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
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

BDO Puerto Rico, PSC, a Puerto Rico Professional Services Corporation, and BDO USVI, LLC, a United States Virgin Island’s limited liability Company, are members of BDO International Limited, a UK company limited by guarantee, and form part of the International BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member.
PUERTO RICO PUBLIC BROADCASTING CORPORATION
(a Component Unit of the Commonwealth of Puerto Rico)
UNAUDITED STATEMENT OF NET POSITION
JUNE 30, 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>UNAUDITED</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
</tr>
</tbody>
</table>

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 172,672
  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 4,454,090
  Total assets $6,666,169

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 2,374,233
  Total current liabilities 9,719,301

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 1,680,000
  Total liabilities 11,399,301

NET POSITION

- Net investment in capital assets 4,454,090
- Restricted 901,650
- Unrestricted (10,088,872)
  Total net position (4,733,132)
  Total liabilities and net position $6,666,169

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**

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

See accompanying Independent Accountants’ Report.