



Financial Highlights

Guam Educational Telecommunication Corporation (PBS Guam) Financial Audit

Fiscal Year 2024

April 15, 2025

The Guam Educational Telecommunications Corporation (PBS Guam) received a qualified opinion on the financial position of Governmental Activities and an unmodified opinion on the financial position of the General Fund in its financial statements for the Fiscal Year (FY) ended September 30, 2024, from independent auditors Ernst & Young LLP (EY). The qualified opinion arose as EY was unable to obtain sufficient and appropriate audit evidence related to the actuarial valuation to determine the amounts of deferred outflow and inflow of resources and total collective other postemployment benefit liability in the statement of net position, and the Other Post-Employment Benefits benefit in the statement of activities.

PBS Guam ended FY 2024 with a negative net position of \$4 thousand (K), a decrease from last year's net position of \$801K. The change in net position improved from a negative \$1.5 million (M) in FY 2023 to a negative \$805K in FY 2024. Despite this downturn, EY did not identify any conditions that raise substantial doubt about PBS Guam's ability to continue as a going concern. Additionally, EY identified two material weaknesses related to PBS Guam's internal control over financial reporting.

In 2024, PBS Guam continued to face significant institutional challenges in securing adequate funding and legislative support. Despite its essential role in delivering educational and community-focused programming, the station received only partial funding for critical utility costs and operated with minimal staffing. All positions in the staffing pattern are essential to PBS Guam's operations, and the ongoing underfunding limited the station's ability to function at full capacity. These financial gaps underscore the urgent need for more comprehensive legislative backing to ensure long-term viability.

Amid these constraints, PBS Guam remained committed to its mission, making notable progress in expanding local programming. New seasons launched under the PBS University Higher Learning umbrella—including Saina, PBS Passport, and KGTF Guam Classics—alongside beloved programs like Academic Challenge Bowl and CHamoru Challenge Bowl.

To promote financial sustainability, PBS Guam continued producing its annual beacon events, which should serve as a steady source of ongoing support. However, the success of these efforts is directly linked to addressing staffing shortages and securing stable, long-term funding. Moving forward, PBS Guam is focused on strengthening collaboration with legislative stakeholders to remain a resilient and adaptive resource that serves Guam's evolving educational, cultural, and informational needs.

Financial Overview

In FY 2024, PBS Guam's capital assets declined by \$412K (22%) due to net depreciation. Current assets also decreased by \$117K (5%), primarily due to lower cash balances and reduced collections

from the Government of Guam. Total liabilities rose by \$363K (7%), driven by an increase in long-term and other liabilities. The net result of these changes contributed to the decrease in total net position.

On the income side, total revenue grew by \$197K (11%), largely due to support from increased Community Service Grants. Meanwhile, total operating expenses decreased by \$465K (14%), mainly due to programs and support services.

Capital Assets and Long-Term Obligations

In 2024, PBS Guam enhanced its capital assets to strengthen its operational capacity and community outreach. A major upgrade was the acquisition of a state-of-the-art on-the-go trailer, enabling PBS Guam's ability to provide high-quality live broadcasts of local sports events, community activities, and on-the-go programming, expanding audience engagement island-wide.

PBS Guam also prioritized infrastructure and technology upgrades, including electrical retrofits and equipment enhancements in master control and production. These improvements allow the station to future-proof itself and be adaptable to technological trends in order to maintain operational efficiency. This will help PBS Guam to continue supporting its mission in providing educational, informative, and culturally relevant programming for the people of Guam.

Economic & Institutional Factors

In 2024, PBS Guam navigated a challenging economic climate while working to strengthen its institutional foundation. The station faced low underwriting support and limited engagement from local businesses—largely due to inflation, rising costs, and overall economic uncertainty. These conditions impacted local businesses' budgets and, in turn, PBS Guam's ability to garner meaningful underwriting. Additionally, the station continued to operate with limited staff, highlighting the need for fully funded positions to maintain effective operations.

Despite these obstacles, PBS Guam has been securing funding through business supporters and grants. This has supported disaster recovery and critical infrastructure upgrades, which will contribute to long-term sustainability and continuity of service.

On the institutional side, PBS Guam remained focused on strengthening its organizational resilience and adapting to constant technological advancements. Key priorities included equipment modernization, enhanced production capabilities, and future-proofing facilities—essential for maintaining competitiveness in a rapidly evolving media landscape. As the station continues on its path of recovery and growth, it remains committed to delivering high-quality educational and public programming, reinforcing its role as a vital cultural and informational resource for the people of Guam.

Report on Internal Control Over Financial Reporting and Compliance

The Report on Internal Control Over Financial Reporting and Compliance noted the following two material weaknesses:

1. PBS Guam recorded a prior year adjustment incorrectly, leading to a \$380K overstatement of beginning net position and an understatement of amounts due to grantor. This was caused by prior year adjusting journal entries being erroneously posted in the general

ledger. It was recommended that all adjusting entries be reviewed and recorded in the correct period and accounts.

2. The station failed to capitalize and begin depreciation on certain capital assets, including Omega Broadcasting equipment, in a timely manner. Inaccuracies in depreciation calculations led to a \$247K understatement in depreciation and accumulated depreciation. It was recommended that PBS Guam capitalize assets when available for use and ensure accurate calculations in its fixed asset register.

PBS management agreed with these findings and will seek proper guidance from responsible personnel to ensure proper recording of prior year adjustments and depreciation.

For more details, refer to PBS Guam's FY 2024 Financial Statements, Report on Internal Control Over Financial Reporting and On Compliance and Auditor's Communication With Those Charged With Governance at www.opaguam.org and www.pbsguam.org.