

**KKWE NIIJII RADIO**

**(A Department of the White Earth Land Recovery Project)**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2023**

**KKWE NIIJII RADIO**

**TABLE OF CONTENTS**

**Financial Section**

|                                           |     |
|-------------------------------------------|-----|
| <b>Independent Auditor's Report</b> ..... | 1-2 |
|-------------------------------------------|-----|

**Financial Statements**

|                                       |     |
|---------------------------------------|-----|
| Statement of Financial Position ..... | 3   |
| Statement of Activities .....         | 4   |
| Statement of Cash Flows .....         | 5   |
| Notes to Financial Statements .....   | 6-8 |

**Supplemental Information**

|                                              |   |
|----------------------------------------------|---|
| <b>Schedule of Functional Expenses</b> ..... | 9 |
|----------------------------------------------|---|

## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
KKWE Nijjii Radio  
Callaway, MN

**Opinions**

We have audited the accompanying financial statements of KKWE Nijjii Radio (the Station), a department of the White Earth Land Recovery Project, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Station as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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.

**Responsibilities of Management for the Financial Statements**

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



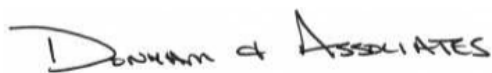
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 generally accepted auditing standards 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 generally accepted auditing standards, 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station'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.



Donham & Associates, Certified Public Accountants, LLC  
Albuquerque, NM  
May 14, 2024



**KKWE NIIJII RADIO**  
**(A Department of the White Earth Land Recovery Project)**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

|                                  | <u>2023</u>              | <u>2022</u>              |
|----------------------------------|--------------------------|--------------------------|
| <b><u>Assets</u></b>             |                          |                          |
| Current Assets                   |                          |                          |
| Cash and Cash Equivalents        | \$ 145,022               | \$ 139,618               |
| Accounts Receivable              | 2,689                    | 500                      |
| Total Current Assets             | <u>147,711</u>           | <u>140,118</u>           |
| Property and Equipment, net      | <u>264,516</u>           | <u>289,289</u>           |
| Total Assets                     | <u><u>\$ 412,227</u></u> | <u><u>\$ 429,407</u></u> |
| <b><u>Liabilities</u></b>        |                          |                          |
| Current Liabilities              |                          |                          |
| Accounts Payable                 | \$ 3,828                 | \$ 10,857                |
| Accrued Wages and Benefits       | 1,938                    | 2,103                    |
| Due to Other Funds               | <u>69,242</u>            | <u>119,499</u>           |
| Total Liabilities                | <u>75,008</u>            | <u>132,459</u>           |
| <b><u>Net Assets</u></b>         |                          |                          |
| Unrestricted                     | 337,219                  | 296,948                  |
| Temporarily Restricted           | -                        | -                        |
| Permanently Restricted           | <u>-</u>                 | <u>-</u>                 |
| Total Net Assets                 | <u>337,219</u>           | <u>296,948</u>           |
| Total Liabilities and Net Assets | <u><u>\$ 412,227</u></u> | <u><u>\$ 429,407</u></u> |

See accompanying notes to financial statements.

**KKWE NIIJII RADIO**  
**(A Department of the White Earth Land Recovery Project)**  
**STATEMENTS OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

|                                                | <u><b>2023</b></u>       | <u><b>2022</b></u>       |
|------------------------------------------------|--------------------------|--------------------------|
| Revenues and Other Support                     |                          |                          |
| CPB Grants                                     | \$ 183,117               | \$ 177,642               |
| State Grants                                   | 110,165                  | 137,968                  |
| Underwriting Contributions                     | 150,818                  | 40,518                   |
| Donations and Contributions                    | 12                       | 349                      |
| Investment Income                              | 397                      | 307                      |
| Other Income                                   | -                        | 2,673                    |
| Total Revenues and Other Support               | <u>444,509</u>           | <u>359,457</u>           |
| Operating Expenses                             |                          |                          |
| Salaries and Fringe Benefits                   | 176,501                  | 156,816                  |
| Professional Fees                              | 36,411                   | 28,866                   |
| Equipment Rental and Maintenance               | 95,752                   | 72,061                   |
| Licenses, Fees and Permits                     | 19,365                   | 22,354                   |
| Supplies and Equipment                         | 15,691                   | 19,427                   |
| Telecommunications                             | 3,346                    | 3,763                    |
| Travel and Training                            | 24,472                   | 18,445                   |
| Auto Expense                                   | 231                      | 5,665                    |
| Advertising                                    | 5,815                    | 1,448                    |
| Other Expenses                                 | 1,632                    | 9,240                    |
| Depreciation                                   | 25,022                   | 25,155                   |
| Total Expenses                                 | <u>404,238</u>           | <u>363,240</u>           |
| Increase (Decrease) in Unrestricted Net Assets | 40,271                   | (3,783)                  |
| Gain (Loss) on Disposal of Fixed Assets        | <u>-</u>                 | <u>-</u>                 |
| Increase (Decrease) in Net Assets              | 40,271                   | (3,783)                  |
| Net Assets, Beginning of Year                  | 296,948                  | 300,731                  |
| Prior Period Adjustment                        | <u>-</u>                 | <u>-</u>                 |
| Net Assets, Beginning of Year, Restated        | 296,948                  | 300,731                  |
| Net Assets, End of Year                        | <u><u>\$ 337,219</u></u> | <u><u>\$ 296,948</u></u> |

See accompanying notes to financial statements.

**KKWE NIIJII RADIO**  
**(A Department of the White Earth Land Recovery Project)**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**

|                                                                                                          | <u><b>2023</b></u>       | <u><b>2022</b></u>       |
|----------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <u>Cash Flows from Operating Activities:</u>                                                             |                          |                          |
| Change in Net Assets                                                                                     | \$ 40,271                | \$ (3,783)               |
| Adjustments to Reconcile Change in Net Assets<br>to Net Cash Provided By (Used) by Operating Activities: |                          |                          |
| Depreciation                                                                                             | 25,022                   | 25,155                   |
| Changes in Assets and Liabilities:                                                                       |                          |                          |
| (Increase) Decrease in Receivables                                                                       | (2,189)                  | 80,694                   |
| (Increase) Decrease in Prepaid Items                                                                     | -                        | 5,940                    |
| (Increase) Decrease in Inventory                                                                         | -                        | 754                      |
| (Increase) Decrease in Grant Receivable                                                                  | -                        | 40,803                   |
| Increase (Decrease) in Accounts Payable                                                                  | (7,029)                  | 7,007                    |
| Increase (Decrease) in Payroll Liabilities                                                               | (165)                    | (27,975)                 |
| Increase (Decrease) in Due to Honor the Earth                                                            | <u>(50,257)</u>          | <u>(39,570)</u>          |
| Increase (Decrease) in Prior Period Adjustment                                                           |                          |                          |
| Net Cash Provided (Used) by Operating Activities                                                         | <u>5,653</u>             | <u>89,025</u>            |
| <u>Cash Flows from Investing Activities:</u>                                                             |                          |                          |
| Purchases of Equipment                                                                                   | <u>(249)</u>             | <u>-</u>                 |
| Net Cash Provided (Used) by Investing Activities                                                         | <u>(249)</u>             | <u>-</u>                 |
| Net Increase (Decrease) In Cash                                                                          | 5,404                    | 89,025                   |
| Cash, Beginning of Year                                                                                  | <u>139,618</u>           | <u>50,593</u>            |
| Cash, End of Year                                                                                        | <u><u>\$ 145,022</u></u> | <u><u>\$ 139,618</u></u> |

See accompanying notes to financial statements.



**KKWE NIIJII RADIO**  
**(A Department of the White Earth Land Recovery Project)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**Note 1 – Summary of Significant Accounting Policies**

Organization

KKWE Nijii Radio (the Station) is owned and operated by the White Earth Land Recovery Project, a Minnesota non-profit corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Station's primary purpose is to provide public broadcasting to the people of the White Earth Reservation and surrounding communities. The Station is located in Callaway, Minnesota and operates on FM 89.9.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned rather than received, and expenses are recognized when the related liability is incurred rather than when paid.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 958-205, Not-for-Profit Entities — Presentation of Financial Statements. Under this section, the Station is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- *Unrestricted net assets* represent that portion of net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.
- *Temporarily restricted net assets* represent assets whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by actions of the Station. When the stipulated time restriction ends or the action is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. The Station had no temporarily restricted net assets at December 31, 2023 or 2022.
- *Permanently restricted net assets* represent the part of net assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Station. The Station had no permanently restricted net assets at December 31, 2023 or 2022.

Contributions Received

Contributions received are recognized as revenues or gains in the period pledged or received and as assets or decreases of liabilities, depending on the form of the benefits received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets, if the restrictions expire in the reporting period in which revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the

**KKWE NIIJII RADIO**  
**(A Department of the White Earth Land Recovery Project)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**Note 1 – Summary of Significant Accounting Policies – continued**

statement of activities as net assets released from restrictions. Contributions of significant long-lived assets and significant gifts to acquire long-lived assets are reported as temporarily restricted assets and an implied time restriction is imposed on those assets that expire over the useful life of the asset, provided that the donated assets were received without stipulation as to how long they must be used. Other contributions of long-lived assets and gifts to acquire long-lived assets are reported as unrestricted assets in the period received.

Contributions Receivable

Unconditional promises to give (contributions receivable) are recognized as revenues or gains in the period the pledge is received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when collected or when the conditions on which they depend are substantially met.

Use of Estimates

Financial statement preparation in conformity with accounting principles generally accepted in the United States of America 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 financial statement date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Station considers all highly liquid investments with an original maturity of three months or less as cash equivalents. All of the Station's cash and cash equivalents is cash in bank at December 31, 2023 and 2022.

Property and Equipment

Property and equipment acquisitions in excess of \$1,000 and all expenditures for renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation and amortization are computed using the straight-line method over the asset's estimated useful lives ranging from 3 to 30 years.

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. CPB distributes annual Community Service Grants (CSG) to qualifying public broadcasting entities. CSG's are used to augment the financial resources of public broadcasting entities which enables the entities 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, unrestricted funds may be used at the discretion of recipients for

**KKWE NIIJII RADIO**  
**(A Department of the White Earth Land Recovery Project)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**Note 1 – Summary of Significant Accounting Policies – continued**

purposes relating primarily to local production and acquisition of programming. In addition, the grants may be used to sustain activities begun with CSG's 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.

Subsequent Events

Subsequent events were evaluated through May 14, 2024, the date which the financial statements were available to be issued, and no subsequent events material to the financial statements were noted.

**Note 2 – Property and Equipment**

Property and equipment consist of the following at December, 31:

|                                                | <u>2023</u>              | <u>2022</u>              |
|------------------------------------------------|--------------------------|--------------------------|
| Buildings and Improvements                     | \$ 159,015               | \$ 159,015               |
| Furniture and Equipment                        | <u>461,429</u>           | <u>461,180</u>           |
| Total Depreciable Property and Equipment       | 620,444                  | 620,195                  |
| Less Accumulated Depreciation and Amortization | <u>(355,928)</u>         | <u>(330,906)</u>         |
| Total Property and Equipment                   | <u><u>\$ 264,516</u></u> | <u><u>\$ 289,289</u></u> |

## **SUPPLEMENTAL INFORMATION**

**KKWE NIIJII RADIO**  
**(A Department of the White Earth Land Recovery Project)**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

|                                | 2023 Program Services       |                               |                                       |                              | 2023 Supporting Services |             |            |
|--------------------------------|-----------------------------|-------------------------------|---------------------------------------|------------------------------|--------------------------|-------------|------------|
|                                | Programming<br>& Production | Broadcasting<br>& Engineering | Program<br>Information<br>& Promotion | Total<br>Program<br>Services | Management<br>& General  | Fundraising | Total      |
| Salaries and Fringe Benefits   | \$ 42,794                   | \$ 50,146                     | \$ 3,802                              | \$ 96,742                    | \$ 79,759                | \$ -        | \$ 176,501 |
| Professional Fees              | 16,790                      | 16,078                        | -                                     | 32,869                       | 3,542                    | -           | 36,411     |
| Equipment Rental & Maintenance | 44,071                      | 48,497                        | -                                     | 92,568                       | 3,184                    | -           | 95,752     |
| Licenses, Fees & Permits       | -                           | 19,253                        | -                                     | 19,253                       | 112                      | -           | 19,365     |
| Supplies and Equipment         | 3,844                       | 7,717                         | 720                                   | 12,281                       | 3,410                    | -           | 15,691     |
| Telecommunications             | 669                         | 669                           | 1,004                                 | 2,342                        | 1,004                    | -           | 3,346      |
| Travel and Training            | 3,062                       | -                             | 8,878                                 | 11,940                       | 12,532                   | -           | 24,472     |
| Auto Expense                   | -                           | -                             | -                                     | -                            | 231                      | -           | 231        |
| Advertising                    | -                           | -                             | -                                     | -                            | 5,815                    | -           | 5,815      |
| Other Expenses                 | -                           | -                             | 1,542                                 | 1,542                        | 90                       | -           | 1,632      |
| Depreciation                   | 6,506                       | 14,012                        | -                                     | 20,518                       | 4,504                    | -           | 25,022     |
| Total                          | \$ 117,736                  | \$ 156,374                    | \$ 15,945                             | \$ 290,055                   | \$ 114,183               | \$ -        | \$ 404,238 |

|                                | 2022 Program Services       |                               |                                       |                              | 2022 Supporting Services |             |            |
|--------------------------------|-----------------------------|-------------------------------|---------------------------------------|------------------------------|--------------------------|-------------|------------|
|                                | Programming<br>& Production | Broadcasting<br>& Engineering | Program<br>Information<br>& Promotion | Total<br>Program<br>Services | Management<br>& General  | Fundraising | Total      |
| Salaries and Fringe Benefits   | \$ 38,021                   | \$ 44,553                     | \$ 3,378                              | \$ 85,952                    | \$ 70,864                | \$ -        | \$ 156,816 |
| Professional Fees              | 13,311                      | 12,747                        | -                                     | 26,058                       | 2,808                    | -           | 28,866     |
| Equipment Rental & Maintenance | 33,167                      | 36,498                        | -                                     | 69,665                       | 2,396                    | -           | 72,061     |
| Licenses, Fees & Permits       | -                           | 22,225                        | -                                     | 22,225                       | 129                      | -           | 22,354     |
| Supplies and Equipment         | 4,760                       | 9,554                         | 891                                   | 15,205                       | 4,222                    | -           | 19,427     |
| Telecommunications             | 753                         | 753                           | 1,129                                 | 2,634                        | 1,129                    | -           | 3,763      |
| Travel and Training            | 2,308                       | -                             | 6,691                                 | 8,999                        | 9,446                    | -           | 18,445     |
| Auto Expense                   | -                           | -                             | -                                     | -                            | 5,665                    | -           | 5,665      |
| Advertising                    | -                           | -                             | -                                     | -                            | 1,448                    | -           | 1,448      |
| Other Expenses                 | -                           | -                             | 8,731                                 | 8,731                        | 509                      | -           | 9,240      |
| Depreciation                   | 6,540                       | 14,087                        | -                                     | 20,627                       | 4,528                    | -           | 25,155     |
| Total                          | \$ 98,859                   | \$ 140,417                    | \$ 20,820                             | \$ 260,096                   | \$ 103,144               | \$ -        | \$ 363,240 |