



**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

SEPTEMBER 30, 2024**

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

BOARD OF DIRECTORS

Raymond Calderon

President

Carol Sarath

Vice-President

Matthew Mingus

Secretary

Gabriel Suk

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, 2024, 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, 2024, 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:

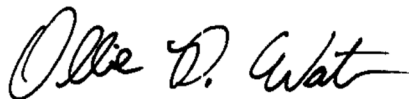
- Exercise professional judgement and maintain professional skepticism throughout the audit.

- 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 2023 financial statements, and in our report dated February 2, 2024, 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, 2023, 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
March 28, 2025

GALLUP PUBLIC RADIO
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2024
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2023)

ASSETS:

	<u>2024</u>	<u>2023</u>
Current Assets		
Cash and Cash Equivalents (Note 2)	\$ 110,000	\$ 121,769
Short-Term Investments (Note 3)	431,938	410,260
Pledge Receivable	-	4,600
Prepaid Expense (Note 4)	2,607	2,609
Total Current Assets	<u>544,545</u>	<u>539,238</u>
Property & Equipment		
Property & Equipment (Note 5)	353,652	344,397
Less Accumulated Depreciation (Note 5)	<u>(295,225)</u>	<u>(285,731)</u>
Net Property & Equipment	<u>58,427</u>	<u>58,666</u>
Total Assets	<u><u>\$ 602,972</u></u>	<u><u>\$ 597,904</u></u>

LIABILITIES:

Current Liabilities		
Accounts Payable	\$ 9,213	\$ 3,799
Payroll Liabilities	293	2,957
Total Current Liabilities	<u>9,506</u>	<u>6,756</u>
Total Liabilities	<u>9,506</u>	<u>6,756</u>

NET ASSETS:

Without Donor Restriction (Note 6)	<u>593,466</u>	<u>591,148</u>
Total Net Assets	<u>593,466</u>	<u>591,148</u>
Total Liabilities & Net Assets	<u><u>\$ 602,972</u></u>	<u><u>\$ 597,904</u></u>

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, 2024
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2023)**

REVENUE:	<u>2024</u>	<u>2023</u>
CPB Grants	\$ 192,344	\$ 186,071
Contributions	34,888	31,366
Underwriting	1,673	6,082
Other Income	13	37
Interest Income	22,313	11,727
In-Kind (Note 7)	94,200	94,200
Total Revenue	<u>345,431</u>	<u>329,483</u>
EXPENSES:		
Program Services	292,478	265,998
General & Administrative	35,291	33,494
Fundraising (Note 8)	15,344	14,063
Total Expenses	<u>343,113</u>	<u>313,555</u>
Change in Net Assets	2,318	15,928
Net Assets at Beginning of Year	<u>591,148</u>	<u>575,220</u>
Net Assets at End of Year	<u><u>\$ 593,466</u></u>	<u><u>\$ 591,148</u></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, 2024
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2023)**

EXPENSES:	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>2024 Total</u>	<u>2023 Total</u>
Salaries	\$ 84,085	\$ 11,719	\$ 11,719	\$ 107,523	\$ 94,142
Payroll Taxes	6,843	954	954	8,751	7,378
Occupancy	95,119	969	970	97,058	96,932
Program Expense	63,885	-	-	63,885	60,136
Professional and Contractual	10,988	19,889	-	30,877	31,685
Operating Supplies	9,070	-	-	9,070	2,976
Other	6,151	-	-	6,151	4,364
Insurance	2,351	328	328	3,007	2,198
Office Supplies	1,956	273	273	2,502	217
Telephone	1,391	194	194	1,779	4,271
Dues & Subscriptions	575	946	-	1,521	1,822
Advertising	-	-	887	887	174
Postage	435	-	-	435	17
Travel	135	19	19	173	-
Licenses & Permits	-	-	-	-	20
Depreciation (Note 5)	9,494	-	-	9,494	7,223
Total Expenses	<u>\$ 292,478</u>	<u>\$ 35,291</u>	<u>\$ 15,344</u>	<u>\$ 343,113</u>	<u>\$ 313,555</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, 2024
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2023)**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants	\$ 192,344	\$ 186,071
Cash received from contributions	41,161	32,848
Cash received from other income	13	37
Cash received from interest	22,313	11,727
Cash paid to and on behalf of employees	(118,938)	(101,620)
Cash paid for operating expenses	(117,729)	(110,207)
Net cash provided (used) by operating activities	<u>19,164</u>	<u>18,856</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment	-	(400,000)
Reinvested interest	(21,678)	(10,260)
Purchase of equipment	(9,255)	(39,497)
Net cash provided (used) by investing activities	<u>(30,933)</u>	<u>(449,757)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
None	-	-
Net cash provided (used) by financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(11,769)	(430,901)
Cash and cash equivalents at beginning of year	<u>121,769</u>	<u>552,670</u>
Cash and cash equivalents at end of year	<u><u>\$ 110,000</u></u>	<u><u>\$ 121,769</u></u>

**GALLUP PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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. Expiration 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, 2024**

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	\$ 110,000
Short-Term Investments	<u>431,938</u>
Total	<u>\$541,938</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, 2024**

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, 2024. 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, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Short Term Investments	\$431,938	\$431,938	\$ -0-	\$ -0-
Total Investments	\$431,938	\$431,938	\$ -0-	\$ -0-

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, 2024

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, 2024, 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 2021.

P. Subsequent Events

Management has evaluated subsequent events through March 28, 2025, the date on which the financial statements were available to issue.

GALLUP PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Note 2. Cash Balances

Gallup Public Radio's cash balance on the Statement of Financial Position consists of the following on September 30, 2024:

	<u>Statement Balance</u>	<u>Reconciled Balance</u>
Checking	\$48,320	\$47,968
Savings	61,964	61,964
PayPal	53	53
Cash on hand	-0-	15
Total Cash	<u>\$110,337</u>	<u>\$110,000</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, 2024, is as follows:

Short – term investments:	
Certificates of Deposit	<u>431,938</u>
Total Investments	<u>431,938</u>

Investment return is summarized as follows:

Interest Income	<u>21,678</u>
Total Investment return	<u>21,678</u>

Average Investments	421,099
Net Investment Return	21,678
Average Return on Investments	5%

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

Certificate of Deposit	<u>\$431,938</u>
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Note 4. Prepaid Expense

Prepaid expense represents amounts paid in advance for insurance coverage that extends beyond September 30, 2024.

Note 5. Property, Equipment

The components of property and equipment on September 30, 2024, are as follows:

Computer Equipment	\$10,740
Digital Transmitter	81,934
Leasehold Improvements	12,305
Machinery & Equipment	<u>248,673</u>
Total Property & Equipment	\$353,652
Less: Accumulated Depreciation	<u>295,225</u>
Net Property & Equipment	<u>\$58,427</u>

Depreciation expense for the year ended September 30, 2024, was \$9,494.

**GALLUP PUBLIC RADIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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, 2024, Gallup Public Radio received \$94,200 in in-kind donations. The 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, 2024, fund raising expenses were \$15,344. Funds raised as a result of these expenses were approximately \$36,561. This resulted in a fundraising ratio of 42% (\$15,344 in expenses divided by \$36,561 in revenue).