Revenue	\$ (705,450)	\$ (241,520)
<b>Corporate</b>		
Allocated to television	\$ 1,157,777	\$ 2,695,039
Allocated to radio	570,249	1,327,406
Total support and revenue	1,728,026	4,022,445
General and Administrative Expenses		
Allocated to television	1,007,041	1,042,121
Allocated to radio	496,006	513,284
Total expenses	1,503,047	1,555,405
Excess of Support and Revenue over Expenses	\$ 224,979	\$ 2,467,040
<b>Total</b>		
Support and Revenue	\$ 7,149,947	\$ 10,907,502
Expenses	8,337,136	7,646,108
Excess of (Expenses over Support and Revenue) Support and Revenue over Expenses	\$ (1,187,189)	\$ 3,261,394

Prairie Public Broadcasting, Inc.  
Schedule of Support and Revenue  
Year Ended September 30, 2021

	Budget (unaudited)	Actual
Television		
Membership (1)	\$ 1,675,000	\$ 1,744,020
CPB income (2)	1,360,450	1,983,422
ND state support (4)	451,000	541,640
MN state support (4)	498,700	625,162
Underwriting (5)	307,500	184,666
NCCEMS (3)	114,500	202,300
Educational fees (6)	22,700	22,969
MN capital grant (4)	10,871	16,580
Program products (8)	13,000	24,380
Foundation income (3)	30,000	24,440
CPB interconnection grant (2)	17,300	19,060
Broadcast income (8)	7,000	46,379
Grant income (3)	20,000	130,273
Miscellaneous (8)	-	3,200
Special gifts (8)	3,000	86,527
Special events (8)	(2,000)	500
Canadian exchange (1)	(135,000)	(120,103)
	4,394,021	5,535,415
Total television		
Radio		
Membership (1)	585,000	597,054
Underwriting (5)	133,000	140,864
CPB income (2)	154,400	391,027
ND state support (4)	136,500	180,000
Grant income (3)	14,000	36,642
Miscellaneous (8)	-	113
Special events (8)	5,000	3,942
	1,027,900	1,349,642
Total radio		

Prairie Public Broadcasting, Inc.  
Schedule of Support and Revenue  
Year Ended September 30, 2021

	Budget (unaudited)	Actual
Corporate		
Television		
Gaming net income (7)	\$ 481,633	\$ 1,208,383
Tower rent (9)	564,697	630,417
Contracted services (8)	10,050	14,204
Building rent (9)	34,331	34,331
Capital patronage (8)	32,562	30,321
Oil well royalties (8)	4,020	3,754
Interest income (10)	26,130	84,119
Other revenues (8)	6,365	7,026
Realized and unrealized gains and losses (10)	-	660,283
Endowment contribution (8)	-	13,400
In kind (8)	-	19,119
Gain on sale of equipment (8)	-	(9,182)
Vending loss (8)	(2,010)	(1,136)
	1,157,777	2,695,039
Radio		
Gaming net income (7)	237,222	595,174
Tower rent (9)	278,134	310,504
Contracted services (8)	4,950	6,996
Building rent (9)	16,909	16,909
Capital patronage (8)	16,038	14,934
Oil well royalties (8)	1,980	1,849
Interest income (10)	12,870	41,432
Other revenues (8)	3,135	3,461
Realized and unrealized gains and losses (10)	-	325,213
Endowment contribution (8)	-	6,600
In kind (8)	-	9,417
Gain on sale of equipment (8)	-	(4,523)
Vending loss (8)	(990)	(560)
	570,249	1,327,406
Total corporate	1,728,026	4,022,445
Total Support and Revenue	\$ 7,149,947	\$ 10,907,502
Gaming and concession expenses		
Allocated to television (7)	(1,851,286)	(2,417,308)
Allocated to radio (7)	(911,827)	(1,190,614)
Total gaming and concession expenses	\$ (2,763,113)	\$ (3,607,922)



Prairie Public Broadcasting, Inc.  
Schedule of Support and Revenue  
Year Ended September 30, 2021

	Budget (unaudited)	Actual
<b>Public Support and Revenue - Television</b>		
Membership (1)	\$ 1,540,000	\$ 1,623,917
CPB income (2)	1,377,750	2,002,482
Grants (3)	164,500	357,013
State Support (4)	960,571	1,183,382
Underwriting (5)	307,500	184,666
Fees (6)	22,700	22,969
Gaming (net of prize payouts and cost of sales) (7)	2,332,919	3,625,691
Other (8)	71,987	238,492
Rents (9)	599,028	664,748
Net investment return (10)	26,130	744,402
	<u>7,403,085</u>	<u>10,647,762</u>
<b>Public Support and Revenue - Radio</b>		
Membership (1)	585,000	597,054
CPB income (2)	154,400	391,027
Grants (3)	14,000	36,642
State Support (4)	136,500	180,000
Underwriting (5)	133,000	140,864
Gaming (net of prize payouts and cost of sales) (7)	1,149,049	1,785,788
Other (8)	30,113	42,229
Rents (9)	295,043	327,413
Net investment return (10)	12,870	366,645
	<u>2,509,975</u>	<u>3,867,662</u>
<b>Public Support and Revenue (Summarized from Above)</b>		
Membership (1)	2,125,000	2,220,971
CPB income (2)	1,532,150	2,393,509
Grants (3)	178,500	393,655
State Support (4)	1,097,071	1,363,382
Underwriting (5)	440,500	325,530
Fees (6)	22,700	22,969
Gaming (net of prize payouts and cost of sales) (7)	3,481,968	5,411,479
Other (8)	102,100	280,721
Rents (9)	894,071	992,161
Net investment return (10)	39,000	1,111,047
	<u>\$ 9,913,060</u>	<u>\$ 14,515,424</u>
<b>Total Public Support and Revenue</b>	<u>\$ 9,913,060</u>	<u>\$ 14,515,424</u>

Prairie Public Broadcasting, Inc.  
Schedule of Programming and Production Expenses – Television  
Year Ended September 30, 2021

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	Budget (unaudited)	Actual
Salary - Full-time	\$ 943,000	\$ 816,111
Program rights	584,100	564,246
Benefits	375,400	308,476
Production	58,900	22,018
Contracted services	106,800	69,264
Miscellaneous	114,580	85,818
FICA tax	66,800	67,377
Program information	19,550	21,369
Postage	34,600	22,093
Travel	24,750	5,622
Supplies	8,200	2,391
Dues and subscriptions	14,250	15,365
Training	11,000	528
Equipment repair	13,860	13,226
Telephone	2,650	2,197
Printing	2,000	-
Equipment	500	492
Set material	500	-
Salary - Part-time	500	79
Video tape	1,800	1,809
	\$ 2,383,740	\$ 2,018,481
Total programming and production expenses - television		

Prairie Public Broadcasting, Inc.  
Schedule of Engineering Expenses – Television  
Year Ended September 30, 2021

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	Budget (unaudited)	Actual
Depreciation	\$ 1,000,000	\$ 902,180
Salary - Full-time	573,200	566,638
Power costs	237,900	214,341
Benefits	212,700	156,503
Transmitter repairs and maintenance	72,422	75,974
Video equipment repairs and maintenance	53,500	48,672
FICA tax	44,000	42,972
Travel	23,000	9,644
Salary - Part-time	42,000	62,876
Vehicle repair	5,500	4,300
Rents and leases	56,717	57,545
Training	2,000	28
Telephone	6,500	4,879
Equipment	750	-
Miscellaneous	500	(8,800)
	\$ 2,330,689	\$ 2,137,752
Total engineering expenses - television		

Prairie Public Broadcasting, Inc.  
Schedule of Programming and Production Expenses – Radio  
Year Ended September 30, 2021

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	Budget (unaudited)	Actual
Salary - Full-time	\$ 537,500	\$ 556,559
Program acquisition	228,400	247,145
Benefits	173,800	114,965
Salary - Part-time	72,300	61,189
FICA tax	43,400	35,633
Contracted services	11,000	9,624
Travel	8,300	3,559
Training	4,700	422
Satellite interconnection fees	11,000	11,338
Miscellaneous	11,500	16,242
Postage	2,550	2,579
Telephone	1,900	1,478
Supplies	500	533
	<u>\$ 1,106,850</u>	<u>\$ 1,061,266</u>
Total programming and production expenses - radio	<u>\$ 1,106,850</u>	<u>\$ 1,061,266</u>

Prairie Public Broadcasting, Inc.  
Schedule of Engineering Expenses – Radio  
Year Ended September 30, 2021

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	<u>Budget</u> (unaudited)	<u>Actual</u>
Power cost	\$ 179,550	\$ 156,413
Depreciation	165,000	126,292
Salary - Full-time	120,600	120,350
Benefits	18,200	14,617
Repairs and maintenance	8,000	4,237
FICA tax	9,200	11,816
Audio repairs and maintenance	4,600	2,678
Equipment	<u>3,700</u>	<u>18,967</u>
Total engineering expenses - radio	<u>\$ 508,850</u>	<u>\$ 455,370</u>

Prairie Public Broadcasting, Inc.  
Schedule of General and Administrative Expenses – Corporate  
Year Ended September 30, 2021

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	Budget (unaudited)	Actual
Salary - Full-Time	\$ 603,000	\$ 585,851
Insurance	176,300	179,757
Utilities	91,500	89,704
Depreciation	80,000	65,807
Bank Charges	53,000	58,267
Benefits	24,200	101,421
Professional Fees	115,000	118,691
Board Costs	28,000	341
Fica Tax	44,300	36,286
Travel	15,200	575
Dues and Subscriptions	38,900	39,302
Repairs and Maintenance - Building	58,500	112,263
Computer	32,500	32,623
Cost of Contracted Services	15,000	13,517
Office Supplies	11,250	7,883
Cleaning and Custodial	19,400	18,920
Telephone	22,200	22,391
Postage and Freight	8,500	6,979
Miscellaneous	7,500	4,048
Unemployment Tax	6,000	(1,844)
Real Estate Tax	13,600	13,407
Promotion	1,700	-
Worker'S Compensation	800	2,285
Training	1,700	2,720
Hiring	5,000	9,534
Equipment	25,669	27,313
Rent and Lease	11,028	11,029
Finance Charges	-	9
Repairs and Maintenance - Vehicles and Equipment	(6,700)	(3,674)
	\$ 1,503,047	\$ 1,555,405
Total general and administrative expenses - corporate		

Prairie Public Broadcasting, Inc.  
 Schedule of Development Expenses – Television  
 Year Ended September 30, 2021

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	Budget (unaudited)	Actual
New Member Acquisition	\$ 226,250	\$ 213,757
Premiums	55,000	58,981
Membership	37,100	23,276
Bad Debts	40,000	28,725
Postage	18,800	11,547
Promotion	6,000	6,898
Travel	2,000	-
Customer Service	360	124
Training	800	-
	\$ 386,310	\$ 343,308
Total development expenses - television		

Prairie Public Broadcasting, Inc.  
Schedule of Development Expenses – Radio  
Year Ended September 30, 2021

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	<u>Budget</u> (unaudited)	<u>Actual</u>
New Member Acquisition	\$ 60,300	\$ 42,513
Membership	38,850	23,291
Bad Debt Expense	<u>18,500</u>	<u>8,722</u>
Total development expenses - radio	<u>\$ 117,650</u>	<u>\$ 74,526</u>



Prairie Public Broadcasting, Inc.  
Schedule of Gaming Income and Direct Expenses  
Year Ended September 30, 2021

	Budget (unaudited)	Actual
Gaming Income		
Pull tabs	\$ 2,630,400	\$ 2,014,548
E-tabs	19,396,800	40,229,723
Bingo	2,664,000	2,735,501
Blackjack	199,440	167,321
Paddlewheel	12,000	4,498
Raffle	-	1,537
Poker	-	6,975
Promotional items and other	141,000	157,504
Vending	16,200	13,472
Total gaming income	25,059,840	45,331,079
Cost of Gaming Income		
Pull tab prizes	2,104,320	1,636,110
E-tab prizes	17,263,152	35,917,261
Poker prizes	-	5,580
Raffle prizes	-	921
Bingo prizes	2,210,400	2,359,728
Total cost of gaming income	21,577,872	39,919,600
Adjusted Gross Proceeds	3,481,968	5,411,479
Direct Expenses	(2,763,113)	(3,607,922)
Net Gaming Income	\$ 718,855	\$ 1,803,557
Direct Expenses		
Salaries	\$ 651,900	\$ 653,094
State gaming tax	573,150	854,974
Benefits	191,940	126,040
Rent and leases	199,640	190,548
FICA	73,380	91,805
Gaming supplies	830,644	1,450,753
Depreciation	55,956	63,428
Promotion	22,800	25,057
Utilities	27,600	26,226
Real estate taxes	30,360	32,951
Vending	4,920	3,994
Contracted services	28,884	26,564
Supplies	10,600	12,115
ND employment taxes	-	(24,926)
Insurance	15,264	15,823
Miscellaneous	7,591	7,358
Resale supplies	4,200	6,232
Travel	21,840	20,940
Repair and maintenance - equipment	2,600	3,238
Bad debt	-	(1,523)
Repair and maintenance - building	2,000	1,073
Postage	3,480	3,812
Training	-	23
Small equipment	400	13,569
Telephone	3,804	3,322
Accounting, audit, legal, and bank fees	160	1,120
Workers' compensation	-	312
Total direct expenses	\$ 2,763,113	\$ 3,607,922