



Financial Statements
September 30, 2023 and 2022
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 Audit of the Financial Statements

Opinion

We have audited the financial statements of Prairie Public Broadcasting, Inc. (Organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Prairie Public Broadcasting, Inc. as of September 30, 2023 and 2022, and the results of its operations and its cash flows 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 Audit of the Financial Statements section of our report. We are required to be independent of Prairie Public Broadcasting, Inc. 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Organization has adopted the provisions of FASB Accounting Standards Codification Topic 842, *Leases*, as of October 1, 2022 using the modified retrospective approach with an adjustment at the beginning of the adoption period. 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 these 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 Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 Organization'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 Organization'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 audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Eide Bailly LLP

Fargo, North Dakota
January 18, 2024

Prairie Public Broadcasting, Inc.
Statements of Financial Position - Assets
September 30, 2023 and 2022

	2023	2022
Current Assets		
Cash and cash equivalents	\$ 6,050,632	\$ 3,809,175
Grants receivable	765,421	556,868
Contributions receivable, net of allowance for uncollectible accounts of \$15,900 in 2023 and \$15,300 in 2022	515,132	497,413
In-kind contributions receivable	25,000	25,000
Trade accounts receivable, net of allowance for uncollectible accounts of \$25,400 in 2023 and \$23,000 in 2022	451,850	154,325
Inventory	24,923	20,045
Prepaid expenses	803,680	849,146
	8,636,638	5,911,972
Property and Equipment, Net	7,832,403	8,373,719
Operating Lease Right of Use Assets, Net	663,500	-
Other Assets		
Board directed endowment	6,579,046	5,514,107
Investments	7,112,665	6,841,191
In-kind contributions receivable, net of present value discount of \$76,000 in 2023 and \$86,000 in 2022	270,744	295,744
Patronage refunds receivable	732,791	703,564
Radio licenses	220,000	220,000
	14,915,246	13,574,606
	\$ 32,047,787	\$ 27,860,297

Prairie Public Broadcasting, Inc.
Statements of Financial Position - Liabilities and Net Assets
September 30, 2023 and 2022

	2023	2022
Current Liabilities		
Current maturities of operating lease liabilities	\$ 45,824	\$ -
Accounts payable	574,140	349,066
Accrued liabilities	636,867	679,949
Total current liabilities	1,256,831	1,029,015
Long-Term Liabilities		
Long-term lease liabilities, net of current maturities	623,196	-
Total liabilities	1,880,027	1,029,015
Net Assets		
Without donor restrictions		
General reserves	15,280,871	12,462,847
Board directed endowment	6,579,046	5,514,107
Property and equipment	7,832,403	8,373,719
Total without donor restrictions	29,692,320	26,350,673
With donor restrictions	475,440	480,609
Total net assets	30,167,760	26,831,282
Total liabilities and net assets	\$ 32,047,787	\$ 27,860,297

Prairie Public Broadcasting, Inc.
Statement of Activities
Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Members	\$ 2,155,112	\$ -	\$ 2,155,112
Corporation for Public Broadcasting	1,768,237	-	1,768,237
Grants	185,176	115,560	300,736
State support	1,849,610	577,136	2,426,746
Underwriting	262,988	43,708	306,696
Fees	18,317	-	18,317
Gaming (net of prize payouts)	6,278,125	-	6,278,125
Other	163,639	30,000	193,639
In-kind contributions	12,500	-	12,500
Rents	943,528	-	943,528
Net investment return	1,183,227	40,862	1,224,089
Net assets released from restrictions	812,435	(812,435)	-
Total public support and revenue	<u>15,632,894</u>	<u>(5,169)</u>	<u>15,627,725</u>
Expenses			
Program services			
Television	4,588,874	-	4,588,874
Radio	1,748,820	-	1,748,820
Total program services	<u>6,337,694</u>	<u>-</u>	<u>6,337,694</u>
Support services			
Television development	409,310	-	409,310
Radio development	87,066	-	87,066
General administration	1,616,464	-	1,616,464
Total support services	<u>2,112,840</u>	<u>-</u>	<u>2,112,840</u>
Gaming and concessions	3,840,713	-	3,840,713
Total expenses	<u>12,291,247</u>	<u>-</u>	<u>12,291,247</u>
Revenues in Excess of (Less than) Expenses and Change in Net Assets	3,341,647	(5,169)	3,336,478
Net Assets, Beginning of the Year	<u>26,350,673</u>	<u>480,609</u>	<u>26,831,282</u>
Net Assets, End of Year	<u>\$ 29,692,320</u>	<u>\$ 475,440</u>	<u>\$ 30,167,760</u>

Prairie Public Broadcasting, Inc.
Statement of Activities
Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Members	\$ 2,148,731	\$ -	\$ 2,148,731
Corporation for Public Broadcasting	1,643,422	-	1,643,422
Grants	261,008	236,103	497,111
State support	968,526	372,186	1,340,712
Underwriting	273,481	220,033	493,514
Fees	11,408	-	11,408
Gaming (net of prize payouts)	6,095,826	-	6,095,826
Other	371,817	25,328	397,145
In-kind contributions	12,500	-	12,500
Rents	920,848	-	920,848
Net investment return	(1,477,279)	82,864	(1,394,415)
Net assets released from restrictions	821,526	(821,526)	-
Total public support and revenue	<u>12,051,814</u>	<u>114,988</u>	<u>12,166,802</u>
Expenses			
Program services			
Television	4,400,958	-	4,400,958
Radio	1,683,445	-	1,683,445
Total program services	<u>6,084,403</u>	<u>-</u>	<u>6,084,403</u>
Support services			
Television development	372,376	-	372,376
Radio development	79,198	-	79,198
General administration	1,563,551	-	1,563,551
Total support services	<u>2,015,125</u>	<u>-</u>	<u>2,015,125</u>
Gaming and concessions	3,803,332	-	3,803,332
Total expenses	<u>11,902,860</u>	<u>-</u>	<u>11,902,860</u>
Revenues in Excess of Expenses and Change in Net Assets	148,954	114,988	263,942
Net Assets, Beginning of the Year	<u>26,201,719</u>	<u>365,621</u>	<u>26,567,340</u>
Net Assets, End of Year	<u>\$ 26,350,673</u>	<u>\$ 480,609</u>	<u>\$ 26,831,282</u>

Prairie Public Broadcasting, Inc.
Statement of Functional Expenses
Year Ended September 30, 2023

	Program Services			Supporting Services				Gaming	Total
	Television	Radio	Total	Television Development	Radio Development	General and Administrative	Total		
Salaries	\$ 1,646,466	\$ 810,173	\$ 2,456,639	\$ -	\$ -	\$ 625,938	\$ 625,938	\$ 656,965	\$ 3,739,542
Depreciation	761,405	89,846	851,251	-	-	71,903	71,903	53,646	976,800
Supplies	33,729	1,098	34,827	-	-	7,728	7,728	1,731,710	1,774,265
Benefits	544,808	203,199	748,007	-	-	36,517	36,517	180,188	964,712
Gaming Taxes	-	-	-	-	-	-	-	707,454	707,454
Program Rights	647,634	-	647,634	-	-	-	-	-	647,634
Power Costs	213,938	155,298	369,236	-	-	-	-	-	369,236
Miscellaneous	96,347	12,392	108,739	263,714	-	4,991	268,705	39,787	417,231
Contracted Services	168,035	10,569	178,604	146	-	13,208	13,354	43,758	235,716
Program Acquisition	-	273,047	273,047	-	-	-	-	-	273,047
Repairs and Maintenance	57,945	9,556	67,501	-	-	23,486	23,486	2,531	93,518
Payroll Taxes	117,142	60,528	177,670	-	-	52,242	52,242	94,259	324,171
Insurance	-	-	-	-	-	248,444	248,444	23,915	272,359
Rent and Leases	64,481	-	64,481	-	-	15,759	15,759	200,384	280,624
Utilities	-	-	-	-	-	102,299	102,299	27,779	130,078
Professional Fees	-	-	-	-	-	112,767	112,767	120	112,887
Bad Debts	-	-	-	35,628	9,089	-	44,717	-	44,717
Membership	-	-	-	47,818	34,383	-	82,201	-	82,201
Premiums	-	-	-	32,588	-	-	32,588	-	32,588
Travel	67,746	7,492	75,238	3,303	-	19,779	23,082	17,291	115,611
Bank Fees	-	-	-	-	-	60,936	60,936	-	60,936
Printing and Postage	34,030	1,263	35,293	11,358	-	10,280	21,638	2,495	59,426
Dues and Subscriptions	26,443	-	26,443	-	-	46,191	46,191	-	72,634
New Member Acquisition	-	-	-	-	43,594	-	43,594	-	43,594
Equipment	511	481	992	-	-	38,988	38,988	3,976	43,956
Telephone	898	1,542	2,440	-	-	13,750	13,750	1,895	18,085
Computer	-	-	-	-	-	34,321	34,321	-	34,321
Production	78,671	92,832	171,503	-	-	-	-	-	171,503
Promotion	-	-	-	12,036	-	212	12,248	49,196	61,444
Program Information	25,435	-	25,435	-	-	-	-	-	25,435
Cleaning	-	-	-	-	-	20,780	20,780	-	20,780
Satellite Interconnection Fees	-	12,460	12,460	-	-	-	-	-	12,460
Board Costs	-	-	-	-	-	19,994	19,994	-	19,994
Vending	-	-	-	-	-	-	-	3,900	3,900
Hiring	-	-	-	-	-	33,391	33,391	-	33,391
Training	3,210	7,044	10,254	2,470	-	2,255	4,725	-	14,979
NSF Checks	-	-	-	-	-	-	-	(536)	(536)
Workers Compensation	-	-	-	-	-	305	305	305	305
Customer Service	-	-	-	249	-	-	249	-	249
	<u>\$ 4,588,874</u>	<u>\$ 1,748,820</u>	<u>\$ 6,337,694</u>	<u>\$ 409,310</u>	<u>\$ 87,066</u>	<u>\$ 1,616,464</u>	<u>\$ 2,112,840</u>	<u>\$ 3,840,713</u>	<u>\$ 12,291,247</u>

See Notes to Financial Statements

Prairie Public Broadcasting, Inc.
Statement of Functional Expenses
Year Ended September 30, 2022

	Program Services			Supporting Services				Gaming	Total
	Television	Radio	Total	Television Development	Radio Development	General and Administrative	Total		
Salaries	\$ 1,542,185	\$ 770,765	\$ 2,312,950	\$ -	\$ -	\$ 631,765	\$ 631,765	\$ 664,386	\$ 3,609,101
Depreciation	877,206	90,733	967,939	-	-	65,470	65,470	44,382	1,077,791
Supplies	9,303	1,187	10,490	-	-	10,094	10,094	1,749,195	1,769,779
Benefits	515,720	193,028	708,748	-	-	89,400	89,400	171,564	969,712
Gaming Taxes	-	-	-	-	-	-	-	700,045	700,045
Program Rights	585,039	-	585,039	-	-	-	-	-	585,039
Power Costs	216,029	157,351	373,380	-	-	-	-	-	373,380
Miscellaneous	92,566	9,570	102,136	271,760	-	4,471	276,231	44,152	422,519
Contracted Services	190,882	14,551	205,433	-	-	13,411	13,411	33,495	252,339
Program Acquisition	-	260,753	260,753	-	-	-	-	-	260,753
Repairs and Maintenance	56,712	10,462	67,174	-	-	36,935	36,935	7,825	111,934
Payroll Taxes	109,438	58,962	168,400	-	-	52,617	52,617	94,700	315,717
Insurance	-	-	-	-	-	183,713	183,713	17,525	201,238
Rent and Leases	58,385	-	58,385	-	-	11,602	11,602	188,387	258,374
Utilities	-	-	-	-	-	110,264	110,264	27,968	138,232
Professional Fees	-	-	-	-	-	91,769	91,769	150	91,919
Bad Debts	-	-	-	30,522	9,976	-	40,498	-	40,498
Membership	-	-	-	14,764	23,834	-	38,598	-	38,598
Premiums	-	-	-	39,760	-	-	39,760	-	39,760
Travel	31,601	6,713	38,314	2,171	-	12,539	14,710	14,097	67,121
Bank Fees	-	-	-	-	-	60,385	60,385	-	60,385
Printing and Postage	24,648	1,481	26,129	306	-	8,321	8,627	2,719	37,475
Dues and Subscriptions	15,436	-	15,436	-	-	42,012	42,012	-	57,448
New Member Acquisition	-	-	-	-	45,388	-	45,388	-	45,388
Equipment	2,994	655	3,649	-	-	27,743	27,743	2,106	33,498
Telephone	4,624	1,285	5,909	-	-	15,135	15,135	2,731	23,775
Computer	-	-	-	-	-	35,079	35,079	-	35,079
Production	35,272	87,911	123,183	-	-	-	-	-	123,183
Promotion	-	-	-	12,018	-	631	12,649	34,159	46,808
Program Information	29,930	-	29,930	-	-	-	-	-	29,930
Cleaning	-	-	-	-	-	19,333	19,333	-	19,333
Satellite Interconnection Fees	-	11,980	11,980	-	-	-	-	-	11,980
Board Fees	-	-	-	-	-	10,907	10,907	-	10,907
Vending	-	-	-	-	-	-	-	5,729	5,729
Hiring	-	-	-	-	-	24,338	24,338	-	24,338
Training	2,988	6,058	9,046	16	-	3,379	3,395	-	12,441
NSF Checks	-	-	-	-	-	-	-	(2,321)	(2,321)
Workers Compensation	-	-	-	-	-	2,238	2,238	338	2,576
Customer Service	-	-	-	1,059	-	-	1,059	-	1,059
	<u>\$ 4,400,958</u>	<u>\$ 1,683,445</u>	<u>\$ 6,084,403</u>	<u>\$ 372,376</u>	<u>\$ 79,198</u>	<u>\$ 1,563,551</u>	<u>\$ 2,015,125</u>	<u>\$ 3,803,332</u>	<u>\$ 11,902,860</u>

Prairie Public Broadcasting, Inc.
Statements of Cash Flows
Years Ended September 30, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ 3,336,478	\$ 263,942
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	976,800	1,077,791
Net change in unrealized gains and losses on investments	(619,198)	1,945,794
Net realized gains and losses on investments	(33,382)	(293,013)
Change in present value of in-kind contribution receivable	25,000	15,243
Gain on sale of equipment	(2,500)	(4,485)
Changes in assets and liabilities		
Grants receivable	(208,553)	(235,416)
Contributions receivable	(17,719)	(14,329)
Trade accounts receivable	(297,525)	(26,173)
Inventory	(4,878)	(5,639)
Prepaid expenses	45,466	(383,730)
Operating lease assets and liabilities	5,520	-
Accounts payable	225,074	205,020
Accrued liabilities	(43,082)	67,168
Deferred revenue	-	(794)
Net Cash from Operating Activities	3,387,501	2,611,379
Investing Activities		
Purchases and construction of property and equipment	(435,484)	(617,102)
Proceeds from sale of property and equipment	2,500	4,500
Proceeds from sale of investments	3,213,740	4,086,138
Purchases of investments	(3,897,573)	(11,410,850)
Change in patronage refunds receivable	(29,227)	(32,057)
Net Cash used for Investing Activities	(1,146,044)	(7,969,371)
Net Change in Cash and Cash Equivalents	2,241,457	(5,357,992)
Cash and Cash Equivalents, Beginning of Year	3,809,175	9,167,167
Cash and Cash Equivalents, End of Year	\$ 6,050,632	\$ 3,809,175

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, 2023 and 2022.

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 property and equipment 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 restrictions 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, 2023.

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.

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

In-kind contributions include donated equipment and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 14). The Organization does not sell donated gifts-in-kind. Contributed goods are recorded at fair value at the date of donation.

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 \$530,000 and \$480,000 for the years ended September 30, 2023 and 2022.

Advertising

The Organization uses advertising to promote its programs. The costs of advertising and promotion are expensed as incurred. During 2023 and 2022, advertising and promotion costs totaled \$103,628 and \$89,200.

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. Gaming taxes are recorded when gaming revenue is recognized.

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.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At September 30, 2023 and 2022, the Organization had approximately \$5,187,000 and \$3,166,000 in excess of FDIC-insured limits.

Credit risk associated with accounts receivable and promises to give are limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Organization's mission. Investments are made by diversified investment managers whose performance is monitored by the Organization and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

Change in Accounting Principle

Effective October 1, 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). The Organization elected to apply the guidance as of October 1, 2022, the beginning of the adoption period. The comparative financial information and disclosures presented are in accordance with the legacy standard, ASC 840. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the income statement as a single lease cost. The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing leases as either finance or operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

As a result of the adopt of the new lease accounting guidance, the Organization recognized on October 1, 2022, the beginning of the adoption period, no cumulative effect adjustment to retained earnings, an operating lease liability of \$712,185, and an operating right-of-use asset of \$709,645. The adoption of the new standard did not materially impact the Organization's Statements of Activities or Statements of Cash Flows.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods. The reclassifications had no impact to previously reported net assets.

Subsequent Events

The Organization has evaluated subsequent events through January 18, 2024, 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>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 6,050,632	\$ 3,809,175
Receivables		
Grants	765,421	556,868
Contributions	515,132	497,413
Trade	451,850	154,325
Board Directed Endowment	6,579,046	5,514,107
Investments	<u>7,112,665</u>	<u>6,841,191</u>
	21,474,746	17,373,079
Less Amounts Not Available to be used Within One Year		
Net assets designated by the board	(6,579,046)	(5,514,107)
Net assets with donor restrictions	<u>(475,440)</u>	<u>(480,609)</u>
	<u>\$ 14,420,260</u>	<u>\$ 11,378,363</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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 730,971	\$ 730,971
Buildings and Improvements	5,295,237	5,295,237
Vehicles and Equipment	42,452,812	42,327,383
Construction in Process	256,048	-
	<u>48,735,068</u>	<u>48,353,591</u>
Less accumulated depreciation	<u>(40,902,665)</u>	<u>(39,979,872)</u>
Net property and equipment	<u>\$ 7,832,403</u>	<u>\$ 8,373,719</u>

Construction in progress includes an elevator project and certain equipment. These projects are expected to be completed in fiscal year 2024 and will be funded from general operations and grants. The estimated remaining cost to complete these projects is \$225,000.

Note 4 - Investments**Board Directed Endowment**

The Board Directed Endowment investments at September 30, 2023 and 2022 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.

	<u>2023</u>	<u>2022</u>
Board Directed Endowment		
Fixed income mutual funds	\$ 1,920,173	\$ 1,379,541
Equity securities	2,499,232	1,593,889
Stock mutual funds	2,075,942	2,405,487
Cash and cash equivalents	83,699	135,190
	<u>\$ 6,579,046</u>	<u>\$ 5,514,107</u>

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, 2023 and 2022:

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	<u>2023</u>	<u>2022</u>
Investments		
Endowment		
Fixed income mutual funds	\$ 162,473	\$ 138,492
Equity securities	245,009	198,448
Cash and cash equivalents	4,232	3,911
Certificates of deposit	3,790,075	4,208,186
U.S. Treasury bills	2,873,594	2,208,621
Cash and cash equivalents	-	49,590
Other	37,282	33,943
	<u>\$ 7,112,665</u>	<u>\$ 6,841,191</u>

Investment Income

The following summarizes the components of investment income as of September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Unrestricted Investment Income		
Realized gains	\$ 33,382	\$ 293,013
Unrealized gains (losses)	636,336	(1,923,618)
Interest	513,509	153,326
	<u>1,183,227</u>	<u>(1,477,279)</u>
Restricted Investment Income		
Realized gains (losses)	(1,601)	(615)
Unrealized gains (losses)	35,614	78,164
Interest	6,849	5,315
	<u>40,862</u>	<u>82,864</u>
	<u>\$ 1,224,089</u>	<u>\$ (1,394,415)</u>

Note 5 - Net Assets with Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose or Time		
Grants	\$ 24,500	\$ 109,660
Property and equipment	34,285	34,285
Underwriting	20,000	-
Unappropriated endowment earnings	40,862	-
State support	-	10,871
	<u>119,647</u>	<u>154,816</u>
Endowments		
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation		
Prairie Public Broadcasting Permanent Endowment Fund	325,543	295,543
FM Area Foundation	<u>30,250</u>	<u>30,250</u>
Total endowments	<u>355,793</u>	<u>325,793</u>
Total net assets with donor restrictions	<u>\$ 475,440</u>	<u>\$ 480,609</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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Satisfaction of Purpose Restrictions		
Grants	\$ 114,360	\$ 212,803
State support	588,007	372,186
Underwriting	<u>110,068</u>	<u>153,673</u>
	812,435	738,662
Restricted - Purpose Appropriations		
Endowment	<u>-</u>	<u>82,864</u>
	<u>\$ 812,435</u>	<u>\$ 821,526</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, 2023 and 2022, 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, 2023 and 2022, the Organization had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
September 30, 2023			
Board-designated endowment funds	\$ 6,579,046	\$ -	\$ 6,579,046
Donor-designated endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	396,655	396,655
	\$ 6,579,046	\$ 396,655	\$ 6,975,701

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	Without Donor Restrictions	With Donor Restrictions	Total
September 30, 2022			
Board-designated endowment funds	\$ 5,514,107	\$ -	\$ 5,514,107
Donor-designated endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	325,793	325,793
	<u>\$ 5,514,107</u>	<u>\$ 325,793</u>	<u>\$ 5,839,900</u>

The following were the changes in the endowment net assets for the years ended September 30, 2023 and 2022:

	Without Donor Restriction	With Donor Restrictions	Total
Balance as of September 30, 2021	\$ 6,238,374	\$ 300,465	\$ 6,538,839
Contributions	610,910	25,328	636,238
Investment loss	(1,335,177)	-	(1,335,177)
Balance as of September 30, 2022	5,514,107	325,793	5,839,900
Contributions	241,085	30,000	271,085
Investment gain	823,854	40,862	864,716
Balance as of September 30, 2023	<u>\$ 6,579,046</u>	<u>\$ 396,655</u>	<u>\$ 6,975,701</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	4,077,572
Investment income, net, since creation	<u>2,251,474</u>
Balance as of September 30, 2023	<u>\$ 6,579,046</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. It is the Organization's policy that any budgeted improvement from operations of the working capital position above the 1% improvement goal, limited to \$200,000, will be invested in the Organization's Board Directed Endowment Fund in the current year if approved in the annual budget upon an anticipated surplus, or in the following year based upon actual results, if not included in the current year budget.

For fiscal year 2023, the Organization budgeted and transferred \$200,000, which was invested in the Organization's Board Directed Endowment Fund based upon the approved budget. For fiscal year 2022, the improvement goal was set at \$98,891. As of September 30, 2023 and 2022, the working capital position was \$7,379,807 and \$4,882,957, which is an increase of \$2,542,676.

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, 2023 and 2022.

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 \$155,095 and \$163,867 for the years ended September 30, 2023 and 2022.

Note 8 - Funds Held by Foundations

There were funds totaling approximately \$264,000 and \$248,000 held by various foundations at September 30, 2023 and 2022. 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 (Lessor)

The Organization leases office and tower space to various lessees under long term leases. Rental income totaled \$943,528 and \$920,848 for the years ended September 30, 2023 and 2022.

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

<u>Years Ending September 30,</u>	<u>Amount</u>
2023	\$ 949,176
2024	778,284
2025	677,417
2026	642,475
2027	397,884
Thereafter	<u>428,497</u>
Total minimum payments receivable	<u>\$ 3,873,733</u>

Note 10 - Leases (Lessee)

The Organization leases certain land, building and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2055 and provide for renewal options ranging from one year to twenty years. The Organization included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on defined increases.

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, the Organization estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using the historical prime rate.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Organization elected the practical expedient to not separate leases and non-lease components for a building lease.

Total lease costs for the year ended September 30, 2023 were as follows:

	<u>2023</u>
Operating Lease Cost	
Operating expense	\$ 43,165

The following table summarizes the supplemental cash flow information for the year ended September 30, 2023:

	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 68,843

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

	<u>2023</u>
Weighted-average remaining lease term:	
Operating lease	18.57 Years
Weighted-average discount rate:	
Operating lease	3.68%

The future minimum lease payments under noncancelable operating leases with term greater than one year are listed below as of September 30, 2023:

<u>Years Ending September 30,</u>	<u>Operating</u>
2024	\$ 69,783
2025	70,750
2026	71,692
2027	72,012
2028	47,937
Thereafter	599,788
Total lease payments	<u>931,962</u>
Less interest	<u>(262,942)</u>
Present value of lease liabilities	<u>\$ 669,020</u>

Future minimum payments determined under the guidance in Topic 840 are listed below as of September 30, 2022:

<u>Years Ending September 30,</u>	<u>Operating</u>
2023	\$ 98,490
2024	90,730
2025	79,304
2026	79,113
2027	77,721
Thereafter	<u>697,361</u>
	<u>\$ 1,122,719</u>

Note 11 - 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 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 portion of the Organization’s investment assets are classified as Level 2 as they consist of certificates of deposit which can be traded as part of an investment portfolio. 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:

	Total	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
September 30, 2023				
Fixed income mutual funds	\$ 2,082,646	\$ 2,082,646	\$ -	\$ -
Equity securities	2,744,241	2,744,241	-	-
Stock mutual funds	2,075,942	2,075,942	-	-
Certificates of deposit	3,790,075	-	3,790,075	-
U.S. Treasury bills	2,873,594	-	2,873,594	-
Other investments	37,282	-	-	37,282
	<u>\$ 13,603,780</u>	<u>\$ 6,902,829</u>	<u>\$ 6,663,669</u>	<u>\$ 37,282</u>

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	Total	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
September 30, 2022				
Fixed income mutual funds	\$ 1,518,033	\$ 1,518,033	\$ -	\$ -
Equity securities	1,792,337	1,792,337	-	-
Stock mutual funds	2,405,487	2,405,487	-	-
Certificates of deposit	4,208,186	-	4,208,186	-
U.S. Treasury bills	2,208,621	-	2,208,621	-
Other investments	33,943	-	-	33,943
	<u>\$ 12,166,607</u>	<u>\$ 5,715,857</u>	<u>\$ 6,416,807</u>	<u>\$ 33,943</u>

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

	Other Investments
Balance, September 30, 2021	\$ 42,784
Investment income (loss), net of expenses	(7,269)
Withdrawals	<u>(1,572)</u>
Balance, September 30, 2022	33,943
Investment income (loss), net of expenses	4,852
Withdrawals	<u>(1,513)</u>
Balance, September 30, 2023	<u>\$ 37,282</u>

Note 12 - Commitments and Contingencies

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 \$684,000 in aggregate annually. The self-insurance is included in accrued liabilities on the statement of financial position.

	Beginning Balance	Expense	Claims Paid	Ending Balance
2023	\$ 51,000	\$ 369,006	\$ (369,006)	\$ 51,000
2022	\$ 51,000	\$ 405,462	\$ (405,462)	\$ 51,000

Note 13 - In-Kind Contribution Receivable

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:

<u>Years Ending September 30,</u>	<u>Fair Value</u>	<u>Discount</u>	<u>Net</u>
2024	\$ 25,000	\$ -	\$ 25,000
2025	25,000	(1,394)	23,606
2026	25,000	(2,061)	22,939
2027	25,000	(2,710)	22,290
2028	25,000	(3,340)	21,660
Thereafter	256,250	(76,001)	180,249
Total	<u>\$ 381,250</u>	<u>\$ (85,506)</u>	<u>\$ 295,744</u>

Note 14 - In-Kind Contribution Revenue

For the years ended September 30, 2023 and 2022, in-kind contributions recognized within the statements of activities included the following:

<u>Non-Financial Contributions Category</u>	<u>Type of Contributions for Beneficiaries</u>	<u>Valuation</u>	<u>Monetized or Utilized</u>	<u>2023</u>	<u>2022</u>
Contribution Revenue - Roof Rights	Roof space on top of the Radisson hotel for the radio antenna	Standard industry pricing for similar services	Utilized	<u>\$ 12,500</u>	<u>\$ 12,500</u>



Supplementary Information
September 30, 2023

Prairie Public Broadcasting, Inc.



Independent Auditor's Report on Supplementary Information

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

We have audited the financial statements of Prairie Public Broadcasting, Inc. as of and for the year ended September 30, 2023, and have issued our report thereon dated January 18, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole.

The Supplementary Information (Budget to Actual) is presented for the 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 audits 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Fargo, North Dakota
January 18, 2024

Prairie Public Broadcasting, Inc.
Supporting Schedule to the Statement of Activities
Year Ended September 30, 2023

	Budget (unaudited)	Actual
Television		
Support and Revenue	\$ 5,429,135	\$ 5,793,623
Expenses		
Programming and production	2,958,491	2,626,713
Engineering	2,343,555	1,962,161
Development	414,300	409,310
Total expenses	5,716,346	4,998,184
Excess of Support and Revenue over Expenses (Expenses over Support and Revenue)	\$ (287,211)	\$ 795,439
Radio		
Support and Revenue	\$ 1,250,000	\$ 1,248,404
Expenses		
Programming and production	1,399,526	1,369,417
Engineering	435,750	379,403
Development	93,486	87,066
Total expenses	1,928,762	1,835,886
Excess of Expenses over Support and Revenue	\$ (678,762)	\$ (587,482)
Corporate		
Allocated to television	\$ 2,379,989	\$ 3,274,039
Allocated to radio	1,069,271	1,470,946
Total support and revenue	3,449,260	4,744,985
General and Administrative Expenses		
Allocated to television	1,149,473	1,115,360
Allocated to radio	516,430	501,104
Total expenses	1,665,903	1,616,464
Excess of Support and Revenue over Expenses	\$ 1,783,357	\$ 3,128,521
Total		
Support and Revenue	\$ 10,128,395	\$ 11,787,012
Expenses	9,311,011	8,450,534
Excess of Support and Revenue over Expenses	\$ 817,384	\$ 3,336,478

Prairie Public Broadcasting, Inc.
Schedule of Support and Revenue
Year Ended September 30, 2023

	Budget (unaudited)	Actual
Television		
Membership (1)	\$ 1,710,000	\$ 1,716,797
CPB income (2)	1,519,000	1,538,172
ND state support (4)	400,000	1,296,225
MN state support (4)	607,914	638,473
MN bond revenue (4)	715,000	292,048
Underwriting (5)	262,000	168,384
NCCEMS (3)	101,150	-
Educational fees (6)	23,500	18,317
MN capital grant (4)	10,871	-
Program products (8)	18,000	4,997
Foundation income (3)	23,000	24,107
CPB interconnection grant (2)	19,000	20,239
Broadcast income (8)	9,000	3,276
Grant income (3)	111,500	142,361
Special gifts (8)	5,000	45,618
Special events (8)	19,000	(261)
Canadian exchange (1)	(124,800)	(115,130)
	<u>5,429,135</u>	<u>5,793,623</u>
Total television		
Radio		
Membership (1)	580,000	553,445
Underwriting (5)	153,000	138,312
CPB income (2)	200,000	209,826
ND state support (4)	200,000	200,000
Grant income (3)	109,000	134,268
Special events (8)	8,000	12,553
	<u>1,250,000</u>	<u>1,248,404</u>
Total radio		

Prairie Public Broadcasting, Inc.
Schedule of Support and Revenue
Year Ended September 30, 2023

	Budget (unaudited)	Actual
Corporate		
Television		
Gaming net income (7)	\$ 1,578,837	\$ 1,681,814
Tower rent (9)	605,479	612,905
Contracted services (8)	6,900	8,280
Building rent (9)	36,835	38,129
Capital patronage (8)	33,534	41,730
Oil well royalties (8)	5,865	4,585
Interest income (10)	109,020	354,321
Other revenues (8)	5,589	12,861
Realized and unrealized gains and losses (10)	-	490,300
Endowment contribution (8)	-	20,700
In kind (8)	-	8,625
Gain on sale of equipment (8)	-	1,725
Vending loss (8)	(2,070)	(1,936)
	<u>2,379,989</u>	<u>3,274,039</u>
Radio		
Gaming net income (7)	709,333	755,598
Tower rent (9)	272,027	275,363
Contracted services (8)	3,100	3,720
Building rent (9)	16,549	17,131
Capital patronage (8)	15,066	18,748
Oil well royalties (8)	2,635	2,060
Interest income (10)	48,980	159,188
Other revenues (8)	2,511	5,778
Realized and unrealized gains and losses (10)	-	220,280
Endowment contribution (8)	-	9,300
In kind (8)	-	3,875
Gain on sale of equipment (8)	-	775
Vending loss (8)	(930)	(870)
	<u>1,069,271</u>	<u>1,470,946</u>
Total corporate	<u>3,449,260</u>	<u>4,744,985</u>
Total Support and Revenue	<u>\$ 10,128,395</u>	<u>\$ 11,787,012</u>
Gaming and concession expenses		
Allocated to television (7)	(2,685,570)	(2,650,092)
Allocated to radio (7)	(1,206,560)	(1,190,621)
	<u>(3,892,130)</u>	<u>(3,840,713)</u>
Total gaming and concession expenses	<u>\$ (3,892,130)</u>	<u>\$ (3,840,713)</u>

Prairie Public Broadcasting, Inc.
Schedule of Support and Revenue
Year Ended September 30, 2023

	Budget (unaudited)	Actual
Public Support and Revenue - Television		
Membership (1)	\$ 1,585,200	\$ 1,601,667
CPB income (2)	1,538,000	1,558,411
Grants (3)	235,650	166,468
State Support (4)	1,018,785	2,226,746
Underwriting (5)	262,000	168,384
Fees (6)	23,500	18,317
Gaming (net of prize payouts and cost of sales) (7)	4,264,407	4,331,906
Other (8)	100,818	150,200
Rents (9)	642,314	651,034
Net investment return (10)	109,020	844,621
 Total Public Support and Revenue - Television	 9,779,694	 11,717,754
Public Support and Revenue - Radio		
Membership (1)	580,000	553,445
CPB income (2)	200,000	209,826
Grants (3)	109,000	134,268
State Support (4)	200,000	200,000
Underwriting (5)	153,000	138,312
Gaming (net of prize payouts and cost of sales) (7)	1,915,893	1,946,219
Other (8)	30,382	55,939
Rents (9)	288,576	292,494
Net investment return (10)	48,980	379,468
 Total Public Support and Revenue - Radio	 3,525,831	 3,909,971
Public Support and Revenue (Summarized from Above)		
Membership (1)	2,165,200	2,155,112
CPB income (2)	1,738,000	1,768,237
Grants (3)	344,650	300,736
State Support (4)	1,218,785	2,426,746
Underwriting (5)	415,000	306,696
Fees (6)	23,500	18,317
Gaming (net of prize payouts and cost of sales) (7)	6,180,300	6,278,125
Other (8)	131,200	206,139
Rents (9)	930,890	943,528
Net investment return (10)	158,000	1,224,089
 Total Public Support and Revenue	 \$ 13,305,525	 \$ 15,627,725

Prairie Public Broadcasting, Inc.
 Schedule of Programming and Production Expenses – Television
 Year Ended September 30, 2023

	Budget (unaudited)	Actual
Salary - Full-time	\$ 1,234,800	\$ 1,068,543
Program rights	682,525	647,634
Benefits	458,200	368,416
Production	49,400	78,671
Contracted services	130,373	102,139
Miscellaneous	109,760	86,723
FICA tax	98,400	77,396
Program information	30,000	25,435
Postage	32,500	32,415
Travel	32,400	49,638
Supplies	24,900	31,624
Dues and subscriptions	24,750	26,443
Training	11,800	3,185
Equipment repair	14,300	13,623
Telephone	2,550	300
Printing	4,000	1,615
Equipment	3,833	511
Set material	500	765
Salary - Part-time	500	25
Nielsen Survey	11,000	10,272
Video tape	2,000	1,340
	<u>\$ 2,958,491</u>	<u>\$ 2,626,713</u>
Total programming and production expenses - television	<u>\$ 2,958,491</u>	<u>\$ 2,626,713</u>

Prairie Public Broadcasting, Inc.
Schedule of Engineering Expenses – Television
Year Ended September 30, 2023

	Budget (unaudited)	Actual
Depreciation	\$ 900,000	\$ 761,405
Salary - Full-time	630,400	546,003
Power Costs	233,300	213,938
Benefits	216,400	176,392
Transmitter Repairs and Maintenance	136,800	65,896
Video Equipment Repairs and Maintenance	53,200	40,126
FICA Tax	49,300	39,746
Travel	23,000	18,108
Salary - Part-Time	34,800	31,895
Vehicle Repair	4,000	4,196
Rents and Leases	58,205	64,481
Training	2,000	25
Telephone	900	598
Equipment	750	-
Miscellaneous	500	(648)
	\$ 2,343,555	\$ 1,962,161
Total engineering expenses - television		

Prairie Public Broadcasting, Inc.
Schedule of Programming and Production Expenses – Radio
Year Ended September 30, 2023

	Budget (unaudited)	Actual
Salary - Full-time	\$ 685,700	\$ 667,319
Program Acquisition	281,396	273,047
Benefits	189,900	184,717
Salary - Part-Time	46,300	46,326
FICA Tax	53,900	51,316
Program Production	74,000	92,832
Contracted Services	17,000	10,569
Travel	10,700	7,492
Training	10,200	7,044
Satellite Interconnection Fees	11,980	12,460
Miscellaneous	13,000	12,392
Postage	2,550	1,263
Telephone	1,900	1,542
Supplies	1,000	1,098
	\$ 1,399,526	\$ 1,369,417
Total programming and production expenses - radio		

Prairie Public Broadcasting, Inc.
 Schedule of Engineering Expenses – Radio
 Year Ended September 30, 2023

	Budget (unaudited)	Actual
Power cost	\$ 170,050	\$ 155,298
Depreciation	90,000	89,846
Salary - Full-Time	130,200	96,528
Benefits	19,000	18,482
Repairs and Maintenance	8,000	3,996
FICA Tax	10,200	9,212
Audio Repairs and Maintenance	4,600	5,560
Equipment	3,700	481
Total engineering expenses - radio	\$ 435,750	\$ 379,403

Prairie Public Broadcasting, Inc.
Schedule of General and Administrative Expenses – Corporate
Year Ended September 30, 2023

	Budget (unaudited)	Actual
Salary - Full-Time	\$ 663,800	\$ 625,938
Insurance	227,100	248,444
Utilities	110,000	102,299
Depreciation	62,000	71,903
Bank Charges	61,000	60,853
Benefits	44,700	36,517
Professional Fees	122,725	112,767
Board Costs	23,000	19,994
Fica Tax	49,200	39,329
Travel	15,200	19,779
Dues and Subscriptions	43,100	46,191
Repairs and Maintenance - Building	58,500	34,132
Computer	34,500	34,321
Cost of Contracted Services	15,000	13,208
Office Supplies	9,250	7,728
Cleaning and Custodial	20,500	20,780
Telephone	19,000	13,750
Postage and Freight	8,500	10,280
Miscellaneous	7,500	4,991
Unemployment Tax	6,000	-
Real Estate Tax	12,000	12,913
Promotion	1,700	212
Worker's Compensation	1,900	305
Training	3,200	2,255
Hiring	14,000	33,391
Equipment	25,500	38,988
Rent and Lease	13,728	15,759
Finance Charges	-	83
Repairs and Maintenance - Vehicles and Equipment	(6,700)	(10,646)
	\$ 1,665,903	\$ 1,616,464
Total general and administrative expenses - corporate		

Prairie Public Broadcasting, Inc.
 Schedule of Development Expenses – Television
 Year Ended September 30, 2023

	Budget (unaudited)	Actual
New Member Acquisition	\$ 250,400	\$ 263,714
Premiums	47,000	32,588
Membership	41,500	47,818
Bad Debts	40,000	35,628
Postage	16,800	11,358
Promotion	13,000	12,036
Contracted Services	-	146
Travel	3,500	3,303
Customer Service	1,100	249
Training	1,000	2,470
	<u>\$ 414,300</u>	<u>\$ 409,310</u>
Total development expenses - television	<u>\$ 414,300</u>	<u>\$ 409,310</u>

Prairie Public Broadcasting, Inc.
Schedule of Development Expenses – Radio
Year Ended September 30, 2023

	<u>Budget</u> (unaudited)	<u>Actual</u>
New Member Acquisition	\$ 48,064	\$ 43,594
Membership	36,922	34,383
Bad Debt Expense	<u>8,500</u>	<u>9,089</u>
Total development expenses - radio	<u>\$ 93,486</u>	<u>\$ 87,066</u>

Prairie Public Broadcasting, Inc.
Schedule of Gaming Income and Direct Expenses
Year Ended September 30, 2023

	Budget (unaudited)	Actual
Gaming Income		
Pull tabs	\$ 2,099,700	\$ 1,974,073
E-tabs	48,823,000	48,215,294
Bingo	2,613,800	2,357,375
Blackjack	216,000	265,447
Paddlewheel	2,900	1,934
Raffle	-	796
Poker	-	85,089
Promotional items and other	151,200	147,031
Vending	16,800	12,014
Total gaming income	<u>53,923,400</u>	<u>53,059,053</u>
Cost of Gaming Income		
Pull tab prizes	1,706,600	1,609,737
E-tab prizes	43,804,600	43,008,567
Poker prizes	-	69,528
Raffle prizes	-	447
Bingo prizes	2,231,900	2,092,649
Total cost of gaming income	<u>47,743,100</u>	<u>46,780,928</u>
Adjusted Gross Proceeds	6,180,300	6,278,125
Direct Expenses	<u>(3,892,130)</u>	<u>(3,840,713)</u>
Net Gaming Income	<u>\$ 2,288,170</u>	<u>\$ 2,437,412</u>
Direct Expenses		
Salaries	\$ 715,200	\$ 656,965
State gaming tax	661,610	707,454
Benefits	238,200	180,188
Rent and leases	192,040	200,384
FICA	112,656	94,259
Gaming supplies	1,689,000	1,712,601
Depreciation	43,212	53,646
Promotion	37,950	49,196
Utilities	28,200	27,779
Real estate taxes	33,600	32,880
Vending	5,400	3,900
Contracted services	32,484	43,758
Supplies	13,800	13,446
Insurance	16,800	23,915
Miscellaneous	8,608	6,907
Resale supplies	6,000	5,663
Travel	29,240	17,291
Repair and maintenance - equipment	2,100	897
Bad debt	-	(536)
Repair and maintenance - building	10,600	1,634
Postage	3,480	2,495
Small equipment	8,650	3,976
Telephone	3,180	1,895
Accounting, audit, legal, and bank fees	120	120
Total direct expenses	<u>\$ 3,892,130</u>	<u>\$ 3,840,713</u>