



## **Guam Educational Telecommunications Corporation (PBS Guam) FY 2010 Financial Highlights**

January 31, 2011

The Guam Educational Telecommunications Corporation (dba PBS Guam) ended Fiscal Year (FY) 2010 with a decrease in net assets of \$204,000 compared to an increase of \$2.3 million (M) in FY 2009. PBS Guam received an unqualified (clean) opinion from independent auditors, Deloitte & Touche, LLP. FY 2010 is now the third year where no material weaknesses were identified, however a separate management letter was issued containing two control deficiencies relating to accounts receivables and bank reconciliations. Auditors also made five audit adjustments which had a cumulative effect of decreasing net assets by \$5,200.

### ***Significant Decrease in Revenues***

Revenues from PBS Guam declined significantly by \$2.6M from \$4.3M in FY 2009 to \$1.6M in FY 2010. This was due primarily to a one-time infusion of a \$2.5M grant to purchase and install a digital tower in 2009 that did not carry in 2010. PBS Guam receives its main sources of revenue from community service grants, government of Guam appropriations, and contributions and other grants. Community service grants, 39% of revenues, decreased by \$148,000 from \$770,000 to \$622,000 and contributions and other grants, 15% of revenues, decreased by \$38,000 from \$284,000 to \$246,000. The decline in grants was in part due to slower pace of grant activities. Government of Guam appropriations, 38% of revenues, went up slightly from \$596,000 to \$610,000.

### ***Decrease in Expenses***

Total expenses decreased by 8% or \$158,000 from \$1.9M to \$1.8M due to decreases in supporting services such as program broadcasting and contractual services and station upgrades. Program broadcasting services decreased by 18% or \$90,000 to \$405,000; Contractual Services decreased by 13% or \$23,000 to \$155,000; Station Upgrades decreased by 16% or \$10,000 to \$55,000.

### ***Outlook for PBS Guam***

In its transition report for the incoming Executive administration, the Education Subcommittee identified key areas that PBS Guam should undertake in the immediate, intermediate, and long term. Immediate measures include hiring professional leadership at PBS Guam, selecting new board members representing station stakeholders, improving internal data management and ensuring data security measures comply with federal mandates, and maintaining and developing grants applications to continue supporting station upgrades.

In the intermediate term (2-3 years), the Education subcommittee keyed in on coordinating an assessment on the impact of public television on Guam and neighboring islands, digitizing its data, developing a reliable back-up or preservation system for media assets, and developing a separate foundation to benefit from a non-profit status.

In the long term, (4+years), PBS Guam was tasked to expand its station and to convert to a community broadcast licensure to alleviate dependency on the government of Guam.

For a more detailed discussion on PBS Guam's operations, refer to the Management's Discussion and Analysis in the audit report at [www.guamopa.org](http://www.guamopa.org) and [www.pbsguam.org](http://www.pbsguam.org).