
**KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)**

*Financial Statements
and
Independent Auditor's Report
June 30, 2022 and 2021*

redw
Advisors & CPAs

**KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)**

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Financial Statements	
Governmental Fund Balance Sheets and Statements of Net Position	8
Governmental Fund Statements of Revenues, Expenditures and Changes in Fund Balance and Statements of Activities	9
Notes to Financial Statements	10
Supplemental Information	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance by Source of Funds	19

Independent Auditor's Report

Members of the Reservation Tribal Council
KOJB Radio Station

Report on the Audit of Financial Statements

Opinions

We have audited the basic financial statements of the governmental activities and the major fund of the KOJB Radio Station (the "Station"), a department of the Leech Lake Band of Ojibwe (the "Tribe"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and major fund for the Station, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 the Station and the Tribe and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities and the major fund of the Tribe that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of the Tribe as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows, where applicable, for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 opinions. 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 Station's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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.

Other Matters

The financial statements of the Station for the year ended June 30, 2021, were audited by another auditor who express an unmodified opinion on those statement on February 12, 2022.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Station's basic financial statements. The accompanying combining schedule of revenues, expenditures and changes in fund balance by source of funds is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of revenues, expenditures, and changes in fund balance by source of funds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

REDW LLC

Phoenix, Arizona
April 26, 2024

**KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)**

**Management's Discussion and Analysis
June 30, 2022 and 2021**

Introduction and Reporting Entity

Management's discussion and analysis (MD&A) is an overview of the financial position and activities of KOJB Radio Station (KOJB), a public telecommunications department of the Leech Lake Band of Ojibwe. Financial statements for KOJB include all the financial activity of KOJB for the years ended June 30, 2022 and 2021.

Management of KOJB has prepared the following discussion. Readers should also review the independent auditor's report along with the financial statements and related notes, which follow this section, to enhance their understanding of KOJB's performance.

Overview of the Financial Statements

KOJB Radio Station's financial report consists of a series of financial statements and notes to the financial statements. The Governmental Accounting Standards Board (GASB) sets the presentation standards of financial statements and note disclosures for activities of state and local governments.

Department-Wide Statements

The department-wide financial statements and the fund financial statements are the basic financial statements under the reporting standards of the GASB. Financial information reported in the department-wide financial statements uses the full-accrual method of accounting. Revenues are recognized when they are earned, and expenditures are recognized when they are incurred.

The department-wide financial statements present the financial activity of KOJB, a public telecommunications department of the Leech Lake Band of Ojibwe (the "Band"). The financial statements of KOJB consist of the following:

- Department-wide statement of net position and statement of activities
- For the governmental fund, a balance sheet; a reconciliation of the fund balance sheet to the department-wide statement of net position; a statement of revenues, expenditures and changes in fund balance; and a reconciliation of the fund statement of revenues, expenditures and changes in fund balance to the department-wide statement of activities

The department-wide statement of net position includes assets, liabilities and net position as of June 30, 2022. The statement lists capital assets of buildings, improvements and equipment of \$423,192 net of accumulated depreciation. Net position decreased during fiscal year 2022 from \$991,445 to \$979,749.

The department-wide statement of activities lists expenses by function. Revenues are listed by source. If there are grants and contributions not restricted to a specific program or function, those amounts are reflected as general revenues.

**KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)**

**Management's Discussion and Analysis
June 30, 2022 and 2021**

Operating Fund Statements

Financial data presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance use the modified-accrual method of accounting. Revenues are recognized when they are measurable and available, and expenditures are recognized when they are incurred. However, capital assets of buildings, improvements and equipment are not presented in the balance sheet, and depreciation is not presented in the statement of revenues, expenditures and changes in fund balance.

The operating fund financial statements focus on how money flows in and out of funds and the balances left at year-end that are available for future spending.

Condensed Financial Information

The following table illustrates KOJB's components of net position as of June 30, 2022, 2021, and 2020:

Condensed Statements of Net Position—Governmental Activities

	Governmental Activities		
	2022	2021	2020
Assets			
Current and other assets	\$ 699,552	\$ 649,827	\$ 276,244
Capital assets, net	423,192	450,429	468,419
Total assets	<u>\$ 1,122,744</u>	<u>\$ 1,100,256</u>	<u>\$ 744,663</u>
Liabilities			
Current liabilities	\$ 142,995	\$ 108,811	\$ 24,220
Total liabilities	<u>142,995</u>	<u>108,811</u>	<u>24,220</u>
Net Position			
Net investment in capital assets	423,192	450,429	468,419
Restricted for Corporation for Public Broadcasting	253,603	239,447	195,347
Unrestricted	<u>302,954</u>	<u>301,569</u>	<u>56,677</u>
Total net position	<u>979,749</u>	<u>991,445</u>	<u>720,443</u>
Total liabilities and net position	<u>\$ 1,122,744</u>	<u>\$ 1,100,256</u>	<u>\$ 744,663</u>

The increase in current and other assets at June 30, 2022, is largely due to an increase in unspent grant proceeds. The increase in current liabilities at June 30, 2022, is largely due to an increase in amounts due to the Band due to timing of payments between KOJB and other departments of the Band.

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)

Management's Discussion and Analysis
June 30, 2022 and 2021

The increase in current and other assets at June 30, 2021, is largely due to an increase in unspent American Rescue Plan Act Stabilization (ARPA) grant proceeds of \$221,072 at June 30, 2021.

The following table illustrates the changes in net position for the fiscal years ended June 30, 2022, 2021, and 2020:

Condensed Statements of Activities

	Years Ended June 30		
	2022	2021	2020
Operating grants and contributions	\$ 213,451	\$ 430,843	\$ 304,205
Underwriting and tower rental revenues	118,847	110,015	94,103
Total support and revenues	<u>332,298</u>	<u>540,858</u>	<u>398,308</u>
Programming and production	248,368	315,013	378,432
General and administrative	115,085	66,210	80,408
Depreciation	27,237	29,326	27,058
Total expenses	<u>390,690</u>	<u>410,549</u>	<u>485,898</u>
Change in net position before other financing sources	<u>(58,392)</u>	<u>130,309</u>	<u>(87,590)</u>
Other financing sources			
Appropriation from Band	46,696	140,693	-
Total other financing sources	<u>46,696</u>	<u>140,693</u>	<u>-</u>
Change in net position	(11,696)	271,002	(87,590)
Net position, beginning of year	<u>991,445</u>	<u>720,443</u>	<u>808,033</u>
Net position, end of year	<u>\$ 979,749</u>	<u>\$ 991,445</u>	<u>\$ 720,443</u>

2022 Financial Highlights

The Corporation for Public Broadcasting (CPB) continued to provide funding to KOJB during 2022 through its grant program. Other grant revenue decreased as compared to 2021 due to a \$221,702 ARPA grant received in 2021. Underwriting and tower rental revenues increased as compared to 2021 due to increase in underwriting fees.

Programming and production expenses in 2022 decreased as compared to 2021 due to a decrease in payroll expenses due to decrease in employees in the department.

2021 Financial Highlights

The Corporation for Public Broadcasting (CPB) continued to provide funding to KOJB during 2021 through its grant program. Other grant revenue increased as compared to 2020 due to a \$221,702 ARPA grant received in 2021. Underwriting and tower rental revenues increased as compared to 2020 due to increase in underwriting fees.

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)
Management's Discussion and Analysis
June 30, 2022 and 2021

Programming and production expenses in 2021 decreased as compared to 2020 due to a decrease in payroll expenses due to decrease in employees in the department.

Capital Assets

Capital assets are presented net of depreciation in the financial statements. A reconciliation of fiscal year capital asset activity for the years ended June 30, 2022, 2021, and 2020, is provided below:

	2022	2021	2020
Capital assets purchased	\$ -	\$ 11,336	\$ -
Less depreciation expense	<u>(27,237)</u>	<u>(29,326)</u>	<u>(27,058)</u>
	<u>\$ (27,237)</u>	<u>\$ (17,990)</u>	<u>\$ (27,058)</u>

Request for Information

This financial report is designed to provide donors, members, investment managers, foundations and taxpayers with a general overview of KOJB Radio Station's finances and to account for the funding it receives. It is also intended to help the reader better understand the changes in the financial statement format. Additional details can be requested by email at business.manager@kojb.org or by mail at the following address:

KOJB Radio Station
190 Sailstar Drive NW
Cass Lake, MN 56633

Financial Statements

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)
Governmental Fund Balance Sheets and Statements of Net Position
June 30, 2022 and 2021

	2022			2021		
	Governmental Fund Balance Sheet	Adjustments	Department-Wide Statement of Net Position	Governmental Fund Balance Sheet	Adjustments	Department-Wide Statement of Net Position
Assets						
Cash	\$ 655,429	\$ -	\$ 655,429	\$ 559,332	\$ -	\$ 559,332
Receivables	38,827	-	38,827	87,495	-	87,495
Prepaid expenses	5,296	-	5,296	3,000	-	3,000
Capital assets, net	-	423,192	423,192	-	450,429	450,429
Total assets	<u>\$ 699,552</u>	<u>423,192</u>	<u>1,122,744</u>	<u>\$ 649,827</u>	<u>450,429</u>	<u>1,100,256</u>
Liabilities						
Accounts payable	\$ 39,519	-	39,519	\$ 33,004	-	33,004
Accrued salary and benefits	6,814	-	6,814	14,373	-	14,373
Due to the Band	96,662	-	96,662	61,434	-	61,434
Total current liabilities	<u>142,995</u>	<u>-</u>	<u>142,995</u>	<u>108,811</u>	<u>-</u>	<u>108,811</u>
Fund Balance/Net Position						
Fund balance						
Nonspendable	5,296			3,000		
Restricted for CPB grants	253,603			239,447		
Unassigned	297,658			298,569		
Total fund balance	<u>556,557</u>			<u>541,016</u>		
Total liabilities and fund balance	<u>\$ 699,552</u>			<u>\$ 649,827</u>		
Net Position						
Net investment in capital assets		423,192	423,192		450,429	450,429
Restricted for CPB		-	253,603		-	239,447
Unrestricted		-	302,954		-	301,569
Total net position		<u>\$ 423,192</u>	<u>\$ 979,749</u>		<u>\$ 450,429</u>	<u>\$ 991,445</u>

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

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)
Governmental Fund Statements of Revenues, Expenditures and
Changes in Fund Balance and Statements of Activities
For the Years Ended June 30, 2022 and 2021

	2022			2021		
	Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Department-Wide Statement of Activities	Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Department-Wide Statement of Activities
Support and revenues						
Support						
State grants	\$ 37,294	\$ -	\$ 37,294	\$ 29,941	\$ -	\$ 29,941
Other grants	176,157	-	176,157	400,902	-	400,902
Revenues						
Underwriting	84,293	-	84,293	49,380	-	49,380
Tower rental	34,554	-	34,554	60,635	-	60,635
Total support and revenues	<u>332,298</u>	<u>-</u>	<u>332,298</u>	<u>540,858</u>	<u>-</u>	<u>540,858</u>
Expenditures/expenses						
Program services						
Programming and production	248,368	-	248,368	315,013	-	315,013
Total program services	<u>248,368</u>	<u>-</u>	<u>248,368</u>	<u>315,013</u>	<u>-</u>	<u>315,013</u>
Support services						
General and administrative	115,085	-	115,085	66,210	-	66,210
Total support services	115,085	-	115,085	66,210	-	66,210
Capital outlay/depreciation	-	27,237	27,237	11,336	17,990	29,326
Total expenditures/expenses	<u>363,453</u>	<u>27,237</u>	<u>390,690</u>	<u>392,559</u>	<u>17,990</u>	<u>410,549</u>
Excess (deficiency) of support and revenues over (under) expenditures/expenses before other financing sources	<u>(31,155)</u>	<u>(27,237)</u>	<u>(58,392)</u>	<u>148,299</u>	<u>(17,990)</u>	<u>130,309</u>
Other financing sources						
Appropriation from Band	46,696	-	46,696	140,693	-	140,693
Total other financing sources	<u>46,696</u>	<u>-</u>	<u>46,696</u>	<u>140,693</u>	<u>-</u>	<u>140,693</u>
Change in fund balance/net position	15,541	(27,237)	(11,696)	288,992	(17,990)	271,002
Fund balance/net position, beginning of year	541,016	450,429	991,445	252,024	468,419	720,443
Fund balance/net position, end of year	<u>\$ 556,557</u>	<u>\$ 423,192</u>	<u>\$ 979,749</u>	<u>\$ 541,016</u>	<u>\$ 450,429</u>	<u>\$ 991,445</u>

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

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)

Notes to Financial Statements
June 30, 2022 and 2021

1) Summary of Significant Accounting Policies

Reporting Entity

KOJB Radio Station (the “Station”) is a public telecommunications department of the Leech Lake Band of Ojibwe (the “Band”). The Station’s primary functions are to promote, establish and provide public broadcasting and other noncommercial educational telecommunications services. These financial statements present only the Station, a department of the Tribe, and do not purport to, and do not, present the financial statements of the entire organization of the Tribe. The Station is accounted for within the Tribe’s General Fund.

Basis of Presentation

The financial statements of the Station have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The financial report includes two separate sets of financial statements, the department-wide financial statements and the fund financial statements.

Measurement focus and basis of accounting: Measurement focus refers to the kinds of transactions that are recognized within the various financial statements. In the department-wide statements, the Station uses an economic resources measurement focus. The reporting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position.

All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Department-wide equity is classified as net position. In the governmental fund statements, the focus is on sources, uses and balances of current financial resources.

Basis of accounting refers to when transactions are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements regardless of the measurements made and the measurement focus applied. The Station uses the following as its basis of accounting:

1. *Accrual basis*—Governmental-type activities are presented in the department-wide financial statements on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

**KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)**

**Notes to Financial Statements
June 30, 2022 and 2021**

2. *Modified accrual basis*—In the governmental fund financial statements, the activities are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means that the amount of the transaction can be determined, and “available” means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year period is used for recognition for all governmental fund revenues. Expenditures are recorded when the related fund liability is incurred and due.

The measurement focus, basis of accounting and basis of presentation differ between the department-wide financial statements and the fund financial statements. As a department engaged in a single governmental program, the department-wide statements and the fund financial statements have been combined in one financial statement. An adjustments column reflects the following differences between the two types of financial statements:

- Governmental funds report capital outlays as expenditures. Capital assets are reported in the statement of net position at historical cost, and in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Receivables

Receivables arise mainly from unreimbursed grant expenditures and from underwriting purchased by third parties in the ordinary course of business. Receivables are stated net of allowances for uncollectible accounts. There were no uncollectible accounts as of June 30, 2022 and 2021.

Capital Assets

The Station records buildings, improvements and equipment with an initial, individual cost of more than \$5,000 and an estimated life of two or more years. Such assets are recorded at historical cost. Donated assets are recorded at estimated fair value at the date of receipt. The Station uses the straight-line method to calculate depreciation over the following estimated useful lives:

	Years
Building and improvements	40
Towers and transmission equipment	20
Equipment	5

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)

Notes to Financial Statements
June 30, 2022 and 2021

Compensated Absences

Certain hourly employees do not receive vacation leave. For other employees, vacation leave is earned at rates dependent on the length of employment and can be accumulated to a specified maximum number of days. Employees of the Station are considered employees of the Tribe for purposes of determining benefits, and the ultimate liability for payment of these benefits remains with the Tribe. The Tribe does not determine the liability for the individual activities within the Tribe's funds.

Fund Balances

In the fund financial statements, fund balances classified as restricted are amounts that are restricted to specific purposes that are externally imposed by granters, contributors, or laws or regulations of other governments. Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by formal action of the Band's Reservation Business Committee. Assigned fund balances are amounts that are constrained by the Tribe's intent to be used for specific purposes, but are neither restricted nor committed as determined by management based on the Band's Reservation Business Committee direction. Nonspendable fund balances consist of balances that are either not in spendable form or are legally or contractually required to be maintained intact. It is the Station's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balances can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balances. Unassigned fund balances are applied last.

Net Position

In the statement of net position, net position includes the following:

Net investment in capital assets: This is the component of net position that reports capital assets less accumulated depreciation.

Restricted net position: Restricted net position is the component of net position that reports the constraints placed on the use of net position by either external parties and/or enabling legislation.

Unspent grants awards received from the CPB are reflected as restricted net position. At June 30, 2022 and 2021, there was \$253,603 and \$239,447, respectively, of restricted net position.

Unrestricted Net Position

Unrestricted net position is the difference between the assets and liabilities that is not reported in net investment in capital assets and restricted assets.

It is the Station's policy to expend restricted resources first and to use unrestricted resources when the restricted resources have been depleted.

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)

Notes to Financial Statements
June 30, 2022 and 2021

Support

A one-year availability period is used for revenue recognition for all governmental fund revenue. In determining when to recognize grant revenue, the legal and contractual requirements of the individual grant programs are used as guidance. There are, however, essentially two bases for this revenue recognition. In one, amounts must be expended on the specific purpose or project before any amounts will be paid to the Station; therefore, revenues are recognized based upon the expenditures recorded. In the other, amounts are virtually unrestricted and revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability.

Revenues

The Station reports as revenues all revenues that derive directly from the department activities themselves, including underwriting and tower rental revenues, as well as operating and capital grants and contributions that are restricted for particular uses or for capital purposes. Underwriting revenues are contributions given to the Station primarily to finance specific programming or activities.

Other Financing Sources

The Tribe appropriations are recorded as transfers in the statement of activities and the statement of revenues, expenditures and changes in fund balance when received from the Band.

Corporation for Public Broadcasting Community Service Grants

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. The CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years.

Certain general provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds, record-keeping, audits, financial reporting, mailing lists and licensee status with the Federal Communications Commission.

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)

Notes to Financial Statements
June 30, 2022 and 2021

For the years ended June 30, 2022 and 2021, the Station recognized support revenue of \$176,157 and \$179,200, respectively, from its CSG from the CPB.

General and administrative support: Indirect support from the Tribe consists of allocated institutional support provided by various other divisions of the Tribe from which the Station receives benefits. The fair value of this support is recognized in the statement of activities as general and administrative support. For the years ended June 30, 2022 and 2021, indirect support of \$115,085 and \$66,210, respectively, was charged to the Station using the Tribe's indirect cost rate. Indirect support amounts are paid by the Station to the Tribe.

Operating Leases

The Station leases tower space for a transmitting antenna from a third party under a lease agreement. The lease is accounted for as an operating lease with a term of five years, with an additional renewal option.

Use of Estimates

The preparation of the accompanying financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

The following accounting standards have recently been issued by the GASB, but are not yet effective at June 30, 2022, and have not yet been implemented by the Station:

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is effective for reporting period beginning after June 15, 2022.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for reporting period beginning after June 15, 2022.
- GASB Statement No. 99, *Omnibus 2022*, which is effective for fiscal years beginning after June 15, 2023.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*, which is effective for fiscal years beginning after June 15, 2023.
- GASB Statement No. 101, *Compensated Absences*, which is effective for fiscal years beginning after December 15, 2023.
- GASB Statement No. 102, *Certain Risk Disclosures*, which is effective for fiscal years beginning after June 15, 2024.

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)

Notes to Financial Statements
June 30, 2022 and 2021

The Station has evaluated recently issued, but not yet effective, GASB pronouncements and will implement the new GASB pronouncements in the fiscal year no later than the required effective date.

2) Receivables

Receivables consisted of the following at June 30, 2022 and 2021:

	2022	2021
Underwriting and tower rental	\$ 1,533	\$ 57,755
Grants	37,294	29,740
	\$ 38,827	\$ 87,495

3) Deposits

The Station's deposits are pooled with the Tribe's deposits. The Tribe's treasury is responsible for the treasury function of all the Tribe's deposits and investments held by its funds. Detailed information about the Tribe's deposits with financial institutions and management of investment risk can be obtained directly from the Tribe's 2022 and 2021 financial statements. The Tribe's bank balances at June 30, 2022 and 2021, are either entirely insured or collateralized with securities.

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)

Notes to Financial Statements
June 30, 2022 and 2021

4) Capital Assets

A summary of changes in capital assets for the years ended June 30, 2022 and 2021, is as follows:

	Beginning Balance June 30, 2021	Additions	Reductions	Ending Balance June 30, 2022
<i>Capital assets being depreciated</i>				
Buildings and building improvements	\$ 445,664	\$ -	\$ -	\$ 445,664
Tower transmission equipment	185,660	-	-	185,660
Equipment	182,888	-	-	182,888
Total	<u>814,212</u>	<u>-</u>	<u>-</u>	<u>814,212</u>
Less accumulated depreciation				
Buildings and building improvements	(108,545)	(11,142)	-	(119,687)
Tower transmission equipment	(90,509)	(9,283)	-	(99,792)
Equipment	(164,729)	(6,812)	-	(171,541)
Total	<u>(363,783)</u>	<u>(27,237)</u>	<u>-</u>	<u>(391,020)</u>
Capital assets, net	<u>\$ 450,429</u>	<u>\$ (27,237)</u>	<u>\$ -</u>	<u>\$ 423,192</u>

	Beginning Balance June 30, 2020	Additions	Disposals	Ending Balance June 30, 2021
<i>Capital assets being depreciated</i>				
Buildings and building improvements	\$ 445,664	\$ -	\$ -	\$ 445,664
Tower transmission equipment	185,660	-	-	185,660
Equipment	178,629	11,336	(7,077)	182,888
Total	<u>809,953</u>	<u>11,336</u>	<u>(7,077)</u>	<u>814,212</u>
Less accumulated depreciation				
Buildings and building improvements	(97,403)	(11,142)	-	(108,545)
Tower transmission equipment	(81,226)	(9,283)	-	(90,509)
Equipment	(162,905)	(8,901)	7,077	(164,729)
Total	<u>(341,534)</u>	<u>(29,326)</u>	<u>7,077</u>	<u>(363,783)</u>
Capital assets, net	<u>\$ 468,419</u>	<u>\$ (17,990)</u>	<u>\$ -</u>	<u>\$ 450,429</u>

5) Related-Party Transactions

KOJB uses towers that are owned by the Tribe. The Tribe allows the Station to recognize tower rental revenues, which were \$34,554 and \$60,635 for the years ended June 30, 2022 and 2021, respectively.

**KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)**

**Notes to Financial Statements
June 30, 2022 and 2021**

The Station recognized underwriting and tower rental revenue from certain related parties for the years ended June 30, 2022 and 2021, as follows:

	2022	2021
Leech Lake Casinos	\$ 896	\$ 10,800
Leech Lake Band of Ojibwe	11,551	21,135
	\$ 12,447	\$ 31,935

6) Pension Plan Administered by the Public Employees Retirement Board

Through the Leech Lake Band of Ojibwe, KOJB participates in the Band’s 401(k) defined contribution plan that covers substantially all Band employees. Full-time employees are eligible to participate in the plan after six months of employment. The Band contributes 4% of gross annual wages to the plan for each employee. Employees may also make a tax-deferred contribution up to 15% of gross annual wages.

Employees become 20% vested in the employer contributions after two years of service, 40% vested after three years of service, and fully vested after completion of four years of service. Contributions of \$1,700 and \$7,078, respectively, were made on eligible salaries of \$182,468 and \$176,955, respectively, for the years ended June 30, 2022 and 2021.

7) Nonfederal Financial Support (NFFS)

The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on NFFS. NFFS is defined as the total value of cash and the fair market value of property and services received as either a contribution or a payment and meeting all of the respective criteria for each.

A contribution is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) The source may be any entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station or for the production, acquisition, distribution or dissemination of educational television or radio programming and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)

Notes to Financial Statements
June 30, 2022 and 2021

A payment is cash, property or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) The source must be a state, any agency or political subdivision of a state, an educational institution or organization, or a nonprofit entity; (2) the form of the payment must be appropriations or contract payments in exchange for specific services or materials; (3) the purpose must be for any related activity of the public broadcast station ; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

Reported NFFS for the Station was \$134,646 and \$220,014, respectively, for the years ended June 30, 2022 and 2021.

8) Risk Management

The Station participates in the Leech Lake Band of Ojibwe insurance programs:

Property and liability insurances: The Tribe is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Self-insurance programs: The Leech Lake Reservation Tribal Council established the self-insurance programs for medical benefits, workers' compensation and unemployment insurance, which are administered by the Leech Lake Reservation Tribal Council.

9) Lease

KOJB leases tower space for a transmitting antenna from a third party under a lease agreement. The lease is accounted for as a lease, which had an original term of five years that is currently on a year-to-year renewal. Total costs for the lease was \$34,554 and \$60,635 for the years ended June 30, 2022 and 2021. There are no future minimum lease payments for this lease, as KOJB renews annually.

Supplemental Information

KOJB Radio Station
(A Public Telecommunications Department
of the Leech Lake Band of Ojibwe)
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balance by Source of Funds
For the Year Ended June 30, 2022 and 2021

	Restricted Radio CSG	Unrestricted Radio CSG	Other CPB Funds	Non-CPB Funds	Total
Support and revenues					
Support					
State grants	\$ -	\$ -	\$ -	\$ 37,294	\$ 37,294
Other grants	41,511	-	134,646	-	176,157
Revenues					
Underwriting	-	-	-	84,293	84,293
Tower rental	-	-	-	34,554	34,554
Total support and revenues	<u>41,511</u>	<u>-</u>	<u>134,646</u>	<u>156,141</u>	<u>332,298</u>
Expenditures/expenses					
Program services					
Programming and production	<u>27,355</u>	<u>-</u>	<u>30,899</u>	<u>190,114</u>	<u>248,368</u>
Total program services	<u>27,355</u>	<u>-</u>	<u>30,899</u>	<u>190,114</u>	<u>248,368</u>
Support services					
General and administrative	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,085</u>	<u>115,085</u>
Total support services	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,085</u>	<u>115,085</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures/expenses	<u>27,355</u>	<u>-</u>	<u>30,899</u>	<u>305,199</u>	<u>363,453</u>
Excess (deficiency) of support and revenues over expenditures/expenses before other financing sources	14,156	-	103,747	(149,058)	(31,155)
Other financing sources					
Appropriation from Band	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,696</u>	<u>46,696</u>
Change in fund balance	<u>\$ 14,156</u>	<u>\$ -</u>	<u>\$ 103,747</u>	<u>\$ (102,362)</u>	<u>\$ 15,541</u>