

SOUTH DAKOTA EDUCATIONAL TELECOMMUNICATIONS BOARD
FINANCIAL STATEMENT NARRATIVE
JUNE 30, 2023

The enclosed financial statements are an abbreviated version of the financial statements as of June 30th, 2023. These financials are preliminary and unaudited. This shortened version is being provided in place of the more extensive financials due to finalizing the year-end audit requests for both SDPB and Friends.

As of June, total consolidated revenue was approximately \$11.8 million. Of the total, State General funds made up the largest portion of our revenue at \$5 million, or 43%. CPB grant funding was just under \$2 million, or 17%, of total funding.

Friend's revenues accounted for 36% of the total. Friends' membership revenue has continued to grow with sustainer income continuing to trend above \$70,000 each month. Major giving efforts provided additional funding for education, the Mitchell Tower project, and the Black Hills Studio renovation. Underwriting, or corporate partnerships, is projected to be around \$1.1 million for the fiscal year 2023.

Total combined operating expenses were at \$11.35 million with salaries and benefits account for 52%. Contractual services made up the next largest category at 38.6%, or \$3.7 million. This included programming expenditures of \$2 million for independent contractors and annual programming dues for national programming. Capital expenditures of \$604,000 consisted of the purchase of transmitters, tower maintenance and inspections, and encumbrance for the purchase of a new emergency alert system.

Friends provided indirect support of \$800,000. These expenses include rent expense for studios, magazine costs, salaries and benefits for staff directly supporting SDPB, South Dakota High School Activities Association contract, and other program related expenses. Additionally, Friends provided direct support to SDPB of \$1.4 million. The total net investment return of \$327,000 reflects year to date gains on investments held by Friends. This is a preliminary amount as we are waiting on June 30th investment statements. It should be noted these gains are not directly available to Friends or SDPB for use due to set spending policies.

Based on these preliminary financials, SDPB shows a loss of just over \$600,000. The financial statements for SPDB are cash basis reflecting when revenue is received, and expenses are paid. This presented loss essentially equates to the use of available cash reserves from the beginning of the fiscal year primarily from CPB funds including the use of our Covid funding.

Based on the initial review, this is attributed to increases in salary policy, central services billings, programming expenses and capital expenditures. The FY 2023 salary policy changes were not fully funded by State general funds. This resulted in an additional need to use dollars from CPB, Friends and Tower funds. Central services billings increased due to added oversight for BIT Finance accounting and additional staffing within BIT and EMFO offices. The purchase of the transmitters accounted for \$228,000 and were purchased with the available CPB Covid funding.

Additional information will be provided at our meeting on August 4th including a more detailed breakdown of the changes and projections for FY 2024.

SOUTH DAKOTA PUBLIC BROADCASTING & FRIENDS OF SDPB
CONSOLIDATED INCOME STATEMENT
JUNE 30, 2023

UNAUDITED - PRELIMINARY DRAFT

	(CASH BASIS) SDPB	(ACCRUAL) FRIENDS	ELIMINATION	TOTAL
GENERAL FUNDS	5,042,314	-	-	5,042,314
CPB FUNDING	1,979,592	-	-	1,979,592
FRIENDS & OTHER REVENUE	1,514,185	-	(1,432,372)	81,813
TOWER FUNDS	356,697	-	-	356,697
MEMBERSHIP REVENUE	-	2,040,175	-	2,040,175
MAJOR GIVING REVENUE	-	761,661	-	761,661
MAJOR GIVING - RESTRICTED PURPOSE	-	445,973	-	445,973
UNDERWRITING REVENUE	-	1,104,216	-	1,104,216
TOTAL REVENUES	8,892,788	4,352,025	(1,432,372)	11,812,441
SALARIES & BENEFITS	4,815,393	1,050,672	-	5,866,065
PROGRAMMING EXPENSES	2,017,864	-	-	2,017,864
MEMBERSHIP EXPENSES	-	342,166	-	342,166
MAJOR GIVING EXPENSES	-	28,553	-	28,553
TRAVEL	265,324	62,704	-	328,028
STATE IT & CENTRAL SERVICES	488,572	23,433	-	512,005
SOFTWARE & EQUIPMENT MAINTENANCE	309,826	33,869	-	343,696
ADVERTISING EXPENSE	26,038	64,036	-	90,074
OFFICE & FACILITY SUPPLIES	70,027	35,076	-	105,103
FACILITIES & OCCUPANCY	181,482	50,258	-	231,740
CAPITAL & EQUIPMENT MAINTENANCE	797,634	-	-	797,634
ACCOUNTING & BANKING FEES	-	169,787	-	169,787
OTHER EXPENSES	82,373	66,097	-	148,470
DEPRECIATION EXPENSE	-	28,482	-	28,482
TOTAL OPERATING EXPENSES	9,501,756	1,955,131	-	11,428,405
% OF TOTAL OPERATING EXPENDITURES	83.1%	17.1%		
GENERAL EXPENSES ON BEHALF OF SDPB	-	319,766	-	319,766
SDPB MAGAZINE	-	174,004	-	174,004
OUTREACH & FINANCE STAFFING	-	158,974	-	158,974
RENT EXPENSE	-	147,677	-	147,677
TOTAL EXPENSES ON BEHALF OF SDPB	-	800,421	-	800,421
TOTAL TRANSFERS TO SDPB	-	1,432,372	(1,432,372)	-
TOTAL EXPENSES	9,501,756	4,187,924	(1,432,372)	12,228,826
NON-OPERATING INVESTMENT REVENUE	-	327,230	-	327,230
NET INCOME / (LOSS)	(608,968)	491,331	-	(89,155)