



Consolidated Financial Statements  
September 30, 2024 and 2023

**Prairie Public Broadcasting, Inc.**

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## Independent Auditor's Report

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

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of Prairie Public Broadcasting, Inc. and Subsidiary (Organization), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of September 30, 2024 and 2023, and the results of their operations and their 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 Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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.

#### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 17, 2025

Prairie Public Broadcasting, Inc.  
Consolidated Statements of Financial Position - Assets  
September 30, 2024 and 2023

	2024	2023
Current Assets		
Cash and cash equivalents	\$ 6,337,341	\$ 6,050,632
Grants receivable	880,033	765,421
Contributions receivable, net of allowance for uncollectible accounts of \$15,400 in 2024 and \$15,900 in 2023	496,399	515,132
In-kind contributions receivable	25,000	25,000
Trade accounts receivable, net of allowance for credit losses of \$19,400 in 2024 and \$25,400 in 2023	441,051	451,850
Inventory	19,508	24,923
Prepaid expenses	756,251	803,680
	8,955,583	8,636,638
Property and Equipment, Net	8,487,198	7,832,403
Operating Lease Right of Use Assets, Net	744,086	663,500
Other Assets		
Board directed endowment	8,650,011	6,579,046
Investments	8,126,645	7,112,665
In-kind contributions receivable, net of present value discount of \$67,000 in 2024 and \$76,000 in 2023	245,744	270,744
Patronage refunds receivable	760,377	732,791
Radio licenses	220,000	220,000
Intangible assets	4,000	-
	18,006,777	14,915,246
Total assets	\$ 36,193,644	\$ 32,047,787

Prairie Public Broadcasting, Inc.  
Consolidated Statements of Financial Position - Liabilities and Net Assets  
September 30, 2024 and 2023

	2024	2023
Current Liabilities		
Current maturities of operating lease liabilities	\$ 100,003	\$ 45,824
Accounts payable	282,188	574,140
Accrued liabilities	669,468	636,867
Total current liabilities	1,051,659	1,256,831
Long-Term Liabilities		
Long-term lease liabilities, net of current maturities	648,948	623,196
Total liabilities	1,700,607	1,880,027
Net Assets		
Without donor restrictions		
General reserves	16,787,739	15,280,871
Board directed endowment	8,650,011	6,579,046
Property and equipment	8,472,198	7,832,403
Total without donor restrictions	33,909,948	29,692,320
With donor restrictions	583,089	475,440
Total net assets	34,493,037	30,167,760
Total liabilities and net assets	\$ 36,193,644	\$ 32,047,787

Prairie Public Broadcasting, Inc.  
Consolidated Statement of Activities  
Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Members	\$ 2,070,108	\$ -	\$ 2,070,108
Corporation for Public Broadcasting	1,950,357	-	1,950,357
Grants	220,289	40,000	260,289
State support	1,868,362	497,642	2,366,004
Underwriting	246,095	156,110	402,205
Fees	19,322	-	19,322
Gaming (net of prize payouts)	5,066,245	-	5,066,245
Other	1,227,438	30,010	1,257,448
In-kind contributions	12,500	-	12,500
Rents	969,642	-	969,642
Net investment return	2,537,730	96,432	2,634,162
Net assets released from restrictions	712,545	(712,545)	-
Total public support and revenue	<u>16,900,633</u>	<u>107,649</u>	<u>17,008,282</u>
Expenses			
Program services			
Television	4,730,402	-	4,730,402
Radio	1,773,031	-	1,773,031
Total program services	<u>6,503,433</u>	<u>-</u>	<u>6,503,433</u>
Support services			
Television development	362,922	-	362,922
Radio development	86,967	-	86,967
General administration	2,426,593	-	2,426,593
Total support services	<u>2,876,482</u>	<u>-</u>	<u>2,876,482</u>
Gaming and concessions	3,303,090	-	3,303,090
Total expenses	<u>12,683,005</u>	<u>-</u>	<u>12,683,005</u>
Revenues in Excess of Expenses and Change in Net Assets	4,217,628	107,649	4,325,277
Net Assets, Beginning of the Year	<u>29,692,320</u>	<u>475,440</u>	<u>30,167,760</u>
Net Assets, End of Year	<u>\$ 33,909,948</u>	<u>\$ 583,089</u>	<u>\$ 34,493,037</u>

Prairie Public Broadcasting, Inc.  
Consolidated 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.  
Consolidated Statement of Functional Expenses  
Year Ended September 30, 2024

	Program Services			Supporting Services				Gaming	Total
	Television	Radio	Total	Television Development	Radio Development	General and Administrative	Total		
Salaries	\$ 1,756,787	\$ 833,417	\$ 2,590,204	\$ -	\$ -	\$ 703,598	\$ 703,598	\$ 661,423	\$ 3,955,225
Depreciation	698,158	70,716	768,874	-	-	79,470	79,470	51,578	899,922
Supplies	36,404	311	36,715	-	-	6,888	6,888	1,382,379	1,425,982
Benefits	527,055	196,698	723,753	-	-	73,502	73,502	171,201	968,456
Gaming Taxes	-	-	-	-	-	-	-	571,401	571,401
Program Rights	750,053	-	750,053	-	-	-	-	-	750,053
Power Costs	210,780	155,558	366,338	-	-	-	-	-	366,338
Miscellaneous	148,430	8,651	157,081	230,700	-	10,396	241,096	43,369	441,546
Contracted Services	161,365	10,650	172,015	-	-	13,233	13,233	35,896	221,144
Program Acquisition	-	320,156	320,156	-	-	-	-	-	320,156
Repairs and Maintenance	62,056	10,038	72,094	-	-	548,271	548,271	3,365	623,730
Payroll Taxes	129,662	58,485	188,147	-	-	58,787	58,787	80,101	327,035
Insurance	-	-	-	-	-	270,282	270,282	25,597	295,879
Rent and Leases	63,144	-	63,144	-	-	45,325	45,325	179,788	288,257
Utilities	-	-	-	-	-	83,554	83,554	24,145	107,699
Professional Fees	-	-	-	-	-	149,341	149,341	120	149,461
Credit Losses	-	-	-	23,406	11,680	-	35,086	-	35,086
Membership	-	-	-	50,970	27,442	-	78,412	-	78,412
Premiums	-	-	-	29,545	-	-	29,545	-	29,545
Travel	54,299	19,364	73,663	3,940	-	26,299	30,239	20,470	124,372
Bank Fees	-	-	-	-	-	63,901	63,901	-	63,901
Printing and Postage	29,270	880	30,150	9,599	-	10,105	19,704	2,986	52,840
Dues and Subscriptions	28,039	-	28,039	-	-	50,552	50,552	-	78,591
New Member Acquisition	-	-	-	-	47,845	-	47,845	-	47,845
Equipment	-	1,451	1,451	-	-	37,500	37,500	626	39,577
Telephone	726	2,112	2,838	-	-	14,912	14,912	1,290	19,040
Computer	-	-	-	-	-	37,011	37,011	-	37,011
Production	34,784	70,500	105,284	-	-	-	-	-	105,284
Promotion	-	-	-	13,677	-	486	14,163	37,468	51,631
Program Information	31,998	-	31,998	-	-	-	-	-	31,998
Cleaning	-	-	-	-	-	21,170	21,170	-	21,170
Satellite Interconnection Fees	-	12,460	12,460	-	-	-	-	-	12,460
Board Costs	-	-	-	-	-	25,933	25,933	-	25,933
Vending	-	-	-	-	-	-	-	8,280	8,280
Hiring	-	-	-	-	-	83,313	83,313	-	83,313
Training	7,392	1,584	8,976	432	-	6,781	7,213	-	16,189
Workers Compensation	-	-	-	-	-	5,625	5,625	1,607	7,232
Customer Service	-	-	-	653	-	-	653	-	653
Interest	-	-	-	-	-	358	358	-	358
	<u>\$ 4,730,402</u>	<u>\$ 1,773,031</u>	<u>\$ 6,503,433</u>	<u>\$ 362,922</u>	<u>\$ 86,967</u>	<u>\$ 2,426,593</u>	<u>\$ 2,876,482</u>	<u>\$ 3,303,090</u>	<u>\$ 12,683,005</u>

Prairie Public Broadcasting, Inc.  
Consolidated 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
Credit Losses	-	-	-	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
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>

Prairie Public Broadcasting, Inc.  
Consolidated Statements of Cash Flows  
Years Ended September 30, 2024 and 2023

	2024	2023
Operating Activities		
Change in net assets	\$ 4,325,277	\$ 3,336,478
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	899,922	976,800
Net change in unrealized gains and losses on investments	(1,524,305)	(619,198)
Net realized gains and losses on investments	(319,393)	(33,382)
Change in present value of in-kind contribution receivable	25,000	25,000
Gain on sale of equipment	-	(2,500)
Changes in assets and liabilities		
Grants receivable	(114,612)	(208,553)
Contributions receivable	18,733	(17,719)
Trade accounts receivable	10,799	(297,525)
Inventory	6,415	(4,878)
Prepaid expenses	47,429	45,466
Operating lease assets and liabilities	(655)	5,520
Accounts payable	(171,952)	225,074
Accrued liabilities	32,601	(43,082)
Net Cash from Operating Activities	3,235,259	3,387,501
Investing Activities		
Purchases and construction of property and equipment	(1,659,717)	(435,484)
Proceeds from sale of investments	3,619,320	3,213,740
Purchases of investments	(4,860,567)	(3,897,573)
Change in patronage refunds receivable	(27,586)	(29,227)
Cash paid for business acquisition	(20,000)	-
Proceeds from sale of property and equipment	-	2,500
Net Cash used for Investing Activities	(2,948,550)	(1,146,044)
Net Change in Cash and Cash Equivalents	286,709	2,241,457
Cash and Cash Equivalents, Beginning of Year	6,050,632	3,809,175
Cash and Cash Equivalents, End of Year	\$ 6,337,341	\$ 6,050,632
Supplemental Disclosure of Non-cash Investing and Financing Activity		
Accounts payable for property and equipment	\$ 120,000	\$ -
Lease liabilities arising from lease modifications	\$ 5,125	\$ -
Lease liabilities arising from obtaining right of use assets	\$ 129,975	\$ -

**Supplemental Disclosure of Cash Flow Information**

Effective August 15, 2024, the Organization acquired the assets of an unrelated entity through a business combination. The following assets were acquired as a result of that transaction:

	<u>2024</u>
Inventory	\$ 1,000
Intangible assets	4,000
Property and equipment	<u>15,000</u>
Cash paid	<u><u>\$ 20,000</u></u>

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

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

Prairie Public Broadcasting, Inc. (PPB) is a trusted public service dedicated to building an exciting and productive future for the prairie and its people. PPB 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 PPB has grown to become the premier broadcaster of public television and radio services throughout the prairie region.

PPB 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 consolidated financial statements include the accounts of all affiliated stations operated by PPB. PPB raises funds through pledges, donations, and charitable gaming activities at several locations.

PPB Ventures, LLC, (PPB Ventures) is a limited liability company that was formed in 2024 for general business purposes. The President and CEO and Director of Finance of PPB serve as managers of PPB Ventures. There was limited activity in PPB Ventures in 2024, primarily related to setting up the new entity.

### **Principles of Consolidation**

The consolidated financial statements include the accounts of PPB and PPB Ventures (collectively, the Organization) because PPB has both control and an economic interest in PPB Ventures. All significant intercompany accounts and transactions have been eliminated in consolidation.

### **Basis of Accounting**

The consolidated 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 consolidated 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 other 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 \$2,000 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, 2024 and 2023.

### **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 consolidated 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, 2024.

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 \$480,000 and \$530,000 for the years ended September 30, 2024 and 2023.

### **Advertising**

The Organization uses advertising to promote its programs. The costs of advertising and promotion are expensed as incurred. During 2024 and 2023, advertising and promotion costs totaled \$135,173 and \$103,628.

### **Income Taxes**

PPB 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. PPB is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, PPB is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. PPB files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income.



PPB 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 consolidated financial statements. PPB 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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, 2024 and 2023, the Organization had approximately \$5,836,000 and \$5,187,000 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.

### Reclassifications

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

### Subsequent Events

The Organization has evaluated subsequent events through January 17, 2025, the date which the consolidated 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:

	2024	2023
Cash and Cash Equivalents	\$ 6,337,341	\$ 6,050,632
Receivables		
Grants	880,033	765,421
Contributions	496,399	515,132
Trade	441,051	451,850
Board Directed Endowment	8,650,011	6,579,046
Investments	8,126,645	7,112,665
	24,931,480	21,474,746
Less Amounts Not Available to be used Within One Year		
Net assets designated by the board	(8,650,011)	(6,579,046)
Net assets with donor restrictions	(583,089)	(475,440)
	\$ 15,698,380	\$ 14,420,260

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, 2024 and 2023:

	2024	2023
Land	\$ 730,971	\$ 730,971
Buildings and Improvements	5,568,220	5,295,237
Vehicles and Equipment	42,948,224	42,452,812
Construction in Process	1,042,372	256,048
	50,289,787	48,735,068
Less accumulated depreciation	(41,802,589)	(40,902,665)
Net property and equipment	\$ 8,487,198	\$ 7,832,403

Construction in progress includes building repairs and remodeling – Fargo, new boiler – Fargo, and tower repairs related to storm damagers – multiple sites. These projects are expected to be completed in fiscal year 2025 and will be funded from general operations and insurance proceeds. The estimated remaining cost to complete these projects is \$3,000,000.

**Note 4 - Investments**

**Board Directed Endowment**

The Board Directed Endowment investments at September 30, 2024 and 2023 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.

	2024	2023
Board Directed Endowment		
Fixed income mutual funds	\$ 2,438,290	\$ 1,920,173
Equity securities	3,868,538	2,499,232
Stock mutual funds	2,209,753	2,075,942
Cash and cash equivalents	133,430	83,699
	\$ 8,650,011	\$ 6,579,046

**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, 2024 and 2023:

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	2024	2023
Investments		
Endowment		
Fixed income mutual funds	\$ 205,756	\$ 162,473
Equity securities	325,923	245,009
Cash and cash equivalents	6,558	4,232
Certificates of deposit	3,972,511	3,778,074
U.S. Treasury bills	3,495,596	2,873,594
Cash and cash equivalents	75,136	12,001
Other	45,165	37,282
	\$ 8,126,645	\$ 7,112,665

**Investment Income**

The following summarizes the components of investment income as of September 30, 2024 and 2023:

	2024	2023
Unrestricted Investment Income		
Realized gains	\$ 234,660	\$ 33,382
Unrealized gains	1,523,175	636,336
Interest	779,895	513,509
	2,537,730	1,183,227
Restricted Investment Income		
Realized gains (losses)	84,733	(1,601)
Unrealized gains (losses)	1,130	35,614
Interest	10,569	6,849
	96,432	40,862
	\$ 2,634,162	\$ 1,224,089

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

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

	2024	2023
Subject to Expenditure for Specified Purpose or Time		
Property and equipment	\$ 34,285	\$ 34,285
Underwriting	25,707	20,000
Unappropriated endowment earnings	137,294	40,862
Grants	-	24,500
	197,286	119,647
Endowments		
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation		
Prairie Public Broadcasting Permanent Endowment Fund	355,553	325,543
FM Area Foundation	30,250	30,250
Total endowments	385,803	355,793
Total net assets with donor restrictions	\$ 583,089	\$ 475,440

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, 2024 and 2023:

	2024	2023
Satisfaction of Purpose Restrictions		
Grants	\$ 64,500	\$ 114,360
State support	497,642	588,007
Underwriting	150,403	110,068
	\$ 712,545	\$ 812,435

**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, 2024 and 2023, 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, 2024 and 2023, the Organization had the following endowment net asset composition by type of fund:

	Without Donor Restrictions	With Donor Restrictions	Total
September 30, 2024			
Board-designated endowment funds	\$ 8,650,011	\$ -	\$ 8,650,011
Donor-designated endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	523,097	523,097
	\$ 8,650,011	\$ 523,097	\$ 9,173,108

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	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

The following were the changes in the endowment net assets for the years ended September 30, 2024 and 2023:

	Without Donor Restriction	With Donor Restrictions	Total
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	6,579,046	396,655	6,975,701
Contributions	210,512	30,010	240,522
Investment gain	1,860,453	96,432	1,956,885
Balance as of September 30, 2024	\$ 8,650,011	\$ 523,097	\$ 9,173,108

**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	4,288,084
Investment income, net, since creation	4,111,927
Balance as of September 30, 2024	\$ 8,650,011

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 2024, 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 2024, the improvement goal was set at \$100,735. As of September 30, 2024 and 2023, the working capital position was \$7,903,924 and \$7,379,807, which is an increase of \$524,117.

#### **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, 2024 and 2023.



**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 \$177,449 and \$155,095 for the years ended September 30, 2024 and 2023.

**Note 8 - Funds Held by Foundations**

There were funds totaling approximately \$311,000 and \$264,000 held by various foundations at September 30, 2024 and 2023. These amounts are not included in the assets reported in the consolidated 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 \$969,642 and \$943,528 for the years ended September 30, 2024 and 2023.

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

Years Ending September 30,	Amount
2025	\$ 650,665
2026	556,696
2027	490,025
2028	311,567
2029	158,498
Thereafter	206,842
Total minimum payments receivable	\$ 2,374,293

**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, 2024 and 2023 were as follows:

	2024	2023
Operating lease cost		
Operating expense	\$ 46,956	\$ 43,165

The following table summarizes the supplemental cash flow information for the year ended September 30, 2024 and 2023:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 71,920	\$ 68,843
Right of use assets obtained in exchange for lease liabilities		
Operating lease	\$ 129,975	\$ -
Right of use assets obtained in exchange for lease liabilities due to lease modifications		
Operating lease	\$ 5,125	\$ -

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

	2024	2023
Weighted-average remaining lease term:		
Operating lease	15.63 Years	18.57 Years
Weighted-average discount rate:		
Operating lease	4.72%	3.68%

The future minimum lease payments under noncancelable operating leases with term greater than one year are listed below as of September 30, 2024:

Years Ending September 30,	Operating
2025	\$ 133,112
2026	134,054
2027	89,205
2028	50,074
2029	45,979
Thereafter	564,494
Total lease payments	1,016,918
Less interest	(267,967)
Present value of lease liabilities	\$ 748,951

### Note 11 - Fair Value of Assets

Certain assets are reported at fair value in the consolidated 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)
<b>September 30, 2024</b>				
Fixed income mutual funds	\$ 2,644,046	\$ 2,644,046	\$ -	\$ -
Equity securities	4,194,461	4,194,461	-	-
Stock mutual funds	2,209,753	2,209,753	-	-
Certificates of deposit	3,972,511	-	3,972,511	-
U.S. Treasury bills	3,495,596	-	3,495,596	-
Other investments	45,165	-	-	45,165
	<u>\$ 16,561,532</u>	<u>\$ 9,048,260</u>	<u>\$ 7,468,107</u>	<u>\$ 45,165</u>

	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	3,778,074	-	3,778,074	-
U.S. Treasury bills	2,873,594	-	2,873,594	-
Other investments	37,282	-	-	37,282
	<u>\$ 13,591,779</u>	<u>\$ 6,902,829</u>	<u>\$ 6,651,668</u>	<u>\$ 37,282</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, 2022	\$ 33,943
Investment income, net of expenses	4,852
Withdrawals	<u>(1,513)</u>
Balance, September 30, 2023	37,282
Investment income, net of expenses	9,508
Withdrawals	<u>(1,625)</u>
Balance, September 30, 2024	<u>\$ 45,165</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 \$661,000 in aggregate annually. The self-insurance is included in accrued liabilities on the statement of financial position.

	Beginning Balance	Expense	Claims Paid	Ending Balance
2024	\$ 51,000	\$ 412,441	\$ (412,441)	\$ 51,000
2023	\$ 51,000	\$ 369,006	\$ (369,006)	\$ 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>
2025	\$ 25,000	\$ -	\$ 25,000
2026	25,000	(1,394)	23,606
2027	25,000	(2,061)	22,939
2028	25,000	(2,710)	22,290
2029	25,000	(3,340)	21,660
Thereafter	<u>231,250</u>	<u>(76,001)</u>	<u>155,249</u>
Total	<u>\$ 356,250</u>	<u>\$ (85,506)</u>	<u>\$ 270,744</u>

**Note 14 - In-Kind Contribution Revenue**

For the years ended September 30, 2024 and 2023, in-kind contributions recognized within the consolidated 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>2024</u>	<u>2023</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, 2024

**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 consolidated financial statements of Prairie Public Broadcasting, Inc. as of and for the year ended September 30, 2024, and have issued our report thereon dated January 17, 2025, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the basic consolidated 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

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

Fargo, North Dakota  
January 17, 2025



Prairie Public Broadcasting, Inc.  
Supporting Schedule to the Statement of Activities  
Year Ended September 30, 2024

	Budget (unaudited)	Actual
<b>Television</b>		
Support and Revenue	\$ 6,330,251	\$ 5,945,643
Expenses		
Programming and production	3,155,997	2,749,019
Engineering	2,362,588	1,981,383
Development	426,300	362,922
Total expenses	5,944,885	5,093,324
Excess of Support and Revenue over Expenses (Expenses over Support and Revenue)	\$ 385,366	\$ 852,319
<b>Radio</b>		
Support and Revenue	\$ 1,269,000	\$ 1,153,034
Expenses		
Programming and production	1,501,081	1,427,399
Engineering	430,800	345,632
Development	101,174	86,967
Total expenses	2,033,055	1,859,998
Excess of Expenses over Support and Revenue	\$ (764,055)	\$ (706,964)
<b>Corporate</b>		
Allocated to television	\$ 2,580,829	\$ 4,492,431
Allocated to radio	1,214,507	2,114,084
Total support and revenue	3,795,336	6,606,515
General and Administrative Expenses		
Allocated to television	1,215,802	1,650,083
Allocated to radio	572,142	776,510
Total expenses	1,787,944	2,426,593
Excess of Support and Revenue over Expenses	\$ 2,007,392	\$ 4,179,922
<b>Total</b>		
Support and Revenue	\$ 11,394,587	\$ 13,705,192
Expenses	9,765,884	9,379,915
Excess of Support and Revenue over Expenses	\$ 1,628,703	\$ 4,325,277

Prairie Public Broadcasting, Inc.  
Schedule of Support and Revenue  
Year Ended September 30, 2024

	Budget (unaudited)	Actual
<b>Television</b>		
Membership (1)	\$ 1,720,000	\$ 1,656,030
CPB income (2)	1,613,571	1,696,826
ND state support (4)	1,296,225	1,296,225
MN state support (4)	578,030	711,647
MN bond revenue (4)	715,000	147,260
Underwriting (5)	280,667	272,369
Educational fees (6)	20,387	19,322
MN capital grant (4)	10,871	10,872
Program products (8)	14,000	1,514
Foundation income (3)	25,000	25,731
CPB interconnection grant (2)	20,000	20,463
Broadcast income (8)	9,000	2,342
Grant income (3)	127,300	157,933
Special gifts (8)	5,000	21,392
Special events (8)	20,000	16,730
Canadian exchange (1)	(124,800)	(111,013)
	<u>6,330,251</u>	<u>5,945,643</u>
Total television		
<b>Radio</b>		
Membership (1)	580,000	525,091
Underwriting (5)	153,000	129,836
CPB income (2)	216,000	233,068
ND state support (4)	200,000	200,000
Grant income (3)	119,000	76,625
Miscellaneous (8)	-	2,614
Special events (8)	1,000	(14,200)
	<u>1,269,000</u>	<u>1,153,034</u>
Total radio		

Prairie Public Broadcasting, Inc.  
Schedule of Support and Revenue  
Year Ended September 30, 2024

	Budget (unaudited)	Actual
Corporate		
Television		
Gaming net income (7)	\$ 1,654,805	\$ 1,198,945
Tower rent (9)	615,322	621,603
Contracted services (8)	6,800	1,360
Building rent (9)	37,886	37,754
Capital patronage (8)	33,048	36,740
Oil well royalties (8)	5,780	5,253
Interest income (10)	223,040	537,516
Other revenues (8)	6,188	769,341
Realized and unrealized gains and losses (10)	-	1,253,715
Endowment contribution (8)	-	20,407
In kind (8)	-	8,500
Gain on sale of equipment (8)	-	4,254
Vending loss (8)	(2,040)	(2,957)
	2,580,829	4,492,431
Radio		
Gaming net income (7)	778,730	564,210
Tower rent (9)	289,564	292,519
Contracted services (8)	3,200	640
Building rent (9)	17,829	17,766
Capital patronage (8)	15,552	17,289
Oil well royalties (8)	2,720	2,472
Interest income (10)	104,960	252,948
Other revenues (8)	2,912	362,043
Realized and unrealized gains and losses (10)	-	589,983
Endowment contribution (8)	-	9,603
In kind (8)	-	4,000
Gain on sale of equipment (8)	-	2,002
Vending loss (8)	(960)	(1,391)
	1,214,507	2,114,084
Total corporate	3,795,336	6,606,515
Total Support and Revenue	\$ 11,394,587	\$ 13,705,192
Gaming and concession expenses		
Allocated to television (7)	\$ (2,787,840)	\$ (2,246,101)
Allocated to radio (7)	(1,311,925)	(1,056,989)
Total gaming and concession expenses	\$ (4,099,765)	\$ (3,303,090)

Prairie Public Broadcasting, Inc.  
Schedule of Support and Revenue  
Year Ended September 30, 2024

	Budget (unaudited)	Actual
<b>Public Support and Revenue - Television</b>		
Membership (1)	\$ 1,595,200	\$ 1,545,017
CPB income (2)	1,633,571	1,717,289
Grants (3)	152,300	183,664
State Support (4)	2,600,126	2,166,004
Underwriting (5)	280,667	272,369
Fees (6)	20,387	19,322
Gaming (net of prize payouts and cost of sales) (7)	4,442,645	3,445,046
Other (8)	97,776	884,876
Rents (9)	653,209	659,357
Net investment return (10)	223,040	1,791,231
<b>Total Public Support and Revenue - Television</b>	<b>11,698,920</b>	<b>12,684,175</b>
<b>Public Support and Revenue - Radio</b>		
Membership (1)	580,000	525,091
CPB income (2)	216,000	233,068
Grants (3)	119,000	76,625
State Support (4)	200,000	200,000
Underwriting (5)	153,000	129,836
Gaming (net of prize payouts and cost of sales) (7)	2,090,655	1,621,199
Other (8)	24,424	385,072
Rents (9)	307,392	310,285
Net investment return (10)	104,960	842,931
<b>Total Public Support and Revenue - Radio</b>	<b>3,795,432</b>	<b>4,324,107</b>
<b>Public Support and Revenue (Summarized from Above)</b>		
Membership (1)	2,175,200	2,070,108
CPB income (2)	1,849,571	1,950,357
Grants (3)	271,300	260,289
State Support (4)	2,800,126	2,366,004
Underwriting (5)	433,667	402,205
Fees (6)	20,387	19,322
Gaming (net of prize payouts and cost of sales) (7)	6,533,300	5,066,245
Other (8)	122,200	1,269,948
Rents (9)	960,601	969,642
Net investment return (10)	328,000	2,634,162
<b>Total Public Support and Revenue</b>	<b>\$ 15,494,352</b>	<b>\$ 17,008,282</b>

Prairie Public Broadcasting, Inc.  
Schedule of Programming and Production Expenses – Television  
Year Ended September 30, 2024

	Budget (unaudited)	Actual
Salary - Full-time	\$ 1,282,100	\$ 1,122,030
Program rights	749,392	750,053
Benefits	480,900	351,236
Production	44,400	34,784
Contracted services	135,145	89,408
Miscellaneous	149,260	137,168
FICA tax	102,100	81,745
Program information	32,000	31,998
Postage	32,400	26,992
Travel	48,300	29,380
Supplies	24,450	32,595
Dues and subscriptions	26,900	28,039
Training	11,300	2,839
Equipment repair	14,300	14,032
Telephone	1,550	80
Printing	3,500	2,278
Equipment	3,500	-
Set material	1,000	1,833
Salary - Part-time	500	-
Nielsen Survey	11,000	10,553
Video tape	2,000	1,976
	<u>\$ 3,155,997</u>	<u>\$ 2,749,019</u>
Total programming and production expenses - television	<u>\$ 3,155,997</u>	<u>\$ 2,749,019</u>

Prairie Public Broadcasting, Inc.  
Schedule of Engineering Expenses – Television  
Year Ended September 30, 2024

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	Budget (unaudited)	Actual
Depreciation	\$ 800,000	\$ 698,158
Salary - Full-time	700,100	582,015
Power Costs	231,800	210,780
Benefits	221,000	175,819
Transmitter Repairs and Maintenance	170,800	71,957
Video Equipment Repairs and Maintenance	53,200	43,238
FICA Tax	54,800	47,917
Travel	23,000	24,919
Salary - Part-Time	37,800	52,742
Vehicle Repair	4,000	4,786
Rents and Leases	61,938	63,144
Training	2,000	4,553
Telephone	900	646
Equipment	750	-
Miscellaneous	500	709
	\$ 2,362,588	\$ 1,981,383
Total engineering expenses - television		

**Prairie Public Broadcasting, Inc.**  
 Schedule of Programming and Production Expenses – Radio  
 Year Ended September 30, 2024

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	Budget (unaudited)	Actual
Salary - Full-time	\$ 732,800	\$ 722,416
Program Acquisition	287,866	320,156
Benefits	200,000	179,367
Salary - Part-Time	50,600	24,031
FICA Tax	56,400	54,917
Program Production	102,750	70,500
Contracted Services	17,000	10,650
Travel	13,700	19,364
Training	10,200	1,584
Satellite Interconnection Fees	11,315	12,460
Miscellaneous	13,000	8,651
Postage	2,550	880
Telephone	1,900	2,112
Supplies	1,000	311
	<u>\$ 1,501,081</u>	<u>\$ 1,427,399</u>
Total programming and production expenses - radio	<u>\$ 1,501,081</u>	<u>\$ 1,427,399</u>

**Prairie Public Broadcasting, Inc.**  
 Schedule of Engineering Expenses – Radio  
 Year Ended September 30, 2024

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	Budget (unaudited)	Actual
Power cost	\$ 167,300	\$ 155,558
Depreciation	90,000	70,716
Salary - Full-Time	119,300	86,970
Benefits	21,700	17,331
Repairs and Maintenance	13,000	5,928
FICA Tax	9,200	3,568
Audio Repairs and Maintenance	4,600	4,110
Equipment	5,700	1,451
Total engineering expenses - radio	\$ 430,800	\$ 345,632



Prairie Public Broadcasting, Inc.  
Schedule of General and Administrative Expenses – Corporate  
Year Ended September 30, 2024

	Budget (unaudited)	Actual
Salary - Full-Time	\$ 696,300	\$ 703,598
Insurance	268,300	270,282
Utilities	109,000	83,554
Depreciation	62,000	79,470
Bank Charges	60,000	63,773
Benefits	77,000	73,502
Professional Fees	99,100	149,341
Board Costs	18,000	25,933
FICA Tax	51,500	42,792
Travel	20,500	26,299
Interest	-	358
Dues and Subscriptions	49,000	50,552
Repairs and Maintenance - Building	60,000	553,845
Computer	38,400	37,011
Cost of Contracted Services	15,000	13,233
Office Supplies	10,550	6,888
Cleaning and Custodial	21,400	21,170
Telephone	16,200	14,912
Postage and Freight	10,000	10,105
Miscellaneous	7,500	10,396
Unemployment Tax	4,000	1,903
Real Estate Tax	14,000	14,092
Promotion	1,200	486
Worker's Compensation	1,900	5,625
Training	3,500	6,781
Hiring	40,000	83,313
Equipment	25,500	37,500
Rent and Lease	14,794	45,325
Finance Charges	-	128
Repairs and Maintenance - Vehicles and Equipment	(6,700)	(5,574)
Total general and administrative expenses - corporate	\$ 1,787,944	\$ 2,426,593

**Prairie Public Broadcasting, Inc.**  
 Schedule of Development Expenses – Television  
 Year Ended September 30, 2024

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	Budget (unaudited)	Actual
New Member Acquisition	\$ 259,900	\$ 230,700
Premiums	40,000	29,545
Membership	50,000	50,970
Credit Loss Expense	40,000	23,406
Postage	15,800	9,599
Promotion	13,000	13,677
Travel	3,500	3,940
Customer Service	1,100	653
Training	3,000	432
Total development expenses - television	\$ 426,300	\$ 362,922

Prairie Public Broadcasting, Inc.  
Schedule of Development Expenses – Radio  
Year Ended September 30, 2024

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	<u>Budget</u> (unaudited)	<u>Actual</u>
New Member Acquisition	\$ 48,064	\$ 47,845
Membership	39,610	27,442
Credit Loss Expense	<u>13,500</u>	<u>11,680</u>
Total development expenses - radio	<u>\$ 101,174</u>	<u>\$ 86,967</u>

Prairie Public Broadcasting, Inc.  
Schedule of Gaming Income and Direct Expenses  
Year Ended September 30, 2024

	Budget (unaudited)	Actual
Gaming Income		
Pull tabs	\$ 2,111,900	\$ 1,651,526
E-tabs	50,260,600	38,980,430
Bingo	2,444,100	2,582,506
Blackjack	292,400	179,600
Paddlewheel	4,800	1,270
Raffle	-	1,310
Poker	-	78,455
Promotional items and other	151,200	143,626
Vending	14,400	13,715
Total gaming income	55,279,400	43,632,438
Cost of Gaming Income		
Pull tab prizes	1,695,400	1,338,993
E-tab prizes	44,923,500	34,841,224
Poker prizes	-	64,644
Raffle prizes	-	655
Bingo prizes	2,127,200	2,320,677
Total cost of gaming income	48,746,100	38,566,193
Adjusted Gross Proceeds	6,533,300	5,066,245
Direct Expenses	(4,099,765)	(3,303,090)
Net Gaming Income	\$ 2,433,535	\$ 1,763,155
Direct Expenses		
Salaries	\$ 708,160	\$ 661,423
State gaming tax	700,731	571,401
Benefits	219,000	171,201
Rent and leases	206,940	179,788
FICA	118,088	85,986
Gaming supplies	1,805,200	1,363,068
Depreciation	54,624	51,578
Promotion	62,000	37,468
Utilities	30,000	24,145
Real estate taxes	33,600	27,688
Vending	5,400	8,280
Contracted services	39,084	35,896
Supplies	15,600	12,318
ND employment taxes	-	(5,885)
Insurance	25,200	25,597
Miscellaneous	9,758	15,681
Resale supplies	6,000	6,993
Travel	29,540	20,470
Repair and maintenance - equipment	2,100	1,394
Repair and maintenance - building	10,300	1,971
Postage	3,480	2,986
Small equipment	12,000	626
Telephone	2,840	1,290
Accounting, audit, legal, and bank fees	120	120
Workers' compensation	-	1,607
Total direct expenses	\$ 4,099,765	\$ 3,303,090