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

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*Financial Statements  
and  
Independent Auditor's Report  
June 30, 2024 and 2023*

**redw**  
Advisors & CPAs

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

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## Independent Auditor's Report

Members of the Tribal Council  
Leech Lake Band of Ojibwe  
Cass Lake, Minnesota

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

#### ***Opinions***

We have audited the financial statements of the governmental activities and the major fund of the KOJB Radio Station (the "Radio Station"), a department of the Leech Lake Band of Ojibwe (the "Tribe"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Radio 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 Radio Station, as of June 30, 2024 and 2023, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Radio Station and the Tribe 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 opinions.

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Radio 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 Radio Station. They do not purport to, and do not, present fairly the financial position of the Tribe as of June 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows, 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 Radio 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 Radio 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.

### ***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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Radio 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  
February 10, 2025

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

**Management's Discussion and Analysis  
June 30, 2024 and 2023**

## **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 (the "Tribe"). Financial statements for KOJB include all the financial activity of KOJB for the years ended June 30, 2024 and 2023.

Management of KOJB has prepared the following discussion and analysis. 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 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 statements of net position include assets, liabilities, and net position as of June 30, 2024 and 2023. The statements list capital assets of buildings, improvements, and equipment, totaling \$432,025 and \$395,955, net of accumulated depreciation, as of June 30, 2024 and 2023, respectively. Net position increased during fiscal year 2024 from \$808,485 to \$819,783.

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, 2024 and 2023

## **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 uses 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, 2024, 2023, and 2022:

## **Condensed Statements of Net Position**

	Governmental Activities		
	2024	2023	2022
<b>Assets</b>			
Current and other assets	\$ 616,881	\$ 464,581	\$ 699,552
Capital assets, net	432,025	395,955	423,192
Total assets	<u>\$ 1,048,906</u>	<u>\$ 860,536</u>	<u>\$ 1,122,744</u>
<b>Liabilities</b>			
Current liabilities	\$ 229,123	\$ 52,051	\$ 142,995
Total liabilities	<u>229,123</u>	<u>52,051</u>	<u>142,995</u>
<b>Net Position</b>			
Net investment in capital assets	432,025	395,955	423,192
Restricted for Corporation for Public Broadcasting grants	253,603	253,603	253,603
Unrestricted	134,155	158,927	302,954
Total net position	<u>819,783</u>	<u>808,485</u>	<u>979,749</u>
Total liabilities and net position	<u>\$ 1,048,906</u>	<u>\$ 860,536</u>	<u>\$ 1,122,744</u>

The increase in current and other assets at June 30, 2024, is largely due to an increase in due from other governments, along with a decrease in cash. The increase in current liabilities at June 30, 2024, is largely due to an increase in unearned revenue related to unspent grant funds.

**KOJB Radio Station**  
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**Management's Discussion and Analysis**  
**June 30, 2024 and 2023**

The following table illustrates the changes in net position for the fiscal years ended June 30, 2024, 2023, and 2022:

**Condensed Statements of Activities**

	Governmental Activities		
	2024	2023	2022
Operating grants and contributions	\$ 242,131	\$ 119,370	\$ 213,451
Underwriting and tower rental revenues	93,628	123,944	118,847
Total support and revenues	335,759	243,314	332,298
Programming and production	305,926	309,810	248,368
General and administrative	85,452	67,688	115,085
Depreciation	40,490	52,319	27,237
Total expenses	431,868	429,817	390,690
Change in net position before other financing sources	(96,109)	(186,503)	(58,392)
Appropriation from Band	107,407	15,239	46,696
Total other financing sources	107,407	15,239	46,696
Change in net position	11,298	(171,264)	(11,696)
Net position, beginning of year	808,485	979,749	991,445
Net position, end of year	\$ 819,783	\$ 808,485	\$ 979,749

**2024 Financial Highlights**

The Corporation for Public Broadcasting (CPB) continued to provide funding to KOJB during 2024 through its grant program. Other grant revenue also increased as compared to 2023. Underwriting and tower rental revenues decreased as compared to 2023 due to a decrease in underwriting fees.

Programming and production expenses in 2024 decreased slightly as compared to 2023, while expenses in total increased slightly.

**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, 2024, 2023, and 2022, is provided below:

	2024	2023	2022
Capital assets purchased	\$ 59,301	\$ -	\$ -
Less depreciation expense	(23,231)	(27,237)	(27,237)
Net change in capital assets	\$ 36,070	\$ (27,237)	\$ (27,237)



**KOJB Radio Station**  
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**Management's Discussion and Analysis**  
**June 30, 2024 and 2023**

**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. Additional details can be requested by email at [businessmanager@kojb.org](mailto:businessmanager@kojb.org), or by mail at the following address:

KOJB Radio Station  
190 Sailstar Drive NW  
Cass Lake, Minnesota 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, 2024 and 2023**

	2024			2023		
	Governmental Fund Balance Sheet	Adjustments	Department-Wide Statement of Net Position	Governmental Fund Balance Sheet	Adjustments	Department-Wide Statement of Net Position
<b>Assets</b>						
Cash	\$ 261,189	\$ -	\$ 261,189	\$ 409,267	\$ -	\$ 409,267
Accounts receivable	1,746	-	1,746	10,468	-	10,468
Due from other governments	344,612	-	344,612	-	-	-
Prepaid expenses	5,296	-	5,296	5,296	-	5,296
Due from the Band	4,038	-	4,038	39,550	-	39,550
Capital assets, net	-	432,025	432,025	-	395,955	395,955
Total assets	<u>\$ 616,881</u>	<u>432,025</u>	<u>1,048,906</u>	<u>\$ 464,581</u>	<u>395,955</u>	<u>860,536</u>
<b>Liabilities</b>						
Accounts payable	\$ 19,331	-	19,331	\$ 9,221	-	9,221
Unearned revenue	200,046	-	200,046	32,613	-	32,613
Accrued salary and benefits	9,746	-	9,746	10,217	-	10,217
Total current liabilities	<u>229,123</u>	<u>-</u>	<u>229,123</u>	<u>52,051</u>	<u>-</u>	<u>52,051</u>
<b>Fund Balance/Net Position</b>						
Fund balance						
Nonspendable - prepaid expenses	5,296			5,296		
Restricted for CPB grants	253,603			253,603		
Unassigned	128,859			153,631		
Total fund balance	<u>387,758</u>			<u>412,530</u>		
Total liabilities and fund balance	<u>\$ 616,881</u>			<u>\$ 464,581</u>		
<b>Net position</b>						
Net investment in capital assets		432,025	432,025		395,955	395,955
Restricted for CPB grants		-	253,603		-	253,603
Unrestricted		-	134,155		-	158,927
Total net position		<u>\$ 432,025</u>	<u>\$ 819,783</u>		<u>\$ 395,955</u>	<u>\$ 808,485</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, 2024 and 2023**

	2024			2023		
	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	\$ 143,254	\$ -	\$ 143,254	\$ 37,294	\$ -	\$ 37,294
Other grants	98,877	-	98,877	82,076	-	82,076
Revenues						
Underwriting	80,949	-	80,949	97,160	-	97,160
Tower rental	12,679	-	12,679	26,784	-	26,784
Total support and revenues	<u>335,759</u>	<u>-</u>	<u>335,759</u>	<u>243,314</u>	<u>-</u>	<u>243,314</u>
Expenditures/expenses						
Program services						
Programming and production	305,926	-	305,926	309,810	-	309,810
Total program services	<u>305,926</u>	<u>-</u>	<u>305,926</u>	<u>309,810</u>	<u>-</u>	<u>309,810</u>
Support services						
General and administrative	85,452	-	85,452	67,688	-	67,688
Total support services	<u>85,452</u>	<u>-</u>	<u>85,452</u>	<u>67,688</u>	<u>-</u>	<u>67,688</u>
Capital outlay/depreciation	76,560	(36,070)	40,490	25,082	27,237	52,319
Total expenditures/expenses	<u>467,938</u>	<u>(36,070)</u>	<u>431,868</u>	<u>402,580</u>	<u>27,237</u>	<u>429,817</u>
Excess (deficiency) of support and revenues over (under) expenditures/expenses before other financing sources	<u>(132,179)</u>	<u>36,070</u>	<u>(96,109)</u>	<u>(159,266)</u>	<u>(27,237)</u>	<u>(186,503)</u>
Other financing sources						
Appropriation from Band	107,407	-	107,407	15,239	-	15,239
Total other financing sources	<u>107,407</u>	<u>-</u>	<u>107,407</u>	<u>15,239</u>	<u>-</u>	<u>15,239</u>
Change in fund balance/net position	(24,772)	36,070	11,298	(144,027)	(27,237)	(171,264)
Fund balance/net position, beginning of year	412,530	395,955	808,485	556,557	423,192	979,749
Fund balance/net position, end of year	<u>\$ 387,758</u>	<u>\$ 432,025</u>	<u>\$ 819,783</u>	<u>\$ 412,530</u>	<u>\$ 395,955</u>	<u>\$ 808,485</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, 2024 and 2023**

**1) Summary of Significant Accounting Policies**

Reporting Entity

KOJB Radio Station (the “Radio Station”) is a public telecommunications department of the Leech Lake Band of Ojibwe (the “Tribe”). The Radio Station’s primary functions are to promote, establish, and provide public broadcasting and other noncommercial educational telecommunications services. These financial statements present only the Radio 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 Radio Station is accounted for within the Tribe’s General Fund.

Basis of Presentation

The financial statements of the Radio 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 Radio Station uses the 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 Radio 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  
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**Notes to Financial Statements  
June 30, 2024 and 2023**

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 allowances for uncollectible accounts as of June 30, 2024 or 2023.

Capital Assets

The Radio 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 Radio 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

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**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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 Radio 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 Tribe'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 Tribe'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 Radio 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 grant awards received from the Corporation for Public Broadcasting are reflected as restricted net position. At June 30, 2024 and 2023, there was \$253,603, of restricted net position at each year-end, respectively.

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

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**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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 Radio 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 Radio 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 Radio Station primarily to finance specific programming or activities.

Other Financing Sources

Tribal 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 Tribe.

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.



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**Notes to Financial Statements**  
**June 30, 2024 and 2023**

For the years ended June 30, 2024 and 2023, the Radio Station recognized support revenue of \$98,877 and \$82,076, 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 Radio 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, 2024 and 2023, indirect support of \$85,452 and \$67,688, respectively, was charged to the Radio Station using the Tribe's indirect cost rate. Indirect support amounts are paid by the Radio Station to the Tribe.

Short-Term Leases

The Radio Station leases tower space for a transmitting antenna from a third party under a lease agreement. The leases are accounted for as a short-term leases which are renewed annually.

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.

**2) Accounts and Grant Receivables**

Accounts and grant receivables consisted of the following at June 30, 2024 and 2023:

	2024	2023
Underwriting and tower rental	\$ 1,746	\$ 10,468
Grants	344,612	-
Total accounts and grants receivable	<u>\$ 346,358</u>	<u>\$ 10,468</u>

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**Notes to Financial Statements**  
**June 30, 2024 and 2023**

**3) Deposits**

The Radio 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 2024 and 2023 financial statements. The Tribe's bank balances at June 30, 2024 and 2023, were either entirely insured or collateralized with securities.

**4) Capital Assets**

A summary of changes in capital assets for the years ended June 30, 2024 and 2023, is as follows:

	Beginning Balance June 30, 2023	Additions	Reductions	Ending Balance June 30, 2024
<i>Capital assets being depreciated</i>				
Buildings and building improvements	\$ 445,664	\$ -	\$ -	\$ 445,664
Tower transmission equipment	185,660	-	-	185,660
Equipment	182,888	59,301	-	242,189
Total	814,212	59,301	-	873,513
Less accumulated depreciation				
Buildings and building improvements	(130,829)	(11,142)	-	(141,971)
Tower transmission equipment	(109,075)	(9,283)	-	(118,358)
Equipment	(178,353)	(2,806)	-	(181,159)
Total	(418,257)	(23,231)	-	(441,488)
Capital assets, net	\$ 395,955	\$ 36,070	\$ -	\$ 432,025

	Beginning Balance June 30, 2022	Additions	Reductions	Ending Balance June 30, 2023
<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	814,212	-	-	814,212
Less accumulated depreciation				
Buildings and building improvements	(119,687)	(11,142)	-	(130,829)
Tower transmission equipment	(99,792)	(9,283)	-	(109,075)
Equipment	(171,541)	(6,812)	-	(178,353)
Total	(391,020)	(27,237)	-	(418,257)
Capital assets, net	\$ 423,192	\$ (27,237)	\$ -	\$ 395,955

**KOJB Radio Station  
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**Notes to Financial Statements  
June 30, 2024 and 2023**

**5) Related-Party Transactions**

The Radio Station uses towers that are owned by the Tribe. The Tribe allows the Radio Station to recognize tower rental revenues, which were \$12,679 and \$26,784 for the years ended June 30, 2024 and 2023, respectively.

The Radio Station recognized underwriting and tower rental revenue from certain related parties for the years ended June 30, 2024 and 2023, as follows:

	2024	2023
Leech Lake Casinos	\$ 17,207	\$ 14,462
Leech Lake Band of Ojibwe	7,480	13,195
	<u>\$ 24,687</u>	<u>\$ 27,657</u>

**6) Pension Plan Administered by the Public Employees Retirement Board**

Through the Leech Lake Band of Ojibwe, the Radio Station participates in the Tribe's 401(k) defined contribution plan that covers substantially all Tribe employees. Full-time employees are eligible to participate in the plan after six months of employment. The Tribe 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 \$2,622 and \$2,850, respectively, were made on eligible salaries of \$155,865 and \$169,484, respectively, for the years ended June 30, 2024 and 2023.

**7) Nonfederal Financial Support (NFFS)**

The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on nonfederal financial support (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.

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**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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.

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, an 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 Radio Station was \$98,877 and \$82,084, respectively, for the years ended June 30, 2024 and 2023.

**8) Risk Management**

The Radio Station participates in the Leech Lake Band of Ojibwe's 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.

**KOJB Radio Station  
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**Notes to Financial Statements  
June 30, 2024 and 2023**

**9) Lease**

The Radio Station 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 \$26,784 for each of the years ended June 30, 2024 and 2023, respectively. There are no future minimum lease payments for this lease, as the Radio Station renews annually. The expense is recorded on the statement of activities as programming and production expenses.

## 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, 2024**

	Restricted Radio CSG	Unrestricted Radio CSG	Other CPB Funds	Non-CPB Funds	Total
Support and revenues					
Support					
State grants	\$ 143,254	\$ -	\$ -	\$ -	\$ 143,254
Other grants	-	-	71,218	27,659	98,877
Revenues					
Underwriting	-	-	-	80,949	80,949
Tower rental	-	-	-	12,679	12,679
Total support and revenues	<u>143,254</u>	<u>-</u>	<u>71,218</u>	<u>121,287</u>	<u>335,759</u>
Expenditures					
Program services					
Programming and production	<u>143,254</u>	<u>-</u>	<u>71,218</u>	<u>91,454</u>	<u>305,926</u>
Total program services	<u>143,254</u>	<u>-</u>	<u>71,218</u>	<u>91,454</u>	<u>305,926</u>
Support services					
General and administrative	<u>9,606</u>	<u>-</u>	<u>15,234</u>	<u>60,612</u>	<u>85,452</u>
Total support services	<u>9,606</u>	<u>-</u>	<u>15,234</u>	<u>60,612</u>	<u>85,452</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,560</u>	<u>76,560</u>
Total expenditures	<u>152,860</u>	<u>-</u>	<u>86,452</u>	<u>228,626</u>	<u>467,938</u>
Excess (deficiency) of support and revenues over expenditures before other financing sources	(9,606)	-	(15,234)	(107,339)	(132,179)
Other financing sources					
Appropriation from Band	<u>9,606</u>	<u>-</u>	<u>15,234</u>	<u>82,567</u>	<u>107,407</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,772)</u>	<u>\$ (24,772)</u>