



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

**SEPTEMBER 30, 2023**

**GALLUP PUBLIC RADIO  
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**GALLUP PUBLIC RADIO  
OFFICIAL ROSTER**

**BOARD OF DIRECTORS**

Raymond Calderon

President

Carol Sarath

Vice-President

Terrence Sloan

Treasurer

Matthew Mingus

Secretary

Katherine Belzowski

Director

Markos Chavez

UNMG Appointee

Sabrina Ezzell

UNMG Chancellor

**ADMINISTRATIVE STAFF**

Rachel Kaub

Station Manager

To the Board of Directors  
Gallup Public Radio  
Gallup, New México

## INDEPENDENT AUDITOR'S REPORT

### **Opinion**

We have audited the accompanying financial statements of Gallup Public Radio, a nonprofit organization, which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Gallup Public Radio as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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 Gallup Public Radio 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 opinion.

### **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 Gallup Public Radio's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibility 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 opinion. Reasonable assurance is a high level of assurance, but it 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

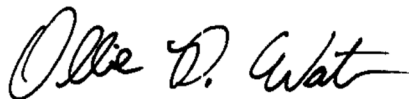
- Exercise professional judgement and maintain professional skepticism throughout the audit.

- 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 disclosure 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 Gallup Public Radio'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gallup Public Radio'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.

**Report on Summarized Comparative Information**

We have previously audited Gallup Public Radio's 2022 financial statements, and in our report dated July 21, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Ollie D. Waters, CPA, CMA  
Waters and Company, LLC  
Albuquerque, New Mexico  
February 2, 2024

**GALLUP PUBLIC RADIO**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2023**  
**(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2022)**

ASSETS:	<u>2023</u>	<u>2022</u>
Current Assets		
Cash and Cash Equivalents (Note 2)	\$ 121,769	\$ 552,670
Short-Term Investments (Note 3)	410,260	-
Pledge Receivable	4,600	-
Prepaid Expense (Note 4)	2,609	1,742
Total Current Assets	539,238	554,412
Property & Equipment		
Property & Equipment (Note 5)	344,397	304,900
Less Accumulated Depreciation (Note 5)	(285,731)	(278,508)
Net Property & Equipment	58,666	26,392
Total Assets	\$ 597,904	\$ 580,804
LIABILITIES:		
Current Liabilities		
Accounts Payable	\$ 3,799	\$ 2,527
Payroll Liabilities	2,957	3,057
Total Current Liabilities	6,756	5,584
Total Liabilities	6,756	5,584
NET ASSETS:		
Without Donor Restriction (Note 6)	591,148	575,220
Total Net Assets	591,148	575,220
Total Liabilities & Net Assets	\$ 597,904	\$ 580,804

SEE INDEPENDENT AUDITOR'S REPORT  
The Accompanying Notes Are An Integral Part Of These Financial Statements

**GALLUP PUBLIC RADIO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023  
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2022)**

REVENUE:	<u>2023</u>	<u>2022</u>
CPB Grants	\$ 186,071	\$ 181,979
Contributions	31,366	37,570
Underwriting	6,082	6,867
Other Income	37	203
Interest Income	11,727	515
In-Kind (Note 7)	94,200	94,200
Total Revenue	<u>329,483</u>	<u>321,334</u>
EXPENSES:		
Program Services	265,998	287,199
General & Administrative	33,494	35,508
Fundraising (Note 8)	14,063	14,198
Total Expenses	<u>313,555</u>	<u>336,905</u>
Change in Net Assets	15,928	(15,571)
Restatement of Net Assets	-	(3,000)
Net Assets at Beginning of Year	<u>575,220</u>	<u>593,791</u>
Net Assets at End of Year	<u>\$ 591,148</u>	<u>\$ 575,220</u>

SEE INDEPENDENT AUDITOR'S REPORT  
The Accompanying Notes Are An Integral Part Of These Financial Statements

**GALLUP PUBLIC RADIO  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023  
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2022)**

EXPENSES:	<u>Program Services</u>	<u>General &amp; Administrative</u>	<u>Fundraising</u>	<u>2023 Total</u>	<u>2022 Total</u>
Salaries	\$ 73,502	\$ 10,320	\$ 10,320	\$ 94,142	\$ 112,940
Payroll Taxes	5,760	809	809	7,378	8,864
Occupancy	94,994	969	969	96,932	96,735
Program Expense	60,136	-	-	60,136	56,415
Professional and Contractual	13,362	18,323	-	31,685	34,553
Other	1,946	1,360	1,058	4,364	3,737
Telephone	3,335	468	468	4,271	4,005
Operating Supplies	2,976	-	-	2,976	6,204
Insurance	1,716	241	241	2,198	1,724
Dues & Subscriptions	842	980	-	1,822	1,668
Office Supplies	169	24	24	217	298
Advertising	-	-	174	174	-
Licenses & Permits	20	-	-	20	2,452
Postage	17	-	-	17	29
Training	-	-	-	-	250
Travel	-	-	-	-	138
Depreciation (Note 5)	7,223	-	-	7,223	6,893
Total Expenses	<u>\$ 265,998</u>	<u>\$ 33,494</u>	<u>\$ 14,063</u>	<u>\$ 313,555</u>	<u>\$ 336,905</u>

SEE INDEPENDENT AUDITOR'S REPORT

The Accompanying Notes Are An Integral Part Of These Financial Statements



**GALLUP PUBLIC RADIO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023  
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2022)**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants	\$ 186,071	\$ 181,979
Cash received from contributions	32,848	37,570
Cash received from other income	37	7,070
Cash received from interest	11,727	515
Cash paid to and on behalf of employees	(101,620)	(121,365)
Cash paid for operating expenses	(110,207)	(113,870)
Net cash provided (used) by operating activities	<u>18,856</u>	<u>(8,101)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment	(400,000)	-
Reinvested interest	(10,260)	-
Purchase of equipment	(39,497)	(25,697)
Net cash provided (used) by investing activities	<u>(449,757)</u>	<u>(25,697)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
None	-	-
Net cash provided (used) by financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(430,901)	(33,798)
Cash and cash equivalents at beginning of year	<u>552,670</u>	<u>586,468</u>
Cash and cash equivalents at end of year	<u>\$ 121,769</u>	<u>\$ 552,670</u>

**GALLUP PUBLIC RADIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Note 1. Summary of significant accounting policies**

**A. Function of Entity**

Gallup Public Radio (KGLP 97.1 FM) is a non-profit, non-commercial radio station serving Gallup, NM, and the surrounding area. Gallup Public Radio was organized in January of 1990 and incorporated under laws of the State of New Mexico. The primary mission of Gallup Public Radio is to provide a radio service that encourages intellectual curiosity and critical analysis. Gallup Public Radio's mandate is to provide for the otherwise un-served tastes and interests of the public in the Gallup area, and to present material that challenges the mind, provokes thought and discussion, broadens views, and educates the whole person in a formal and informal manner. Gallup Public Radio strives to enhance intellectual development, expand knowledge, and deepen aesthetic enjoyment through a balanced presentation of alternative viewpoints. Gallup Public Radio attempts to help listeners become more responsive, informed human beings who exercise personal responsibility.

Support for Gallup Public Radio is provided by the Corporation for Public Broadcasting (CPB) through a Community Service Grant (CSG). Additional support is provided through business underwriting of public announcements, public contributions, and support from the University of New Mexico – Gallup.

Gallup Public Radio is governed by a Board of Directors, which has the responsibility for determining policy and for the execution and evaluation of programs and activities conducted by the station. The Board is limited to a minimum of three directors. A Board member is elected to a two-year term. Directors may be elected to any number of consecutive terms.

**B. Tax Exempt Status**

Gallup Public Radio is exempt from Federal Income taxes under section 501(C)(3) of the Internal Revenue Code and is not considered a private foundation within the meaning of Section 509 (A) of the Code.

**C. 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.

**D. Financial Statement Presentation**

The accompanying financial statements have been prepared following the guidance required under Accounting Standards Codification (ASC) 958-605 "*Not-for-Profit Entities-Revenue Recognition*" and (ASC) 958-205, "*Not-for-Profit Entities-Presentation of Financial Statements.*" Under guidance expressed in these statements, "An organization's net assets and its revenues, expenses, gains, and losses are classified based on whether they are restricted by donors. Amounts for each of these two classes of net assets; *with donor restriction* and *without donor restriction*, are required to be displayed in a statement of financial position and amounts of change in each of these classes of net assets are required to be displayed in a statement of activities. Recognition of the expiration of donor-imposed restrictions in the period in which the restrictions expire is required. Expirations of restrictions that simultaneously increase one class of net assets and decrease another (reclassifications) are reported separately from other transactions in the statement of activities.

**GALLUP PUBLIC RADIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Note 1. Summary of significant accounting policies-continued**

**D. Financial Statement Presentation - continued**

Amounts for Gallup Public Radio’s total assets, liabilities and net assets are to be reported in a statement of financial position; the change in the Organization’s net assets is reported in a statement of activities; and the change in its cash and cash equivalents is reported in a statement of cash flows.

**E. Revenue Recognition**

CPB Grant Funding – Gallup Public Radio recognizes revenue upon CPB notification of funding levels, and the acknowledgement of the satisfaction and completion of performance obligations and reporting of the activities specified.

Contributions – Gallup Public Radio generally recognizes contribution income without donor restriction upon the receipt of funds.

**F. Statement of Cash Flows**

For purposes of the statement of cash flows, Gallup Public Radio considers all highly liquid investments as cash equivalents. Cash includes amounts held in checking accounts at local banking institutions.

**G. Liquidity Assessment**

Gallup Public Radio’s financial assets available within one year of the statement of position date for general expenditure are as follows:

Cash and Cash Equivalents	\$ 121,769
Short-Term Investments	410,260
Pledge Receivable	<u>4,600</u>
Total	<u>\$536,629</u>

**H. Fair Values Measured on Recurring Basis**

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements. As of October 1, 2022, Gallup Public Radio has adopted ASC 820.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows.

**Basis of Fair Value Measurement**

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable either directly or indirectly.

**GALLUP PUBLIC RADIO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Note 1. Summary of significant accounting policies-continued**

**H. Fair Values Measured on Recurring Basis-continued**

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following tables set forth, by level within the fair value hierarchy, Gallup Public Radio’s assets, and liabilities at fair value, as of September 30, 2023. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The table below represents fair value measurement hierarchy of the assets at fair values as of September 30, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Short Term Investments	<u>\$410,260</u>	<u>\$410,260</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Investments	<u>\$410,260</u>	<u>\$410,260</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

**I. Fixed Assets**

Fixed assets are stated at cost. Gallup Public Radio capitalizes all acquisitions at cost in excess of \$1,000 with a useful life of more than one year. Depreciation, which includes the assets recorded under capital leases, is computed principally using the straight-line method over the estimated useful lives of individual assets. Asset lives range from five to thirty-nine years.

**J. Contribution of Services**

Contributions of services are recognized in the financial statements of Gallup Public Radio only if the services received (a) create or enhance nonfinancial assets of (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**K. Donated Property and Equipment**

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specified purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Gallup Public Radio reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

**GALLUP PUBLIC RADIO**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Note 1. Summary of significant accounting policies-continued**

**L. Restricted and Unrestricted Support and Revenue**

Contributions received are recorded as *net assets without donor restrictions* and *net assets with donor restrictions* support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in *net assets without donor restriction* if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in *net assets with donor restriction*, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), *net assets with donor restrictions* are reclassified to *net assets without donor restrictions* and reported in the statement of activities as net assets released from restrictions.

**M. Expense Allocation**

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort; occupancy costs, which are allocated on a square footage basis; and other costs, which are allocated based on usage.

**N. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**O. Uncertain Tax Positions**

Gallup Public Radio annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. As of September 30, 2023, there were no uncertain tax positions noted. Gallup Public Radio's policy is to classify income tax penalties and interest, when applicable, according to their natural classification. Under the statute of limitations, Gallup Public Radio's tax returns are no longer subject to examination by tax authorities for years prior to 2020.

**P. Subsequent Events**

Management has evaluated subsequent events through February 2, 2024, the date, which the financial statements were available to issue.

**GALLUP PUBLIC RADIO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Note 2. Cash Balances**

Gallup Public Radio's cash balance on the Statement of Financial Position consists of the following on September 30, 2023:

	Statement <u>Balance</u>	Reconciled <u>Balance</u>
Checking	\$59,622	\$59,622
Savings	61,192	61,192
PayPal	791	791
Cash on hand	-0-	164
Total Cash	<u>\$121,605</u>	<u>\$121,769</u>

All deposits with financial institutions are fully insured with the Federal Deposit Insurance Corporation.

**Note 3. Short – Term Investment in Certificates of Deposit**

Gallup Public Radio carries investments with readily determinable fair values. Market value on September 30, 2023, is as follows:

Short – term investments:	
Certificates of Deposit	<u>410,260</u>
Total Investments	<u>410,260</u>

Investment return is summarized as follows:

Interest Income	<u>10,260</u>
Total Investment return	<u>10,260</u>

Average Investments	205,130
Net Investment Return	10,260
Average Return on Investments	5%

Investments are reported on the Statement of Financial Position as follows:

Certificate of Deposit	<u>\$410,260</u>
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**Note 4. Prepaid Expense**

Prepaid expense represents amounts paid in advance for insurance coverage that extends beyond September 30, 2023.

**Note 5. Property, Equipment**

The components of property and equipment on September 30, 2023, are as follows:

Computer Equipment	\$10,740
Digital Transmitter	72,679
Leasehold Transmitter	12,305
Machinery & Equipment	<u>248,673</u>
Total Property & Equipment	\$344,397
Less: Accumulated Depreciation	<u>285,731</u>
Net Property & Equipment	<u>\$58,666</u>

Depreciation expense for the year ended September 30, 2023, was \$7,223.

**GALLUP PUBLIC RADIO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Note 6. Net Assets**

Gallup Public Radio classified its net assets into the following categories:

*Without Donor Restrictions* – net assets that are not subject to donor-imposed stipulations. This includes certain amounts designated by the Board for grants, endowments, and other purposes.

*With Donor Restrictions* – net assets subject to donor-imposed stipulations that may or will be met either by actions of Gallup Public Radio and/or by the passage of time or are subject to donor-imposed restrictions that Gallup Public Radio permanently maintain them.

**Note 7. In-Kind**

During the year ended September 30, 2023, Gallup Public Radio received \$94,200 in in-kind donations. Donations received are as follows:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage Programs/Activities</u>	<u>Donor Restriction</u>	<u>Fair Value Technique</u>
Occupancy	\$94,200	Broadcasting	None	Occupancy is valued based on donee cost per square foot.

**Note 8. Fundraising**

Gallup Public Radio engages in fundraising activities to raise awareness for their mission, to raise funds, and to encourage potential donors to make contributions to the Organization. For the year ended September 30, 2023, fund raising expenses were \$14,063. Funds raised as a result of these expenses were approximately \$37,448. This resulted in a fundraising ratio of 37% (\$14,063 in expenses divided by \$37,448 in revenue).