

**PUERTO RICO PUBLIC
BROADCASTING CORPORATION**
(a component unit of the Commonwealth of Puerto Rico)

***INDEPENDENT ACCOUNTANTS' REPORT
AND
UNAUDITED STATEMENT OF NET POSITION
AND UNAUDITED STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION***

June 30, 2017



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INDEPENDENT ACCOUNTANTS' REPORT

To the Corporation for Public Broadcasting:

Our client Puerto Rico Public Broadcasting Corporation ("Grantee") has elected to file its audited financial statements on a biennial basis in accordance with the Corporation for Public Broadcasting's ("CPB") Financial Reporting Guidelines.

CPB also requires that an independent accountant examine the Grantee's Annual Financial Report ("AFR") or Annual Financial Summary Report ("FSR") in accordance with attestation standards adopted by the American Institute of Certified Public Accountants ("AICPA") and to issue a written conclusion about the reliability of amounts reported in the AFR or FSR as non-federal financial support ("NFFS"). In accordance with established requirements of the AICPA, such an examination is an attest engagement. An attest engagement is one in which an independent accountant is engaged to issue a written conclusion about the reliability of a written assertion that is the responsibility of another party.

Since the NFFS values upon which we are required to attest are not based on audited financial statements and since we have not performed any procedures required by an attest engagement, we defer any judgment on these amounts until such biennial audit is completed in accordance with the provisions for biennial filing, just as those provisions require that we opine on two separate 12-month audits, our attest engagement will cover two separate 12-month periods for which we will issue the appropriate attestations in a separate "Alternate Opinion Language" document which will be uploaded in CPB's Integrated Station information System ("ISIS") accordingly.

This report is intended solely for the use of the Grantee for its filing requirement with CPB. It is not intended, and should not be used by any other party.


San Juan, Puerto Rico

August 22, 2018

Certified Public Accountants
(of Puerto Rico)
License No.53 Expires December 1, 2018
Stamp E350547 of P.R. Society of
Certified Public Accountants has been
affixed to the file copy of this report

PUERTO RICO PUBLIC BROADCASTING CORPORATION
(a Component Unit of the Commonwealth of Puerto Rico)
UNAUDITED STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>UNAUDITED</u> <u>2017</u>
ASSETS	
CURRENT ASSETS:	
Cash	\$ 2,847
Restricted cash	1,762,554
Accounts receivable:	
Trade, net of allowance for doubtful accounts of \$174,925	70,847
Other	22,944
Due from government entities, net	<u>172,672</u>
Total current assets	2,031,864
NON-CURRENT ASSETS:	
Licensed program rights and costs incurred for program not yet broadcasted	167,215
Other assets	13,000
Capital assets, net of accumulated depreciation and amortization	<u>4,454,090</u>
Total assets	<u>\$ 6,666,169</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	\$ 1,653,027
Termination benefits accrual, current portion	3,660,394
Accrued expenses, payroll taxes and withholdings	2,031,647
Compensated absences, current portion	<u>2,374,233</u>
Total current liabilities	<u>9,719,301</u>
NON-CURRENT LIABILITIES:	
Accrued legal claims, long term portion	1,680,000
Termination benefits accrual, long-term portion	-
Compensated absences, long-term portion	-
Total non-current liabilities	<u>1,680,000</u>
Total liabilities	<u>11,399,301</u>
NET POSITION	
Net investment in capital assets	4,454,090
Restricted	901,650
Unrestricted	<u>(10,088,872)</u>
Total net position	<u>(4,733,132)</u>
Total liabilities and net position	<u>\$ 6,666,169</u>

See accompanying Independent Accountants' Report.

PUERTO RICO PUBLIC BROADCASTING CORPORATION
(a Component Unit of the Commonwealth of Puerto Rico)
UNAUDITED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	<u>UNAUDITED</u> <u>2017</u>
Operating revenues:	
Sponsoring services	\$ 583,667
Production services	1,479,383
Other	<u>299,104</u>
Total operating revenues	<u>2,362,154</u>
Operating expenses:	
Broadcasting and technical	3,027,350
Programming and production	11,975,614
General administration	4,266,949
Depreciation and amortization	<u>1,383,666</u>
Total operating expenses	<u>20,653,579</u>
Loss from operations	(18,291,425)
Non-operating revenues:	
Contributions from Corporation for Public Broadcasting	2,340,908
Federal financial assistance	9,348
Interest and other revenues	<u>107,663</u>
Total non-operating revenues	<u>2,457,919</u>
Loss before contributions from government	(15,833,506)
Contributions from Commonwealth of Puerto Rico	<u>11,837,758</u>
Decrease in net position	(3,995,748)
NET POSITION, June 30, 2016	<u>(737,384)</u>
NET POSITION, June 30, 2017	<u>\$ (4,733,132)</u>

See accompanying Independent Accountants' Report.