

*The Auditor's Communication With Those Charged
With Governance*

Guam Educational Telecommunications Corporation
(A Component Unit of the Government of Guam)

Year ended September 30, 2022





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May 18, 2023

The Board of Trustees
Guam Educational Telecommunications Corporation

We have performed an audit of the financial statements of Guam Educational Telecommunications Corporation (PBS Guam), as of and for the year ended September 30, 2022, in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and have issued our report thereon dated May 18, 2023.

Provided below is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *"The Auditor's Communication With Those Charged With Governance"*, and other applicable auditing standards.

This communication is intended solely for the information and use of the Board of Trustees and, if appropriate, management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

REQUIRED COMMUNICATIONS

Auditor's responsibility under GAAS, including our discussion of the type of auditor's report we are issuing and the circumstances that affect the form and content of our auditor's report, if applicable

Our responsibilities are included in our audit engagement agreement. A copy of such agreement has previously been provided to you.

We have issued a qualified opinion on governmental activities and an unmodified opinion on the General Fund of PBS Guam's financial statements as of and for the year ended September 30, 2022.

PBS Guam recoded deferred outflow and inflow of resources and total collective other postemployment benefit (OPEB) liability in its statement of net position at September 30, 2022 of \$398,731, \$1,349,236 and \$1,536,413, respectively, and OPEB benefit of \$148,559 in the statement of activities for the year ended September 30, 2022. We were unable to obtain sufficient appropriate audit evidence about the aforementioned amounts as of September 30, 2022 and for the year then ended because we were not able to obtain evidence related to the actuarial valuation that arrived at those amounts. As a result, we were unable to determine whether any adjustments to these amounts were necessary.

An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we will express no such opinion.

An audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the evaluation of the overall presentation of the financial statements.

Changes to the audit strategy, timing of the audit and significant risks identified

Our audit strategy is consistent with the plan communicated during the January 2023 meeting.

Matters relevant to our evaluation of the entity's ability to continue as a going concern

We did not identify any events or conditions that led us to believe there was substantial doubt about PBS Guam's ability to continue as a going concern.

Our views about the qualitative aspects of the entity's significant accounting practices, including:

- **Accounting policies**
- **Accounting estimates**

Management has not selected or changed any significant policies or changed the application of those policies in the current year. A discussion of significant accounting policies and sensitive accounting estimates have been included in footnote 2 of the financial statements.

We are not aware of any significant accounting policies used by PBS Guam in controversial or emerging areas or for which there is a lack of authoritative guidance.

We determined that those charged with governance are informed about management's process for formulating particularly sensitive estimates and about the basis to our conclusions regarding the reasonableness of those estimates.

Management's judgment is called upon in:

- Preparing budgets that are used to administer and monitor PBS Guam's operations. These budgets include determining how existing financial resources will be used in PBS Guam's operations.
- Determining the adequacy of the allowance for accounts receivable.
- Determining the assumptions used in measuring significant accounting estimates for financial accounting purposes.

Related party relationships and transactions

We are not aware of any matters that require communication.

Changes to the terms of the audit with no reasonable justification for the change

We are not aware of any matters that require communication.

Significant unusual transactions

We are not aware of any significant unusual transactions executed by PBS Guam.

Material corrected misstatements related to accounts and disclosures

Refer to "Schedule of Corrected Misstatements" in Appendix A.

Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial

Refer to "Management Representations Letter" in Appendix B.

Significant deficiencies and material weaknesses in internal control over financial reporting

Other matters identified during the course of our audit have been included in our separately issued management letter dated May 18, 2023.

Fraud and noncompliance with laws and regulations (illegal acts)

We are not aware of any matters that require communication.

Obtain information relevant to the audit

Inquiries regarding matters relevant to the audit were performed during the January 2023 meeting and in the update status meetings during the audit.

Independence matters

We are not aware of any matters that in our professional judgment would impair our independence.

New accounting pronouncements

Management is still assessing the impact of adopting the following GASB Statements:

- GASB Statement No. 91
- GASB Statement No. 94
- GASB Statement No. 96
- GASB Statement No. 99
- GASB Statement No. 100
- GASB Statement No. 101

Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention

We are not aware of any matters that require communication.

Disagreements with management and significant difficulties encountered in dealing with management when performing the audit

There were no material disagreements with PBS Guam's management on financial accounting and reporting matters during the audit.

Management's consultations with other accountants

We are not aware of any consultations made by management with other accountants or specialists.

Other material written communications with management

None.

Other matters

There are no other matters arising from the audit that are significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

AICPA ethics ruling regarding third-party service providers

From time to time, and depending on the circumstances, (1) we may subcontract portions of the Audit Services to other EY firms, who may deal with the Company or its affiliates directly, although EY alone will remain responsible to you for the Audit Services and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers (including independent contractors), may participate in providing the Audit Services. In addition, third-party service providers may perform services for EY in connection with the Audit Services.

Representations from management

We have obtained from management a representations letter related to the audit and a copy of the management representations letter is included in Appendix B.

Significant findings or issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management

We are not aware of any matters that require communication.

Engagement team's involvement with preparation of the financial statements

Under GAS 2011 Revisions, Chapter 3 General Standards, Paragraph 3.34 Requirements for Performing Non-audit Services explains that the audit team should make consideration of management's ability to effectively oversee the non-audit (or non-attest) services to be performed. The engagement team should determine that the audited entity has designated an individual(s) who possesses suitable skill, knowledge or experience and that the individuals understand the services to be performed sufficiently to oversee them. The engagement team should document consideration of management's ability to oversee non-audit services to be performed.

The engagement team believes that this significant threat is reduced to an acceptable level upon application of the following safeguards:

- An engagement quality review was performed by a qualified Ernst & Young Partner who was not otherwise involved in the audit.
- All adjusting journal entries that Ernst & Young posted to the trial balance have been approved by management of PBS Guam.

- The preparation of the financial statements is based on PBS Guam's trial balance with the understanding that underlying books and records are maintained by PBS Guam's accounting department and that the final trial balance prepared by PBS Guam is complete.
- The PBS Guam's General Manager and Administrative Officer have the skill set to oversee and review the completeness and accuracy of the financial statements and footnote disclosures.

Other findings or issues regarding the oversight of the financial reporting process

There are no other findings or issues arising from the audit that are, in our judgment, significant and relevant to those charged with governance regarding the oversight of the financial reporting process.

Appendices

A – Summary of Corrected Misstatements

B – Management Representations Letter

A – Summary of Corrected Misstatements

Communication schedule for corrected misstatements

Entity: Guam Educational Telecommunications Corporation

Period ended: 30-Sep-2022

Currency: USD

No.	WIP ref.	Account	Analysis of misstatements				Effect on the current period OCI	Income statement effect of the current period
			Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current		
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	
AJE T0100 To properly adjust beginning Retained Earnings for FY22 by reposting Prior Year Adjustments.								
01		Unearned revenue			379,847			
		Corporation for Public Broadcasting grants						335,850
		Deferred outflows from pension		34,255				
		Long-term liabilities				1,512,841		
		Other Income						(7,955)
		Deferred inflows from pension		(357,785)		(51,623)		
		Deferred outflows from OPEB				(1,027,915)		
		Depreciable Capital Assets	(19,515)					
		Net position at beginning of the year					(758,500)	
AJE V00100 To reclassify unexpended amounts in Advertising/Publication to Prepaid Expenses.								
02		Prepaid Expenses	192,340					
		Contractual services						(192,340)
RJE U00100 To reclassify Miscellaneous income to GovGuam appropriations.								
01		Other Income						6,192
		Government of Guam appropriation						(6,192)
AJE P00600 To adjust the balance of pension amounts based on the audited plan schedules for plan year ending September 30, 2022								
03		Long-term liabilities: Net pension liability				138,492		
		Pension expense						74,296
		Local appropriations: Personnel Expenses						482
		Deferred inflows from pension				(33,351)		
		Local appropriations: Fringe benefits						(105,129)
		Deferred outflow from pension		(74,790)				
AJE P00800 To adjust the OPEB balances based on the audited actuarial reports of KMS for Plan year ended September 30, 2022								
04		Deferred inflows from OPEB					413,260	
		Long-term liabilities: Net OPEB liability						(45,642)
		Deferred outflows from OPEB						(194,038)

Form 430GL (3 August 2022)

A – Summary of Corrected Misstatements, continued

Corrected misstatements		Entity:		Period ended:		Currency:				
		Guam Educational Telecommunications Corporation		30-Sep-2022		USD				
No.	WIP ref.	Account description	Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Equity components	Effect on the current period OCI	Income statement effect of the current period	
(misstatements are recorded as journal entries with a description)			Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Non taxable
		OPEB expense								(148,559)
		Local Appropriations: Personal Services								(5,366)
		Local Appropriations: Fringe Benefits								(19,625)
RJE	E0110	To reclassify receivable amount due from the Government of Guam.								
	02	Due from Government of Guam		1,088,024						
		Accounts Receivable		(1,088,024)						
AJE	UA010	To reclassify Miscellaneous income to GovGuam appropriations.								
	05	Personal services								17,180
		Fringe benefits								5,078
		GovGuam Appropriations								(22,258)
RJE	P0000	To reclassify non-current portion of long term liabilities to current.								
	03	Long-term liabilities - due after one year				124,754				
		Due within one year			(124,754)					
Total of corrected misstatements before income tax			172,825	(582,386)	255,093	1,031,716	(798,900)	0		(88,346)
Financial statement amounts			4,280,712	2,062,612	(446,204)	(3,629,375)	(2,267,745)			(2,899,786)
Effect of corrected misstatements on F/S amounts			4.0%	-28.7%	-57.2%	-28.4%	36.2%			2.4%

[For US PCAOB audits we are required to communicate all misstatements that are accumulated on our SAD.]

A – Summary of Corrected Misstatements, continued

Communication schedule for corrected misstatements

Entity: Guam Educational Telecommunications Corporation Period ended: 30-Sep-2022 Currency: USD

Corrected misstatements No. WP ref.	Account (misstatements are recorded as journal entries with a description)	Analysis of misstatements Debit/(Credit)				Income statement effect of the current period	
		Assets Current Debit/(Credit)	Assets Non-current Debit/(Credit)	Liabilities Current Debit/(Credit)	Liabilities Non-current Debit/(Credit)	Equity components Debit/(Credit)	Effect on the current period OCI Debit/(Credit)

We have reviewed, agreed, and approved the foregoing proposed adjusting and reclassifying journal entries as listed above and have reflected those in the financial statements as of and for the year ended September 30, 2022.


Ina Canillo, General Manager
5/18/23
Date


Lorraine Hernandez, Administrative Officer
5/18/23
Date

B – Management Representations Letter



Guam Educational Telecommunication Corporation

May 18, 2023

Ernst & Young LLP
Ernst & Young Building
231 Ypao Road, Suite 201
Tamuning, Guam 96931

In connection with your audit of the basic financial statements of the Guam Educational Telecommunications Corporation (PBS Guam) as of September 30, 2022 and for the year then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of PBS Guam and the respective changes in financial position and cash flows, where applicable, in conformity with US generally accepted accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

Management's responsibilities

We have fulfilled our responsibilities, as set forth in the terms of the audit engagement agreement dated October 27, 2020, for the preparation and fair presentation of the financial statements (including disclosures) in accordance with US GAAP applied on a basis consistent with that of the preceding years. In preparing the financial statements, we evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued (or available to be issued, if applicable), and to provide appropriate financial statement disclosure, when applicable, related to going concern and using the going concern basis of accounting unless we prepared the financial statements in accordance with the liquidation basis of accounting.

We acknowledge our responsibility 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. We have provided you with:

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B – Management Representations Letter, continued



Guam Educational Telecommunication Corporation

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, data, documentation and other matters
- Additional information that you have requested from us for the purpose of the audit
- Unrestricted access to persons within the Company from whom you determined it necessary to obtain evidence

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

From March 9, 2022 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the financial statements of any opinion unit that comprises the basic financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

Uncorrected misstatements

We believe that the effects of any uncorrected misstatements, summarized in the accompanying schedule, accumulated by you during the current and prior audit period presented are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit.

Internal control

There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

We are not aware of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting.

Minutes and contracts and internal audit reports

The dates of meetings of shareholders, directors, committees of directors and important management committees October 1, 2021 are as follows:

October 21, 2021	August 4, 2022
November 23, 2021	September 15, 2022
December 15, 2021	September 30, 2022

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B – Management Representations Letter, continued



Guam Educational Telecommunication Corporation

February 17, 2022	October 20, 2022
March 17, 2022	December 15, 2022
April 28, 2022	January 26, 2023
June 23, 2022	March 16, 2023

We have made available to you all minutes of the meetings of shareholders, directors and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

We also have made available to you all significant contracts, including amendments, and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance, including all covenants, conditions or other requirements of all outstanding debt.

We have also made available to you all internal audit reports (or reports from similar functions) that were issued to management during the year that address internal control over financial reporting.

Methods, significant assumptions, and data used in making accounting estimates

The appropriateness of the methods, the consistency in application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in developing accounting estimates and related disclosures, including those measured at fair value, are reasonable and supportable.

Ownership and pledging of assets

Except for right-to-use another entity's nonfinancial asset (the underlying asset), the Company has satisfactory title to all assets appearing in the statement of net position. No security agreements have been executed under the provisions of the Uniform Commercial Code, and there are no liens or encumbrances on assets, nor has any asset been pledged. All assets to which the Company has satisfactory title appear in the statement of net position.

Receivables and revenues

Receivables have been determined in accordance with all relevant GASB Statements, including GASB Statements No. 33 and 62—as amended.

Adequate provision has been made for losses, costs and expenses that may be incurred subsequent to the statement of net position date(s) in respect of any sales and services rendered prior to that (those) date(s) and for uncollectible accounts, discounts, returns and allowances, etc., that may be incurred in the collection of receivables at that date.

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B – Management Representations Letter, continued



Guam Educational Telecommunication Corporation

Fair value measurements

We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or other third parties. Our valuation techniques have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of GASB Statement No. 72—as amended. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in GASB Statement No. 72—as amended.

Related party relationships and transactions

We have made available to you the names of all related parties and all relationships and transactions with related parties.

The substance of transactions with related parties as defined in GASB Statement No. 56—as amended, has been considered and appropriate adjustments or disclosures are made in the basic financial statements, and information concerning these transactions and amounts have been made available to you.

Side agreements and other arrangements

There have been no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

Arrangements with financial institutions

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the financial statements.

Contingent liabilities

There are no unasserted claims or assessments, including those our lawyers have advised us of, that are probable of assertion and must be disclosed in accordance with GASB Statement No. 62—as amended.

There have been no violations or possible violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

There have been no internal investigations or communications from regulatory agencies or government representatives in any jurisdiction concerning investigations or allegations of

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B – Management Representations Letter, continued



Guam Educational Telecommunication Corporation

noncompliance with laws or regulations, noncompliance with or deficiencies in financial reporting practices, or other matters that could affect the financial statements.

There are no other liabilities or gain or loss contingencies considered material, individually or in the aggregate, that are required to be accrued or disclosed by GASB Statement No. 62—as amended, *Contingencies*, nor are there any accruals for loss contingencies included in the balance sheet or gain contingencies reflected in earnings that are not in conformity with the provisions of GASB Statement No. 62—as amended.

We have not consulted legal counsel concerning litigation, claims or assessments.

Pension benefits

We have disclosed to you all significant pension benefits promised and have made available to you all significant summary plan descriptions, benefit communications and all other relevant information, including plan changes, that constitute the plan.

Postemployment benefits other than pensions

We have disclosed to you all significant postemployment benefits other than pensions (OPEBs) promised and have made available to you all significant summary plan descriptions, benefit communications and all other relevant information, including plan changes, that constitute the plan.

Purchase commitments

At September 30, 2022 the Company had no purchase commitments for inventories in excess of normal requirements or at prices that were in excess of market at that date.

There were no agreements or commitments to repurchase assets previously sold. There were no material commitments outstanding at September 30, 2022 as a result of being a party to futures or forwards contracts, short sales or hedge transactions.

Non-compliance with laws and regulations, including fraud

We acknowledge that we are responsible to determine that the Company's business activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws or regulations, including fraud.

We acknowledge our responsibility for the design, implementation and maintenance of a system of internal control to prevent and detect fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

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B – Management Representations Letter, continued



Guam Educational Telecommunication Corporation

We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees where the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Company.

We have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

Independence

We have communicated to you the names of PBS Guam's affiliates, officers and directors, or individuals who serve in such capacity for PBS Guam.

We are not aware of any business relationship between PBS Guam and Ernst & Young LLP or any other member firm of the global Ernst & Young organization.

We are not aware of any reason that Ernst & Young LLP would not be independent for purposes of PBS Guam's audit.

Conflicts of interest

There are no instances where any officer or employee of the Company has an interest in a company with which the Company does business that would be considered a "conflict of interest." Such an interest would be contrary to Company policy.

Other Representations

Ernst & Young LLP assisted in drafting the format of the financial statement footnotes and the formatting of the various fund financial statements that appear in PBS Guam's financial statements in accordance with standards of the Governmental Accounting Standards Board. Management accepts responsibility for the fund financial statements that appear in PBS Guam's financial statements as our own and have prepared the source documents for all transactions and have maintained accounting control.

We have identified and disclosed to you, all laws, regulations and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

We have followed all applicable laws and regulations in adopting, approving and amending budgets, tax or debt limits and covenants and secondary market disclosures, deposits and

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B – Management Representations Letter, continued



Guam Educational Telecommunication Corporation

investments, including collateral requirements on depository accounts and investments and tax levies and refunds.

The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54 — as amended.

All funds that meet the quantitative criteria in GASB Statement No. 34, as amended and GASB Statement No. 37, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable fund balance, and restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

Expenses have been appropriately classified in or allocated to functions and programs in the statements of activities, and allocations have been made on a reasonable basis.

Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments or contributions to permanent fund principal.

Provisions for uncollectible receivables have been properly identified and recorded.

Special and extraordinary items are appropriately classified and reported.

Risk disclosures associated with deposits and investment securities are presented in accordance with GASB requirements.

Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and, if applicable, depreciated.

Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available is appropriately disclosed and net position was properly recognized under the policy.

We are following either our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or are following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes.

Subsequent events have been evaluated and classified as recognized or nonrecognized through the date of this letter.

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B – Management Representations Letter, continued



Guam Educational Telecommunication Corporation

PBS Guam's ability to continue as a going concern was evaluated.

The memorandum of deferment of payment of rent for the property lease from Chamorro Land Trust Commission is intended for the abatement or forgiveness of rent.

Employees whose salaries and wages are funded via the Community Service Grant do not participate in Pension Plans. PBS Guam provides these employees with a private, defined contribution 401(k) plan.

Other matters

We have received a draft copy of our financial statements as of and for the years ended September 30, 2022. The accuracy and completeness of the financial statements, including footnote disclosures, are our responsibility.

You have assisted in the preparation of our financial statements based on information in our trial balance and accounting records. It is our understanding that:

- Our underlying books and records are maintained by our accounting department and that the final trial balance prepared by us is complete and,
- All adjusting journal entries posted to the trial balance have been approved by us, and
- We have designated a competent representative to oversee your services and that our personnel have sufficient financial competence who are able to challenge and review the completeness and accuracy of the financial statements, including footnote disclosures.

We have reviewed the draft financial statements for accuracy and completeness.

We acknowledge that we have reviewed them and taken responsibility for them.

Subsequent events

Subsequent to September 30, 2022, no events or transactions have occurred or are pending that would have a material effect on the basic financial statements at that date or for the period then ended, or that are of such significance in relation to PBS Guam's affairs to require mention in a note to the basic financial statements in order to make them not misleading regarding the financial position, changes in financial position and, where applicable, cash flows of PBS Guam.

B – Management Representations Letter, continued



Guam Educational Telecommunication Corporation

* * * * *

We understand that your audit was conducted in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and was, therefore, designed primarily for the purpose of expressing an opinion on the basic financial statements of PBS Guam and that your tests of the accounting records and other auditing procedures were limited to those that you considered necessary for that purpose.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ina Carillo".

Ina Carillo
General Manager

A handwritten signature in black ink, appearing to read "Lorraine Hernandez".

Lorraine Hernandez
Administrative Officer

B – Management Representations Letter, continued

Communication schedule for uncorrected misstatements			Period Ended: 30-Sep-2022		Currency: USD						
Entity: Guam Educational Telecommunications Corporation			Analysis of misstatements		Income statement effect of the prior period						
No. / W/P ref.	Account (Note 1)	Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)	Effect on the current period OCI		Income statement effect of the prior period		
							Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Debit/(Credit)	Prior period Debit/(Credit)
Uncorrected misstatements											
(misstatements are recorded as journal entries with a description)											
Factual misstatements:											
SAD 01	N0120 To adjust accrued salary at year end based on an estimate of unpaid amounts for the last pay period.				46,000					(46,000)	X
	Accrued Wages payable									(46,000)	X
	Salary expense										
SAD 02	E0112 To adjust AR Aging to match GoriGuam's records.	(17,936)								12,936	X
	Contributions and production revenue										
	Accounts receivable										
SAD 03	R0110 To adjust remaining accumulated depreciation difference base on independent computation.		(8,955)							8,955	X
	Depreciation expense										
	Capital Asset, Depreciable, Accumulated Depreciation										
Total of uncorrected misstatements before Income tax											
Total of uncorrected misstatements											
Financial statement amounts											
Effect of uncorrected misstatements on F/S amounts											
		(17,936)	(8,955)	0	46,000	0	0	0	0	(25,009)	
		(17,936)	(8,955)	0	46,000	0	0	0	0	(25,009)	
		4,250,712	2,052,212	(446,203)	(3,629,375)	(2,267,765)				(2,989,786)	
		-0.3%	-0.4%	0.0%	-1.3%	0.0%				0.9%	
Memo: Total of non-taxable items (marked 'X' above)											
										(25,009)	
Uncorrected misstatements before income tax											
										(25,009)	
Less: Tax effect of misstatements at current year marginal rate											
										0	
Uncorrected misstatements in income tax											
										0	
Cumulative effect of uncorrected misstatements after tax but before turnaround											
										(25,009)	
Turnaround effect of prior period uncorrected misstatements											
										4,659	
										4,659	
All factual and projected misstatements: Judgmental misstatements (Note 3):											
										0	
										(20,340)	
Cumulative effect of uncorrected misstatements, after turnaround effect											
										(2,859,786)	
Current year income before tax											
										(2,859,786)	
Current year income after tax											
										(2,859,786)	