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Guam Educational Telecommunications Corporation – FY 2022 Financial Highlights

Hagåtña, Guam – The Office of Public Accountability has released the Guam Educational Telecommunications Corporation’s (dba PBS Guam) Financial Statements, Internal Control over Financial Reporting and Compliance, Management Letter, and the Auditor’s Communication with Those Charged with Governance for fiscal year (FY) 2022. Independent auditors, Ernst & Young, LLP (EY) rendered a qualified opinion on PBS Guam’s governmental activities and an unmodified opinion on the General Fund. Auditors also issued one management letter comment concerning the unrecorded prior year adjustments.

PBS Guam ended fiscal year FY 2022 with a net position of \$2.3 million (M), increasing from last year’s negative net position of \$632 thousand (K). PBS Guam has improved its position with a \$2.9M increase in net position amidst the Coronavirus (COVID-19) pandemic by shifting their strategic directive to pivot its fundraising efforts from the traditional underwriting and community financial support to creative and production work has placed PBS Guam in a position to come out of the pandemic financially sound.

Capital Assets and Long-Term Obligations

In 2020 and 2021, PBS Guam was awarded over \$3M in funding through the Guam State Clearinghouse under the U.S. Department of Education’s Educational Stabilization Fund. In 2022, some of this funding was available as PBS Guam began work on a Memorandum of Understanding. This infusion of funding for the production of educational content allowed PBS Guam to afford to allocate funds toward planned station renovations that had been overdue for over a decade. Sustainable investments in station equipment for the production department and other capital improvement projects were made. An expansion of local news programming, musical shows, and educational content on Guam is expected soon as planning for this additional content is underway. PBS Guam has also used its equipment and platform to help the Government of Guam’s (GovGuam) transparency efforts by providing filming and broadcasting of its public meetings and board meetings to help them comply with the open government law.

\$3.1M Increase in Revenues

FY 2022 total revenues of \$6.3M increased by \$3.1M, or 94%, compared to \$3.3M in FY 2021. This is largely attributed to the increase in contributions and productions totaling \$3.1M compared to \$828K in FY 2021. Revenues also saw an increase of \$548K in underwriting, \$380K in other, and \$379K in GovGuam grants. PBS Guam experienced a \$626K decrease in Corporation for Public Broadcasting grants, going from \$1.1M in FY 2021 to \$470K in FY 2022.

\$1.4M Increase in Expenses

PBS Guam's overall expenses of \$3.4M increased by \$1.4M, or 68%, compared to \$2.0M in FY 2021. This was primarily due to the increases in contractual services by \$1.3M, a 302% increase, going from \$422K in FY 2021 to \$1.7M in FY 2022.

PBS Guam ended FY 2022 with 23 employees, 13 funded by the Community Service Grant (CSG) and ten funded by GovGuam local appropriations. The 13 CSG employees accounted for \$409K in annual payroll in station production, station upgrade, program broadcasting, and development and promotion. The ten GovGuam-funded employees accounted for \$335K in annual payroll.

Qualified Opinion on Governmental Activities

External auditors qualified PBS Guam's governmental activities because they were unable to obtain sufficient appropriate evidence about the Other Post-Employment Benefits related amounts recorded in the financial statements. Auditors were not able to obtain evidence related to the actuarial valuation that arrived at the recorded amounts.

Management Letter Comments

Auditors noted one management letter comment relative to unrecorded prior year adjustments. They noted that PBS Guam did not record any audit adjusting entries arising from prior year audits, causing a material difference in the reconciliation of PBS Guam's beginning net position.

For a more detailed discussion on PBS Guam's operations, refer to the Management's Discussion and Analysis in the audit report at www.opaguam.org or www.pbsguam.org.