FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT

SEPTEMBER 30, 2022
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, 2022, 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, 2022, 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.
• 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 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.

Ollie D. Waters, CPA, CMA
Waters and Company, LLC
Albuquerque, New Mexico
July 21, 2023
## ASSETS:

**Current Assets**
- Cash and Cash Equivalents (Note 2) $552,670
- Prepaid Expense (Note 3) 1,742

Total Current Assets $554,412

**Property & Equipment**
- Property & Equipment (Note 4) 304,900
- Less Accumulated Depreciation (Note 4) (278,508)

Net Property & Equipment 26,392

Total Assets $580,804

## LIABILITIES:

**Current Liabilities**
- Accounts Payable $2,527
- Payroll Liabilities 3,057

Total Current Liabilities 5,584

Total Liabilities 5,584

## NET ASSETS:

- Without Donor Restriction (Note 5) 575,220

Total Net Assets 575,220

Total Liabilities & Net Assets $580,804
## GALLUP PUBLIC RADIO
### STATEMENT OF ACTIVITIES
#### FOR THE YEAR ENDED SEPTEMBER 30, 2022

### REVENUE:
- **CPB Grants** $181,979
- **Contributions** 37,570
- **Underwriting** 6,867
- **Other Income** 203
- **Interest Income** 515
- **In-Kind (Note 7)** 94,200
- **Total Revenue** $321,334

### EXPENSES:
- **Program Services** 287,199
- **General & Administrative** 35,508
- **Fundraising (Note 8)** 14,198
- **Total Expenses** 336,905
- **Change in Net Assets** (15,571)
- **Restatement of Net Assets (Note 6)** (3,000)
- **Net Assets at Beginning of Year** 593,791
- **Net Assets at End of Year** $575,220

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, 2022

<table>
<thead>
<tr>
<th>EXPENSES:</th>
<th>Program Services</th>
<th>General &amp; Administrative</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$92,858</td>
<td>$10,041</td>
<td>$10,041</td>
<td>$112,940</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>7,288</td>
<td>788</td>
<td>788</td>
<td>8,864</td>
</tr>
<tr>
<td>Occupancy</td>
<td>94,800</td>
<td>967</td>
<td>968</td>
<td>96,735</td>
</tr>
<tr>
<td>Program Expense</td>
<td>56,415</td>
<td>-</td>
<td>-</td>
<td>56,415</td>
</tr>
<tr>
<td>Professional and Contractual</td>
<td>12,210</td>
<td>22,343</td>
<td>-</td>
<td>34,553</td>
</tr>
<tr>
<td>Operating Supplies</td>
<td>6,204</td>
<td>-</td>
<td>-</td>
<td>6,204</td>
</tr>
<tr>
<td>Telephone</td>
<td>3,293</td>
<td>356</td>
<td>356</td>
<td>4,005</td>
</tr>
<tr>
<td>Other</td>
<td>1,884</td>
<td>-</td>
<td>1,853</td>
<td>3,737</td>
</tr>
<tr>
<td>Licenses &amp; Permits</td>
<td>2,452</td>
<td>-</td>
<td>-</td>
<td>2,452</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,417</td>
<td>154</td>
<td>153</td>
<td>1,724</td>
</tr>
<tr>
<td>Dues &amp; Subscriptions</td>
<td>848</td>
<td>820</td>
<td>-</td>
<td>1,668</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>245</td>
<td>27</td>
<td>26</td>
<td>298</td>
</tr>
<tr>
<td>Training</td>
<td>250</td>
<td>-</td>
<td>-</td>
<td>250</td>
</tr>
<tr>
<td>Travel</td>
<td>113</td>
<td>12</td>
<td>13</td>
<td>138</td>
</tr>
<tr>
<td>Postage</td>
<td>29</td>
<td>-</td>
<td>-</td>
<td>29</td>
</tr>
<tr>
<td>Depreciation (Note 5)</td>
<td>6,893</td>
<td>-</td>
<td>-</td>
<td>6,893</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$287,199</strong></td>
<td><strong>$35,508</strong></td>
<td><strong>$14,198</strong></td>
<td><strong>$336,905</strong></td>
</tr>
</tbody>
</table>

SEE INDEPENDENT AUDITOR'S REPORT
The Accompanying Notes Are An Integral Part Of These Financial Statements
CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received from grants</td>
<td>$181,979</td>
</tr>
<tr>
<td>Cash received from contributions</td>
<td>37,570</td>
</tr>
<tr>
<td>Cash received from other income</td>
<td>7,070</td>
</tr>
<tr>
<td>Cash received from interest</td>
<td>515</td>
</tr>
<tr>
<td>Cash paid to and on behalf of employees</td>
<td>(121,365)</td>
</tr>
<tr>
<td>Cash paid for operating expenses</td>
<td>(113,870)</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>(8,101)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of equipment</td>
<td>(25,697)</td>
</tr>
<tr>
<td>Net cash provided (used) by investing activities</td>
<td>(25,697)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Net cash provided (used) by financing activities</td>
<td>-</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>(33,798)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>586,468</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$552,670</td>
</tr>
</tbody>
</table>
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.”
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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$552,670</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>1,742</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$554,412</strong></td>
</tr>
</tbody>
</table>

**H. 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.

**I. 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.
Note 1. Summary of significant accounting policies—continued

J. 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.

K. 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.

L. 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.

M. Uncertain Tax Positions

Gallup Public Radio annually evaluate 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, 2022, 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 2019.

N. Subsequent Events

Management has evaluated subsequent events through July 21, 2023, the date, which the financial statements were available to issue.
Note 2. Cash Balances

Gallup Public Radio’s cash balance on the Statement of Financial Position consists of the following on September 30, 2022:

<table>
<thead>
<tr>
<th></th>
<th>Statement Balance</th>
<th>Reconciled Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>$91,197</td>
<td>$91,197</td>
</tr>
<tr>
<td>Savings</td>
<td>459,760</td>
<td>459,760</td>
</tr>
<tr>
<td>PayPal</td>
<td>1,713</td>
<td>1,713</td>
</tr>
<tr>
<td><strong>Total Cash</strong></td>
<td><strong>$552,670</strong></td>
<td><strong>$552,670</strong></td>
</tr>
</tbody>
</table>

On December 31, 2022, the total bank balances were $550,957 of which $250,000 was insured by federal depository insurance leaving $300,957 uninsured and uncollateralized. Gallup Public Radio has not experienced any losses in such accounts and management does not believe it is exposed to any significant credit risk.

Note 3. Prepaid Expense

Prepaid expense represents amounts paid in advance for insurance coverage that extends beyond September 30, 2022.

Note 4. Property, Equipment

The components of property and equipment on September 30, 2022, are as follows:

- Computer Equipment: $10,740
- Digital Transmitter: $33,182
- Leasehold Transmitter: $12,305
- Machinery & Equipment: $248,672
- Total Property & Equipment: $304,900
- Less: Accumulated Depreciation: $278,508
- Net Property & Equipment: **$26,392**

Depreciation expense for the year ended September 30, 2022, was $6,893.

Note 5. 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 6.  Restatement of Net Assets

During 2022, Gallup Public Radio realized they had given away a Work of Art, that was previously recorded as a fixed asset as a donor incentive in a prior year. Nets Assets on September 30, 2022, as restated, is as follows:

<table>
<thead>
<tr>
<th>Net Assets on September 30, 2021</th>
<th>$362,912</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment for removal of Work of Art</td>
<td>(3000)</td>
</tr>
<tr>
<td>Restated Net Assets on September 30, 2022</td>
<td>$359,912</td>
</tr>
</tbody>
</table>

Note 7.  In-Kind

During the year ended September 30, 2022, Gallup Public Radio received $94,200 in in-kind donations. Donations received are as follows:

<table>
<thead>
<tr>
<th>Nonfinancial Asset</th>
<th>Amount</th>
<th>Usage</th>
<th>Donor Restriction</th>
<th>Fair Value Technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupancy</td>
<td>$94,200</td>
<td>Broadcasting</td>
<td>None</td>
<td>Occupancy is valued based on donee cost per square foot.</td>
</tr>
</tbody>
</table>

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, 2022, fund raising expenses were $14,198. Funds raised as a result of these expenses were approximately $44,437. This resulted in a fundraising ratio of 32% ($14,198 in expenses divided by $44,437 in revenue).