

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

**INDEPENDENT AUDITORS' REPORT  
AND AUDITED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024 and 2023**

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

INDEPENDENT AUDITORS' REPORT  
AND AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 and 2023

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Virgin Islands Public Broadcasting System

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the accompanying financial statements of the Virgin Islands Public Broadcasting System (the "System"), a component unit of the Government of the United States Virgin Islands, which comprise the statements of net position as of and for the years ended September 30, 2024 and September 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended and the related notes to the financial statements, which collectively comprise the System's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the System, as of September 30, 2024 and September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the financial statements present only the Virgin Island's Public Broadcasting System's financial position and the changes in financial position and cash flows and do not purport to, and do not, present fairly the financial position of the Government of the U.S. Virgin Islands as of September 30, 2024, and changes in the financial position of the Government of the U.S. Virgin Islands for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

As discussed in Note 11, as of July 1, 2021 compensation for all System employees is paid by the Primary Government. Consequently, there is no allocation of pension liabilities, related pension expense, and deferred outflows/inflows for the year ended September 30, 2024. The System's outstanding liability will be adjusted as the total pension liability and other incremental changes are reported by the Primary Government. Our opinion is not modified with respect to this matter.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, Schedule of the System's proportionate share of the net pension liability on page 28 and the System's schedule of contributions on page 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The System's notes to the financial statements do not include the necessary information under the Governmental Accounting Standards Board, Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The Government of the U.S. Virgin Islands is responsible for paying the benefits. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America. Our opinion on the basic financial statement is not modified by the System's failure to present information required under Governmental Accounting Standards Board, Statement No. 75.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards on page 37, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Statement of Revenues and Expenses per Division on pages 30 and 31 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards and the statement of revenues and expenses per division are fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2025 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering System's internal control over financial reporting and compliance.

*Bert Smith & Co.*

Washington, D.C.

April 11, 2025

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**YEARS ENDED SEPTEMBER 30, 2024 and 2023**

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The purpose of the following management's discussion and analysis of the financial performance and activity of the Virgin Islands Public Broadcasting System (the "System") is to help the readers understand the basic financial statements of the System for the years ended September 30, 2024 and 2023. This discussion has been prepared by management and should be read in conjunction with the basic financial statements, supplementary information and the notes thereto which follow this section.

**Financial Highlights**

The assets and deferred outflows of the System exceeded liabilities and deferred inflows by \$13.3 million and \$12.7 million as of September 30, 2024 and 2023, respectively. The net position increased by \$619 thousand during the year ended September 30, 2024 and decreased by \$466.1 thousand during the year ended September 30, 2023.

**Reporting Entity**

The System is a public corporation and a semi-autonomous governmental instrumentality of the Government of the U.S. Virgin Islands ("GVI"). It owns and operates the public television station of the U.S. Virgin Islands with the call letters WTJX, created by Act No. 2364 on November 15, 1968, to provide educational television services in the U.S. Virgin Islands, and to advance the general welfare, cultural development, and awareness of public affairs of the general population. The System is a member of the Public Broadcasting Service ("PBS"), a media foundation that provides grants and services to public and non-commercial stations. The System is also a member of the National Public Radio ("NPR"), a nonprofit media foundation broadcasting over the radio.

**Overview of the Financial Statements**

The System's financial report includes three financial statements: The Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. In addition to the three financial statements, the System has presented the Statement of Revenues and Expenses per Division, Schedule of the Share of the Net Pension Liability and Schedule of Contributions as supplementary information. The financial statements, and supplementary information, are prepared in accordance with accounting principles generally accepted in the United States of America.

The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of September 30, 2024 and 2023. The System's net position is the difference between (a) assets and deferred outflows of resources, and (b) liabilities and deferred inflows of resources. Over time, the increase or decrease in net position may serve as a useful indicator of whether the financial position of the System is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the System's net position changed during the two most recent fiscal years, focusing on operating revenues and expenses, including support provided by grants from the Government of the Virgin Islands and the Corporation for Public Broadcasting ("CPB").

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, financing and investing activities. This Statement indicates the financial viability of the System to meet financial obligations as they occur.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
YEARS ENDED SEPTEMBER 30, 2024 and 2023

**Summary of Financial Results**

**Statements of Net Position** – Table 1 summarizes the System's Statements of Net Position as of September 30, 2024, 2023 and 2022.

*Table 1: Summary of Statements of Net Position*

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Unrestricted Current Assets	\$ 7,184,062	\$ 6,667,668	\$ 6,420,810
Restricted Current Assets	837,595	587,610	732,179
Noncurrent Assets	530,884	558,548	144,188
Capital Assets	9,079,986	8,930,282	9,309,410
Total Assets	<u>\$ 17,632,527</u>	<u>\$ 16,754,108</u>	<u>\$ 16,606,587</u>
Deferred Outflows of Resources	<u>\$ 870,544</u>	<u>\$ 870,544</u>	<u>\$ 1,183,938</u>
Current Liabilities	\$ 968,794	\$ 710,754	\$ 512,453
Noncurrent Liabilities	3,303,812	3,598,912	3,632,709
Total Liabilities	<u>\$ 4,272,606</u>	<u>\$ 4,309,666</u>	<u>\$ 4,145,162</u>
Deferred Inflows of Resources	<u>\$ 955,245</u>	<u>\$ 659,137</u>	<u>\$ 523,432</u>
Net Position			
Net Investment in Capital Assets	\$ 9,079,986	\$ 8,930,282	\$ 9,309,410
Restricted	837,595	587,610	732,179
Unrestricted	3,357,639	3,137,957	3,080,341
Total Net Position	<u>\$ 13,275,220</u>	<u>\$ 12,655,849</u>	<u>\$ 13,121,930</u>

For fiscal year 2024, the System's assets amounted to \$17.6 million, of which \$6 million represented unrestricted cash and cash equivalents, \$838 thousand represented cash and cash equivalents restricted in purpose, \$533 thousand represented accounts and other receivables, \$224 thousand represented Due from the Government of the Virgin Islands, \$720 thousand represented prepaid expenses, \$261 thousand represented leased assets net of accumulated amortization and \$9.1 million represented capital assets net of accumulated amortization. Total current assets increased in fiscal year 2024 by \$756 thousand mainly due to an increase in cash and cash equivalents of \$640 thousand, an increase in lease receivable of \$74 thousand, and increase in grants receivable of \$116 thousand, offset by a decrease in accounts and other receivable of \$17 thousand, a decrease in prepaid expenses of \$47 thousand, and a decrease in Due from the Government of the U.S. Virgin Islands of \$8 thousand. Non-current assets increased by \$122 thousand due to an increase in leased receivables of \$232 thousand and capital assets of \$150 thousand offset by a decrease in leased assets of \$259 thousand. Total liabilities and deferred inflows of resources amounted to \$5.2 million and decreased by \$259 thousand, mainly due to an decrease in leased liabilities of \$257 thousand and a decrease in accounts payable of \$87 thousand, offset by an increase in accrued liabilities of \$4.8 thousand, an increase in compensated absences of \$8 thousand, an increase in unearned revenue of \$295 thousand and an increase in deferred amounts related to leases of \$296 thousand.

For fiscal year 2023, the System's assets amounted to \$16.8 million, of which \$5.6 million represented unrestricted cash and cash equivalents, \$588 thousand represented cash and cash equivalents restricted in purpose, \$130 thousand represented accounts and other receivables, \$232 thousand represented Due from the Government of the Virgin Islands, \$767 thousand represented prepaid expenses, \$520 thousand represented leased assets net of accumulated amortization and 8.9 million represented capital assets net of accumulated amortization. Total current assets increased in fiscal year 2023 by \$112 thousand mainly due



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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
YEARS ENDED SEPTEMBER 30, 2024 and 2023

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to an increase in cash and cash equivalents of \$94 thousand, an increase in prepaid expenses of \$173 thousand offset by a decrease in accounts and other receivables of \$82 thousand, and a decrease in Due from the Government of the U.S. Virgin Islands of \$73 thousand. Non-current assets increased by \$35 thousand due to an increase in leased assets of \$448 thousand offset by a decrease in lease receivable of \$34 thousand and a decrease in capital assets of \$379 thousand. Total liabilities and deferred inflows of resources amounted to \$5.0 million and increased by \$300 thousand, mainly due to an increase in leased liabilities of \$479 thousand, an increase in accrued liabilities of \$40 thousand, and an increase in compensated absences of \$24 thousand offset by a decrease in net pension liability of \$288 thousand, a decrease in unearned revenue of \$64 thousand and a decrease in accounts payable of \$25 thousand.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
YEARS ENDED SEPTEMBER 30, 2024 and 2023

**Statements of Revenues, Expenses and Changes in Net Position** – Table 2 summarizes the activities of the System as of September 30, 2024 and 2023.

*Table 2: Summary of Statements of Revenues, Expenses and Changes in Net Position*

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenues	\$ 2,606,676	\$ 2,150,910	\$ 3,347,450
Operating Expenses	<u>(6,493,364)</u>	<u>(7,140,472)</u>	<u>(6,415,578)</u>
Loss from Operations	(3,886,688)	(4,989,562)	(3,068,128)
Non-Capital Appropriations from Government of the U.S. Virgin Islands	4,431,902	4,401,902	4,681,846
Capital Grant from Government of the U.S. Virgin Islands	-	75,000	110,000
Other non-operating revenue	4,155	31,213	-
Insurance Proceeds	49,832	11,511	16,717
Interest Income	<u>20,170</u>	<u>3,855</u>	<u>6,452</u>
Income (Loss)	619,371	(466,081)	1,746,887
Change in Net Position	<u>\$ 619,371</u>	<u>\$ (466,081)</u>	<u>\$ 1,746,887</u>
Net Position – Beginning of Year	<u>\$ 12,655,849</u>	<u>\$ 13,121,930</u>	<u>\$ 11,375,043</u>
Net Position – End of Year	<u>\$ 13,275,220</u>	<u>\$ 12,665,849</u>	<u>\$ 13,121,930</u>

For fiscal year 2024, operating revenues of \$2.6 million reflect contributions from the Corporation for Public Broadcasting of \$1.3 million, lease revenue of \$74 thousand, underwriting revenue of \$114 thousand, fundraising revenue of \$79 thousand, advertising revenue of \$5 thousand, membership subscriptions and other donations of \$30 thousand, funds from Federal Emergency Management Agency of \$927 thousand and other revenue of \$69 thousand. Operating revenues increased by \$456 thousand from the previous year due to an increase in revenue from the FEMA of \$354 thousand and the Corporation of Public Broadcasting of \$196 thousand.

For fiscal year 2024, operating expenses of \$6.5 million reflect programming expenses of \$4.2 million, Management and general expenses of \$1.7 million, fundraising expenses of \$39 thousand and depreciation expense of \$608 thousand. Operating expenses decreased by \$647 thousand, due to decreases in several expense categories.

For fiscal year 2023, operating revenues of \$2.2 million reflect contributions from the Corporation for Public Broadcasting of \$1.1 million, funds from Federal Communications (FCC) of \$59 thousand, lease revenue of \$61 thousand, underwriting revenue of \$124 thousand, fundraising revenue of \$23 thousand, advertising revenue of \$5 thousand, membership subscriptions and other donations of \$46 thousand, funds from Federal Emergency Management Agency of \$574 thousand and other revenue of \$147 thousand. Operating revenues decreased by \$1.2 million from the previous year mainly due to a decrease in revenue from the FCC of \$1.5 million.

For fiscal year 2023, operating expenses of \$7.1 million reflect programming expenses of \$4.2 million, general administration expenses of \$2.2 million, fundraising expenses of \$10 thousand and depreciation expense of \$665 thousand. Operating expenses increased by \$725 thousand, mainly due to increases in program services and general and administration expenses.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
YEARS ENDED SEPTEMBER 30, 2024 and 2023

**Grant Revenues** – Table 3 summarizes grant revenues received through allotments from the Government of the Virgin Islands, grants from the Corporation for Public Broadcasting, and other grant revenue.

*Table 3: Summary of Grant Revenues*

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Grant Revenues – Corporation for Public Broadcasting	\$ 1,308,184	\$ 1,111,872	\$ 1,090,316
Emergency Funds – Federal Emergency Management Agency	927,353	573,733	191,628
Grant Revenues – Community Foundation	-	(10,000)	-
Grant Revenues – Federal Communications Commission	-	58,730	1,584,370
Total Operating Grant Revenues	<u>2,235,537</u>	<u>1,734,335</u>	<u>2,866,314</u>
Non-Capital Appropriations from Government of the Virgin Islands	4,431,902	4,401,902	4,681,846
Capital Grants from the Government of the U.S. Virgin Islands	-	75,000	110,000
Other Grant Revenue	<u>3,750</u>	<u>23,750</u>	<u>-</u>
Total Non-Operating Grant Revenues	4,435,652	4,500,652	4,791,846
Total Grant Revenues	6,671,189	6,234,987	7,658,160
Operating Revenues	<u>371,139</u>	<u>406,575</u>	<u>481,136</u>
Total Grant Revenues and Operating Revenues	<u><u>\$ 7,042,328</u></u>	<u><u>\$ 6,641,562</u></u>	<u><u>\$ 8,139,296</u></u>
Grants as a Percentage of Total Grant Revenues and Operating Revenues	<u>94.7%</u>	<u>93.9%</u>	<u>94.1%</u>

**Capital Assets**

The System's capital assets include land, buildings, building improvements and equipment. Capital asset additions during the fiscal years ended September 30, 2024 and 2023 amounted to \$757 thousand and \$286 thousand, respectively.

**Summary of Capital Assets** – Table 4 summarizes the System's capital assets as of September 30, 2024 and 2023:

*Table 4: Summary of Capital Assets*

	<b>2024</b>	<b>2023</b>
Land	\$ 1,284,996	\$ 1,284,996
Production and Broadcasting Equipment	10,408,781	10,403,726
Buildings and Improvements	3,486,369	3,486,369
Vehicles and Other	3,049,790	2,992,048
Construction in Progress	<u>987,393</u>	<u>350,379</u>
Total Capital Assets	19,217,329	18,517,518
Less: Accumulated Depreciation	<u>(10,137,343)</u>	<u>(9,587,236)</u>
Net Capital Assets	<u><u>\$ 9,079,986</u></u>	<u><u>\$ 8,930,282</u></u>

Note 5 to the financial statements provide detailed information regarding the capital assets of the System as of September 30, 2024 and 2023.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
YEARS ENDED SEPTEMBER 30, 2024 and 2023

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**Budgetary Analysis**

The System prepares an annual executive budget subject to approval by the Governor and the Legislature of the Virgin Islands. Following is a summary of the budget and actual results for the fiscal years ended September 30, 2024 and 2023:

	<b>FY 2023 Budget</b>	<b>FY 2023 Actual</b>	<b>Variance</b>
Total Revenue	\$ 6,273,141	\$ 6,414,750	\$ 141,609
Total Operating Expenses	(6,273,141)	(5,885,493)	387,648
Non-Budgeted Revenues	-	697,986	697,986
Non-Budgeted Expenses	-	(607,872)	(607,872)
Income (Loss)	<u>\$ -</u>	<u>\$ 619,371</u>	<u>\$ 619,371</u>

Total revenues increase was partly due to the CPB grant revenue increase of \$196 thousand, Non-budget revenues consist of Federal Emergency Management Agency (FEMA) unbudgeted revenues of \$698 thousand. The decrease in operating expenses of \$388 thousand is mainly due to a decrease in Personnel cost due to vacancies. Non-budgeted expenses consist of depreciation expense of \$608 thousand.

	<b>FY 2023 Budget</b>	<b>FY 2023 Actual</b>	<b>Variance</b>
Total Revenue	\$ 5,792,218	\$ 5,936,929	\$ 144,711
Total Operating Expenses	(5,792,218)	(6,207,719)	(415,501)
Non-Budgeted Revenues	-	737,463	737,463
Non-Budgeted Expenses	-	(932,754)	(932,754)
Income (Loss)	<u>\$ -</u>	<u>\$ (466,081)</u>	<u>\$ (466,081)</u>

CPB grant revenue increased by \$22 thousand, other revenues increased by \$121 thousand. Non-budgeted revenues consist, re-packing funds from Federal Communications Commission (FCC) of \$59 thousand, Federal Emergency Management Agency (FEMA) \$574 thousand, Government capital grant of \$75 thousand and the Jazz Foundation \$30 thousand. The increase in operating expenses of \$137 thousand is mainly due to an increase of \$118 thousand or PBS dues. Non-budgeted expenses consist of depreciation expense of \$665 thousand, United Jaz Foundation Expenses \$29 thousand, FEMA related expenses of \$154 thousand and other expenses \$85 thousand.

**Significant Currently Known Facts**

*Budgetary Appropriations*

The ability of the System to continue as a going concern and providing public television services is dependent on grant allotments and other funds received from the Government of the Virgin Islands and the Corporation for Public Broadcasting.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
YEARS ENDED SEPTEMBER 30, 2024 and 2023

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*Hurricanes Irma and Maria*

In September 2017, the US Virgin Islands was hit directly by hurricanes Irma and Maria. The category 5 storms caused extensive damages to VIPBS properties and operations. Their headquarters in St. Thomas was destroyed and St. Croix received less extensive damages. The Mountain Top facility also endured considerable damages. The System was informed of their preliminary allocation of insurance for Federal Emergency Management Agency (FEMA) purposes of \$792,461, and this amount will be deducted from FEMA proceeds.

As of the date of this report, VIPBS has 17 project worksheets with FEMA Public Assistance. There are 13 on St. Thomas and 4 on St. Croix. We have collected \$2,042,589 to-date for 8 project worksheets. We have received insurance proceeds of \$625,051 towards 4 project worksheets.

**Contacting the Corporation**

This financial report is designed to provide a general overview of the System's finances. If you have any questions about this report, or need additional information, contact the System at: Virgin Islands Public Broadcasting System – WTJX, P.O. Box 7879, Charlotte Amalie, St. Thomas, U.S. Virgin Islands 00801.

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

STATEMENTS OF NET POSITION  
SEPTEMBER 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 5,976,491	\$ 5,586,567
Cash and Cash Equivalents – Restricted	837,595	587,610
Accounts and Other Receivable	35,137	52,593
Grants Receivable	115,511	-
Lease Receivable – Short-Term	112,609	38,827
Due from the Government of the U.S. Virgin Islands	224,118	232,263
Prepaid Expenses	720,196	767,418
Total Current Assets	<u>8,021,657</u>	<u>7,265,278</u>
<b>Noncurrent Assets</b>		
Lease Receivable	269,749	38,223
Leased Assets, net of accumulated amortization	261,135	520,325
Capital Assets, net of accumulated depreciation	9,079,986	8,930,282
Total Non-Current Assets	<u>9,610,870</u>	<u>9,488,830</u>
<b>Total Assets</b>	<u>17,632,527</u>	<u>16,754,108</u>
<b>Deferred Outflows of Resources</b>		
Deferred Amounts Related to Pension	870,544	870,544
Total Assets and Deferred Outflows of Resources	<u>\$ 18,503,071</u>	<u>\$ 17,624,652</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 31,826	\$ 119,324
Accrued Liabilities	201,022	196,192
Unearned Revenue	308,180	13,640
Lease Liability – Short Term	295,733	256,885
Compensated Absences – Short-Term	132,033	124,713
Total Current Liabilities	<u>968,794</u>	<u>710,754</u>
<b>Noncurrent Liabilities</b>		
Compensated Absences	126,324	125,691
Lease Liability	-	295,733
Net Pension Liability	3,177,488	3,177,488
Total Non-Current Liabilities	<u>3,303,812</u>	<u>3,598,912</u>
<b>Total Liabilities</b>	<u>4,272,606</u>	<u>4,309,666</u>
<b>Deferred Inflows of Resources</b>		
Deferred Amounts Related to Pension	588,270	588,270
Deferred Amounts Related to Leases	366,975	70,867
Total Deferred Inflows of Resources	<u>955,245</u>	<u>659,137</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 5,227,851</u>	<u>\$ 4,968,803</u>
<b>NET POSITION</b>		
<b>Net Position</b>		
Net Investment in Capital Assets	\$ 9,079,986	\$ 8,930,282
Restricted	837,595	587,610
Unrestricted	3,357,639	3,137,957
<b>Total Net Position</b>	<u>\$ 13,275,220</u>	<u>\$ 12,655,849</u>

*The accompanying notes are an integral part of these financial statements.*

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Operating Revenues</b>		
Grants from Corporation for Public Broadcasting	\$ 1,308,184	\$ 1,111,872
Funds from Federal Emergency Management Agency	927,353	573,733
Grant Revenues from Federal Communications Commission	-	58,730
Lease Revenue – Tower Space	74,482	61,153
Underwriting	113,800	124,311
Fundraising	79,004	23,192
Advertising	4,540	4,649
Membership Subscriptions and Other Donations	29,938	46,378
Other Operating Revenue	69,375	146,892
Total Operating Revenues	<u>2,606,676</u>	<u>2,150,910</u>
<b>Operating Expenses</b>		
Program Services	4,190,049	4,217,433
Management and General	1,656,910	2,247,355
Fundraising	38,533	10,495
Depreciation	607,872	665,189
Total Operating Expenses	<u>6,493,364</u>	<u>7,140,472</u>
Loss from Operations	<u>(3,886,688)</u>	<u>(4,989,562)</u>
<b>Non-Operating Revenues and Expense</b>		
Non-Capital Appropriations from Government of the U.S. Virgin Islands	4,431,902	4,401,902
Capital Grant from the Government of the U.S. Virgin Islands	-	75,000
Other Non-Operating Revenue	4,155	31,213
Insurance Proceeds, including Hurricane Related Claims	49,832	11,511
Interest Income	20,170	3,855
Total Non-Operating Revenues and Expense	<u>4,506,059</u>	<u>4,523,481</u>
<b>Change in Net Position</b>	619,371	(466,081)
Net Position, at Beginning of Year	12,655,849	13,121,930
Net Position, at End of Year	<u>\$ 13,275,220</u>	<u>\$ 12,655,849</u>

*The accompanying notes are an integral part of these financial statements.*

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash Flows Used in Operating Activities</b>		
Receipts from Grants, Customers and Others	\$ 2,211,458	\$ 2,339,588
Payments to Suppliers and Employees	(5,578,621)	(6,033,385)
Net Cash Used in Operating Activities	(3,367,163)	(3,693,797)
<b>Cash Flows Provided by Non-Capital Financing Activities</b>		
Non-Capital Appropriations from Primary Government	4,431,302	4,400,702
Insurance Recoveries on Non-hurricane related Claims	49,832	11,511
Other Proceeds	4,155	31,213
Net Cash Used in Non-Capital Financing Activities	4,485,289	4,443,426
<b>Cash Flows Provided by Investing Activities</b>		
Interest Received on Cash and Cash Equivalents	20,170	3,855
<b>Cash Flows Used in Capital and Related Financing Activities</b>		
Purchase of Capital Assets	(757,576)	(286,061)
Leased Asset	259,189	(448,319)
Capital Grants from the Government of the U.S. Virgin Islands	-	75,000
Net Cash Provided by Capital and related Financing Activities	(498,387)	(659,380)
<b>Net Increase in Cash and Cash Equivalents</b>	639,909	94,104
<b>Cash and Cash Equivalents, at Beginning of Year</b>	6,174,177	6,080,073
<b>Cash and Cash Equivalents, at End of Year</b>	\$ 6,814,086	\$ 6,174,177
<b>Cash and Cash Equivalents</b>		
Unrestricted Cash and Cash Equivalents	\$ 5,976,491	\$ 5,586,567
Restricted Cash and Cash Equivalents	837,595	587,610
Total Cash and Cash Equivalents	\$ 6,814,086	\$ 6,174,177
<b>Reconciliation to Net Cash Used in Operating Activities</b>		
Loss from Operations	\$ (3,886,688)	\$ (4,989,562)
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</i>		
Depreciation	607,872	665,189
Bad Debt Expense	600	1,200
<i>Change in Assets and Liabilities:</i>		
Accounts and Other Receivable	17,456	56,881
Lease Receivable	(305,308)	59,267
Grants Receivable	(115,511)	-
Due from the Government of the U.S. Virgin Islands	8,145	72,528
Prepaid Expenses	47,222	(172,902)
Accounts Payable	(87,498)	(24,740)
Accrued Liabilities	6,481	39,505
Unearned Revenue	294,540	(64,360)
Lease Liability	(256,885)	478,576
Compensated Absences	7,953	23,800
Accrued Interest Payable	(1,650)	-
Deferred Outflows of Resources - Pension	-	313,394
Deferred Inflows of Resources - Pension	-	195,223
Deferred Inflows of Resources - Leases	296,108	(59,518)
Net Pension Liability	-	(288,278)
Total Adjustments	519,525	1,295,765
Net Cash Used in Operating Activities	\$ (3,367,163)	\$ (3,693,797)



**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

STATEMENTS OF CASH FLOWS *(Continued)*  
FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Non-Cash Transactions Disclosures</b>		
Supplementary Disclosures of Cash Flows Information		
Salaries Paid by the Government of Virgin Islands in the Form of a Grant	<u>\$ 3,088,563</u>	<u>\$ 3,148,283</u>

*The accompanying notes are an integral part of these financial statements.*

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 and 2023

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**NOTE 1      REPORTING ENTITY**

The Virgin Islands Public Broadcasting System (the “System”) was created by Act No. 2364 on November 15, 1968, to provide educational television services in the United States Virgin Islands, and to advance the general welfare, cultural development, and awareness of public affairs of the general population. In December 2014, the System expanded operations to include a public education radio station, WTJX-FM. The radio promotes educational, general welfare and cultural programming including National Public Radio programming. On July 30, 2015, but effective November 2015, the Legislature of the Virgin Islands through Act 7748 officially changed the name of the Virgin Islands Public Television System to the Virgin Islands Public Broadcasting System.

The System was formed as a public corporation and is a semi-autonomous component unit of the Government of the U.S. Virgin Islands (the “GVI”) and, therefore, the financial statements of the System are not intended to present fairly the financial position and results of operations of the GVI. Only the accounts of the System are included in the reporting entity.

The System’s Board of Directors consists of the Commissioner of the Department of Education, the Chair of the Board of Education, the President of the University of the Virgin Islands, the Director of the Office of Management and Budget, three members appointed by the President of the Legislature, four other members appointed by the Governor. The call letters of the System are WTJX, and it is a member of the Public Broadcasting Service (“PBS”), a media foundation that provides programs and services to public and non-commercial television stations. Also, it is a member of the National Public Radio (“NPR”).

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The System prepares its financial statements in conformity with accounting principles generally accepted in the United States of America for governmental enterprise funds as prescribed by the Government Accounting Standards Board (“GASB”).

The financial statements of the System have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

**Basic Financial Statements** – Standards for external financial reporting require that resources be classified for accounting and reporting purposes into net position, categories and to report the change in net position. Net position is the residual of all other elements presented in the statements of net position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources and consists of the following categories:

- ***Net Investment in Capital Assets*** – This category of net position consists of capital assets, net accumulated depreciation, reduced by any outstanding balances of mortgages or notes attributable to the acquisition, construction or improvement of those assets.
- ***Restricted Net Position*** – This category consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

- **Unrestricted Net Position** – This category consists of the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets, or the restricted component of net position.

The System distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from services provided in connection with the System's community and education-based television system. The principal revenues of the System are grants, including grants from the Government of the U.S. Virgin Islands and grants from the Corporation for Public Broadcasting ("CPB"), underwriting, fundraising, tower space lease revenue and advertising. Operating expenses mainly include programming services, management and general expenses, and depreciation.

When both restricted and unrestricted resources are available for use, the System decides to use resources on a case by case basis.

**Cash and Cash Equivalents** – All deposits of the System are made in board-designated official depositories. The System may designate, as an official depository, any bank or savings association whose principal office is located in the United States Virgin Islands. Also, the System may establish time deposit accounts such as certificates of deposits.

The System's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The System receives cash allotments from the CPB in two installments during the year which are held in a separate bank account and are reported as restricted cash and cash equivalents.

Under Virgin Islands law, government public funds are required to be deposited into accounts that are collateralized by security bond collateral that is satisfactory to the Commissioner of Finance. As of September 30, 2024, cash and cash equivalents held at banks were fully collateralized.

**Accounts and Other Receivable** – All accounts and grant receivables are reported as assets of the System. These accounts receivable mainly consist of underwriting, grants and tower space lease revenue.

**Allowance for Doubtful Accounts** – The allowance for doubtful accounts is an amount that management believes will be adequate to absorb possible losses on existing accounts receivable that may become uncollectible based on evaluations of collectability of accounts receivable and prior credit loss experience. Because of uncertainties inherent in the estimation process, management's estimate of credit losses inherent in the existing accounts receivable and related allowance may change in the future. Balance of the allowance for doubtful accounts at September 30, 2024 and 2023 amounted to \$-0-.

**Prepaid Expenses** – Certain cash outlays to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the statement of net position and are expensed as the items are used or the expense is realized. These prepaid expenses mainly consist of unamortized PBS dues, memberships and insurance.

**Leases** – The System implemented GASB Statement No. 87, Leases in fiscal year 2022. This Statement defines a lease as a legally binding contract that conveys control of the right-to-use another entity's nonfinancial asset (underlying asset) as specified in the contract for a period of time. This contractual arrangement requires the lessee (the party who is renting or leasing the asset) to pay the lessor (the party who owns or controls the asset) for use of the asset over a specified period of time. The System engages in contractual arrangements both as a lessee and lessor.

*Lessee*

As a lessee, the System recognizes a lease liability and an intangible right-to-use asset. The lease liability is measured at the present value of future payments expected to be paid during the lease term. Lease liabilities are subsequently reduced by the principal portion of lease payments made. The leased asset is measured as the initial lease liability. The right-to-use leased asset is amortized over the shorter of the lease term or the useful life of the underlying asset. The System utilizes the interest rate that is implicitly defined within the lease agreement as the discount rate. If one is not readily determinable, the System utilizes the incremental borrowing rate as an alternative. The System monitors changes in circumstances that would require remeasurement of its lease liability and will remeasure the lease liability and the right-to-use asset if certain changes occur that are expected to significantly affect the amount of the lease liability.

*Lessor*

As a lessor, the System recognizes a lease receivable and deferred inflows of resources. The lease receivable is measured at lease commencement, based on the present value of future lease payments expected to be collected during the lease term. Lease receivables are subsequently reduced by the principal portion of lease payments received. The deferred inflows of resources are measured at the initial amount of the lease receivable. Deferred inflows of resources are recognized as revenue over the life of the lease term. The System utilizes the interest rate that is implicitly defined within the lease agreement as the discount rate. If one is not readily determinable, the System utilizes the incremental borrowing rate as an alternative. The System monitors changes in circumstances that would require remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Capital Assets** – Capital assets, which include property, plant, and equipment assets, are reported in the financial statements at the time of acquisition or donation. Acquired capital assets are reported at cost at the date of purchase or construction, and donated assets are reported at acquisition value at the date of donation. Only assets with an initial, individual cost, or fair market value, of more than \$5,000 are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets, or materially extend the life of assets are not capitalized. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method by groups or classes over the following expected service lives:

	<u>Years</u>
Buildings	40-60
Buildings and Improvements	15-30
Production & Broadcast Equipment	3-15
Other Assets	7

When capital assets are retired, the cost and related accumulated depreciation is removed from the accounts and any gain or loss is recognized as non-operating revenue or expense.

Right-to-use assets resulting from leases are measured as the lease liability calculated as the present value of lease payments over the life of the lease.

**Compensated Absences** – Employees are eligible under personnel policies established by the Government of the Virgin Islands to accrue annual leave (up to 480 hours) if not used during the Calendar year. Unpaid annual leave is accrued as a liability of the System, as well as the System's share of related payroll taxes, if the compensated absence is attributable to past service and it is probable that the System will compensate the employee for the benefits. The number of compensated absences is computed using salary rates in effect at September 30th. As of September 30, 2024 and 2023, the System reported accrued compensated absences amounting to \$258,357 and \$250,404, respectively.

**Pension Plan** – The Employees’ Retirement System of the government (the “GERS”) is the administrator of a cost-sharing multiple-employer, defined benefit pension plan (the “plan”) established as of October 1, 1959 by the Government to provide retirement, death, and disability benefits to its employees, and includes employees of Judicial, Executive and Legislative Branches of government and outside agencies. The plan covers all employees of the Government except employees compensated on a contract fee basis, casual, per diem or provisional and part-time employees who work less than 20 hours per week. Persons over the age of 55 may opt out of the plan by providing formal notification to the plan. Vesting of benefits occurs after 10 years of service. Benefits may be extended to beneficiaries of plan members.

**Deferred Outflows of Resources** – In addition to assets, the statement of net position reports a separate section of deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that time. The deferred amounts related to pension consists of the unamortized portion of the net difference between projected and actual earnings on pension plan investments, changes in assumptions and other differences between expected and actual experience.

**Deferred Inflows of Resources** – In addition to liabilities and net position, the statement of net position reports a separate section of deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The deferred amounts related to pension consists of the unamortized portion of the net difference between projected and actual earnings on pension plan investments, changes in assumptions and other differences between expected and actual experience.

**Revenue Recognition** – The System distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the System’s principal ongoing operations, mainly the production of educational and cultural programs. Revenues associated with the Contributions from Corporation for Public Broadcasting are recorded as operating revenues when cash is received. The System also recognizes grants received as operating revenue. Expenses related to the program services, and management and general expenses are recorded as operating expenses.

Non-operating revenues consist principally of non-capital appropriations from government of the U.S. Virgin Islands. These funds are given to the System for its operations. The allotment amount is approved by the government which is split into monthly allotment set by OMB. A memo is sent monthly informing the System that the funds are available.

The accompanying statement of activities for the year ended September 30, 2024 is presented in accordance with Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (ASC 606). The Organization measures revenue from contracts with customers based on the consideration specified in a contract with a customer and recognizes revenue as a result of satisfying its promise to transfer goods or services in a contract with a customer using the following general revenue recognition five-step model: (1) identify the contract; (2) identify performance obligations; (3) determine transaction price; (4) allocate transaction price; and (5) recognize revenue.

**Use of Estimates in the Preparation of Financial Statements** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, deferred inflows, liabilities, deferred outflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**New Accounting Pronouncements – Accounting Pronouncements Issued but Not Yet Adopted**

**GASB Statement No. 101 – *Compensated Absences*** – This Statement establishes standards of accounting and financial reporting for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). This Statement defines a compensated absence as leave for which employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payment for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. The Statement further defines salary-related payments as obligations that a government incurs related to providing leave in exchange for services rendered and requires note disclosures regarding long-term liabilities for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The System is evaluating the impact of this statement.

### NOTE 3 CASH AND CASH EQUIVALENTS

The System maintains unrestricted cash and cash equivalents including: (i) Allotments from the Government of the Virgin Islands, (ii) Special Productions including underwriting, donations, and other fundraising activities, (iii) Emergency Maintenance funded from lease revenue of an up-link television broadcasting tower located in St. Thomas, (iv) Certificate of Deposit held as a reserve and (v) a petty cash account. Restricted cash consist of CPB funding. These funds will be used for the operation of the System, in compliance with the purposes and restrictions set forth in the CPB General Provisions and Eligibility criteria guidelines.

As of September 30, 2024 and 2023, cash and cash equivalents consisted of the following deposits in banks and certificate of deposit:

	<u>2024</u>	<u>2023</u>
Restricted:		
Corporation for Public Broadcasting	<u>\$ 837,595</u>	<u>\$ 587,610</u>
Unrestricted:		
Government of the U.S. Virgin Islands	3,615,724	3,317,956
Special Productions	819,063	740,851
Emergency Maintenance	785,087	710,940
FEMA Funds Account	422,477	482,513
Petty Cash	1,200	1,700
Certificate of Deposit	<u>332,940</u>	<u>332,607</u>
Unrestricted Cash and Cash Equivalents	<u>5,976,491</u>	<u>5,586,567</u>
Total Cash and Cash Equivalents	<u>\$ 6,814,086</u>	<u>\$ 6,174,177</u>

- **Concentration of Credit Risk** – The System utilizes one financial institution located in the United States Virgin Islands.
- **Credit Risk** – Depository balances are fully collateralized with collateral satisfactory to the USVI Commissioner of Finance.

### NOTE 4 ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables at September 30, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
Underwriting	\$ 29,487	\$ 33,975
Fundraising	650	5,000
Advertisement	-	1,450
Other	5,000	5,050
Auction	-	7,118
	<u>\$ 35,137</u>	<u>\$ 52,593</u>

As of September 30, 2024 and 2023, the System had an outstanding receivable due from the Government, amounting to \$224,118 and \$232,263, respectively, to cover accrued payroll expenses.

## NOTE 5 CAPITAL ASSETS

Capital assets at September 30, 2024 and 2023 are comprised of the following:

	Balance at September 30, 2023	Additions	Disposals	Balance at September 30, 2024
Non-depreciable assets:				
Land	\$ 1,284,996	\$ -	\$ -	\$ 1,284,996
Construction in Progress	350,378	637,015	-	987,393
Non-depreciable assets:	1,635,374	637,015	-	2,272,389
Depreciable assets:				
Production and broadcasting equipment	10,403,727	5,054	-	10,408,781
Buildings and improvements	3,486,369	-	-	3,486,369
Other	2,992,048	115,507	(57,765)	3,049,790
Total depreciable assets	16,882,144	120,561	(57,765)	16,944,940
Less: accumulated depreciation	(9,587,236)	(607,872)	57,765	(10,137,343)
Total depreciable assets, net	7,294,908	(487,311)	-	6,807,597
Total capital assets, net	\$ 8,930,282	\$ 149,704	\$ -	\$ 9,079,986

  

	Balance at September 30, 2022	Additions	Disposals	Balance at September 30, 2023
Non-depreciable assets:				
Land	\$ 1,284,996	\$ -	\$ -	\$ 1,284,996
Construction in Progress	186,772	163,606	-	350,378
Non-depreciable assets:	1,471,768	163,606	-	1,635,374
Depreciable assets:				
Production and broadcasting equipment	10,432,348	5,275	(33,896)	10,403,727
Buildings and improvements	3,465,725	20,644	-	3,486,369
Other	2,895,512	96,536	-	2,992,048
Total depreciable assets	16,793,585	122,455	(33,896)	16,882,144
Less: accumulated depreciation	(8,955,943)	(665,189)	33,896	(9,587,236)
Total depreciable assets, net	7,837,642	(542,734)	-	7,294,908
Total capital assets, net	\$ 9,309,410	\$ (379,128)	\$ -	\$ 8,930,282

Depreciation expense for the years ended September 30, 2024 and 2023 amount to \$607,872 and \$665,189, respectively.

## NOTE 6 PROGRAMMING DUES

The System is a member station of the Public Broadcasting Services of the U.S. ("PBS"). PBS offers programming designed to expand the minds of children, documentaries, noncommercial news programs, and programs designed to expose listeners to music, theatre, dance and art.

Dues for the member year of July 1, 2024 through June 30, 2025 amounted to \$758,354 was paid as of September 30, 2024. Unamortized portion amounting to \$568,766 in FY 2024 is included as part of prepaid expenses in the accompanying statement of net position.

Dues for the member year of July 1, 2023 through June 30, 2024 amounted to \$781,300 was paid as of September 30, 2023. Unamortized portion amounting to \$585,975 in FY 2023 is included as part of prepaid expenses in the accompanying statement of net position.



**NOTE 7            NON-CAPITAL APPROPRIATIONS AND GRANTS REVENUE**

The System receives two main sources of revenues: (i) noncapital appropriations from the Government of the U.S. Virgin Islands to pay salaries and related expenses and operating expenditures, and (ii) grants from the Corporation for Public Broadcasting (“CPB”) to provide funding for the System’s member dues to the Public Broadcasting Service, salaries and related benefits and operating expenses.

For the fiscal years ended September 30, 2024 and 2023, the System received the following grant revenue from these organizations:

	<b>2024</b>	<b>2023</b>
Government of the Virgin Islands	\$ 4,431,902	\$ 4,401,902
Corporation for Public Broadcasting	1,308,184	1,111,872
Capital Grant from the Government of the U.S. Virgin Islands	-	75,000
United Jazz Foundation Project Grant	-	30,000
Re-Packing Fund-FCC	-	58,730
FEMA Grants	927,353	573,733
American Documentary Grant	3,750	3,750
	<u>\$ 6,671,189</u>	<u>\$ 6,254,987</u>

During the years ended September 30, 2024 and 2023, the GVI supported \$3,088,563 and \$3,148,283 in salary and related costs through its appropriations to the System.

**NOTE 8            LEASES*****Lease Receivables***

The System entered into contractual arrangements as a lessor for certain tower facilities. The leases require monthly payments for a term of 5 years. The System recognized \$74,482 and \$20,170 in lease revenue and interest income, respectively, during the fiscal year ended September 30, 2024. As of September 2024, lease receivables totaled \$382,358 and deferred inflows of resources totaled \$366,975.

***Lease Liability***

The System entered into contractual arrangements as a lessee for office building space and equipment. As of September 30, 2024, the statement of net position includes the following amounts related to leases:

Leased Assets:	
Building and Equipment	\$ 802,867
Less Accumulated Amortization	541,732
Leased Assets, Net of Amortization	<u>\$ 261,135</u>
Lease Liability:	
Current	\$ 295,733
Non-Current	-
	<u>\$ 295,733</u>

**NOTE 8 – LEASES****(Continued)**

The future principal and interest lease payments as of September 30, 2024 are as follows:

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
9/30/2025	\$ 295,733	\$ 13,376	\$ 309,109
Total	\$ 295,733	\$ 13,376	\$ 309,109

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

The System derives most of its operating revenue from appropriations provided by the local Government and the Corporation for Public Broadcasting. The continuing operation of the System is dependent on a continuation of grants for sustainable operations.

The Government of the Virgin Islands Department of Property and Procurement provides casualty insurance on System assets under a blanket insurance policy covering both the Primary Government and certain autonomous agencies.

The System received significant financial assistance from the Federal Government, including disaster relief funds. The receipt of grant funds is generally dependent upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Amounts expended and claimed for reimbursement are subject to reviews and audits. Disallowance by federal officials as a result of these audits may become a liability of the System. The amount of expenditures that may be disallowed by the grantor agencies cannot be determined at this time.

**NOTE 10 PENSION PLAN**

The System follows the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This Statement establishes financial reporting standards for state and local governments for pensions.

***Plan Description***

The System's employees are members of the Employees' Retirement System of the Government of the U.S. Virgin Islands ("GERS"), cost sharing multiple employer defined benefit, public employee retirement system as defined by GASB 68. The system was established by the Government to provide retirement, death and disability benefits to its employees. All of the System's full-time regular employees are mandated to participate in the retirement plan administered by GERS.

The System's part-time employees who regularly work more than 50% of the normal work period, and full-time regular employees who at the time of employment are under age 55 years with one year of government service are eligible to participate in the system. Effective January 1, 2017, the System's required contribution was 23.5% of the member's annual salary. Prior to that date, the percentage was 17.5%. Effective January 1, 2017, member contributions were 11% and 11.5% for Tier I and Tier II employees.

**NOTE 10 – PENSION PLAN****(Continued)**

Plan descriptions, funding policies, and a schedule of employee required and paid contributions for the defined benefit plans are presented in the Virgin Islands Comprehensive Annual Financial Report (Report) for the fiscal year ended September 30, 2024. The Report also provides detailed historical trend information showing the progress in accumulating sufficient assets to pay benefits when due. In addition, GERS issues a publicly available report that includes financial statements and required supplementary information. The report may be obtained from the Employees' Retirement System of the Government of the Virgin Islands, GERS Complex, 3438 Kronpindsens Gade, St. Thomas, VI 00802.

**NOTE 11      NET PENSION LIABILITY****Net Pension Liability**

Effective July 1, 2014, the System implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Following is a description of the pension plan and accounting for pension expense, liabilities, and deferred outflows/inflows of resources.

**Plan Description and Benefits**

Full time employees of the System are members of the Government Employees' Retirement System of the Virgin Islands (GERS), a cost sharing multiple-employer, defined benefit pension plan (the plan) established as of October 1, 1959 in accordance with Title 3, Chapter 27 of the Virgin Islands Code to provide retirement, death, and disability benefits. Benefits may be extended to beneficiaries of plan members. The plan covers all employees of the Government, including the System, except employees compensated on a contract fee basis, casual, per diem or provisional and part time employees who work less than 20 hours per week. Persons over the age of 55 may opt out of the plan by providing formal notification to the plan. Vesting of benefits occurs after 10 years of service. Benefits may be extended to beneficiaries of plan members.

There are two tiers within the plan:

**Tier I:**      Employees hired prior to September 30, 2005

**Tier II:**      Employees hired on or after October 1, 2005

The System provides for retirement, death, and disability benefits to plan members. Benefits may be extended to beneficiaries of plan members. Regular Tier I employees who have completed 30 years of credited service or have attained age 60 with at least 10 years of credited service are eligible for a full-service retirement annuity. Regular Tier II employees who have attained age 65 with at least ten years of service are eligible for a full-service retirement annuity. Members who are considered "safety employees" as defined in the Code are eligible for full retirement benefits when they have earned at least 20 years of government service or have reached the age of 55 with at least 10 years of credited service. Tier I regular and safety employees who have attained age 50 with at least 10 years of credited service may elect to retire early with a reduced benefit. Tier II regular and safety employees who have attained age 60 with at least 10 years of credited service may elect to retire early with a reduced benefit. Senators and members of the Legislature may receive a retirement annuity when they have attained age 50 and upon the completion of 6 years of credited service as a member of the legislature.

**NOTE 11 – PENSION LIABILITY****(Continued)**

The semi-monthly annuity benefit payments are determined by applying a stipulated benefit ratio to the member's average compensation. Average compensation for Tier I members is determined by averaging the five highest years of credited service within the last ten years of service, subject to the maximum salary limitations in effect during such service. Average compensation for Tier II members is determined by averaging the most recent five years of credited service within the last ten years of service, subject to the maximum salary limitations in effect during the service. The maximum annual salary that can be used in this computation is \$65,000, except for senators and judges, whose annual salary is used. The Board may set cost-of-living increases for annuitants and pensioners and determine when the annuity should be paid on the basis of the most recent actuarial valuation and the Consumer Price Index. The annual increase in the case of a disability annuity shall be 1 percent per year prior to the member's attainment of age 60 and 1.5 percent per year thereafter. The Board of Trustees may not increase rates by more than 3.0% over a five-year period. The employer's contributions together with the employee's contributions and the income of the System should be sufficient to provide an adequate actuarially determined reserve for the benefits prescribed by the Code.

**Funding and Contribution Policy**

Contributions to GERS are established by the Board of Trustees of GERS. Contribution rates to the retirement plan for regular employees vary based on classification as Tier I or Tier II. The GVI's employer contribution for Tier I and Tier II employees is 23.5% of the member's annual salary, effective on January 1, 2020. Employee contribution rates are as follows:

	<b>Tier I</b>	<b>Tier II</b>
Regular Employees	11%	11.5%
Public Safety Employees	13%	13.625%
Legislature	12%	14%
Judges	15%	15%

Both the Plan and the System have a September fiscal year end. GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. The GERS Board adopted to use a measurement date that is not more than a year prior to any of the employers' reporting dates as allowed under GASB 68. As of July 1, 2021, all compensation of the System's employees is paid by the Primary Government. Consequently, there is no allocation of pension liabilities, related pension expense, and deferred outflows/inflows for the year ended September 30, 2024. The System's outstanding liability will be adjusted as the overall pension liability changes and incremental changes will be reported by the Primary Government.

## **NOTE 12      OTHER POSTEMPLOYMENT BENEFIT LIABILITY**

The Governmental Accounting Standards Board issued GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The Statement is effective for fiscal years beginning after June 15, 2017. The Government of the Virgin Islands adopted and implemented GASB 75 for the year-end September 30, 2018. The objective of the Statement is to improve Accounting and Financial Reporting for state and local governments (including component units) for Postemployment Benefits Other than Pensions (OPEB). The System is a component unit of the U.S. Virgin Islands Primary Government. For purposes of GASB 75, the plan is classified as a nontrusted multiple employer plan. In this Special Funding Situation, the Primary Government covers the plan expenses as they occur. The plan is considered a “pay as you go” plan.

The Primary Government is the only entity responsible for the payment of OPEB for retirees of the System. As of July 1, 2021, all compensation of the System’s employees is paid by the Primary Government. Management has communicated that because the Primary Government is responsible for all employment cost of the System’s employees, no adjustments to its financial statements are recorded.

## **NOTE 13      SUBSEQUENT EVENTS**

The Authority’s management has evaluated subsequent events through April 11, 2025, the date the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that exist at the balance sheet date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events that did not exist at the balance sheet date, but disclosures of such events, if any, are included in the accompanying notes.

## REQUIRED SUPPLEMENTARY INFORMATION

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**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

**SCHEDULE OF THE SYSTEM'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
LAST 10 FISCAL YEARS**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
System's proportion of the net pension liability	0.0600%	0.0600%	0.0500%	0.0534%	0.0568%	0.0522%	0.0571%
System's proportionate share of the net pension liability	\$3,177,488	\$3,465,766	\$2,657,324	\$2,227,340	\$2,487,214	\$2,552,151	\$2,322,908
System's covered-employee payroll	247,054	239,632	202,388	317,367	223,583	203,205	203,050
System's proportion share of the net pension liability as a percentage of its covered-employee payroll	1286%	1446%	1313%	701.82%	1,112.43%	1,256.00%	1,144.00%
Plan fiduciary net position as percentage of the total pension liability	8.23%	9.16%	11.32%	13.72%	16.18%	16.54%	19.58%

*\*The schedule is intended to show a 10-year trend. Additional years will be reported as they become available. The amounts presented for each fiscal year are as of the measurement date (September 30 of the previous fiscal year). The data presented is as of the last period of pension liability allocation for the System – September 30, 2021. As of July 1, 2021, compensation for all the System's employees is paid by the Primary Government. Consequently, there is no net pension liability allocation for the System as of September 30, 2023.*

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

**SCHEDULE OF THE SYSTEM'S CONTRIBUTIONS  
LAST 10 FISCAL YEARS**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarially required contributions	\$224,249	\$219,482	\$138,762	\$142,975	\$142,276	\$136,431	\$114,251	\$95,427
Contributions in relation to the actuarially required contributions	56,021	53,570	47,495	43,543	42,715	40,208	41,276	34,354
Contribution deficiency/(excess)	168,228	165,912	91,267	99,432	99,561	96,223	72,975	61,073
Covered-employee payroll	247,054	239,632	202,388	214,172	223,583	203,205	203,050	186,176
Contributions as a percentage of covered-employee payroll	22.68%	22.36%	23.47%	20.33%	19.11%	19.79%	20.33%	18.45%

*\*The schedule is intended to show a 10-year trend. Additional years will be reported as they become available. The amounts presented for each fiscal year are as of the measurement date (September 30 of the previous fiscal year). The data presented is as of the last period of pension liability allocation for the System – September 30, 2021. As of July 1, 2021, compensation for all the System's employees is paid by the Primary Government. Consequently, there is no net pension liability allocation for the System as of September 30, 2023.*



## SUPPLEMENTARY INFORMATION

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**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

STATEMENTS OF REVENUES AND EXPENSES PER DIVISION  
FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023

	WTJX-TV	WTJX-FM	TOTAL	
			2024	2023
<b>Operating Revenues</b>				
Grants and Funds	\$ 2,235,537	\$ -	\$ 2,235,537	\$ 1,744,335
Lease Revenue	74,482	-	74,482	61,153
Underwriting	52,709	61,091	113,800	124,311
Fundraising	78,361	643	79,004	23,192
Advertising	4,540	-	4,540	4,649
Membership Subscriptions and Other				
Donations	25,404	4,534	29,938	46,378
Other Operating Revenue	69,375	-	69,375	146,892
Total Operating Revenues	2,540,409	66,268	2,606,676	2,150,910
<b>Non-Operating Revenues</b>				
Contribution from the Government of the				
U.S. Virgin Islands	4,207,743	224,159	4,431,902	4,401,902
Capital Grant from the Government of the				
U.S. Virgin Islands	-	-	-	75,000
Interest Income	20,170	-	20,170	3,855
Insurance Proceeds	49,832	-	49,832	11,511
Other non-operating revenue	4,155	-	4,155	31,213
Total Non-Operating Revenues	4,281,900	224,159	4,506,059	4,523,481
Total Revenues	\$ 6,822,308	\$ 290,427	\$ 7,112,735	\$ 6,674,391
<b>Operating Expenses</b>				
Program Services				
Salaries	\$ 2,034,877	\$ 118,922	\$ 2,153,799	\$ 2,177,720
Program Acquisition	746,372	16,505	762,877	681,897
Annual Leave Accrual	7,950	-	7,950	23,801
Employee Benefits	734,960	34,717	769,677	804,788
Equipment Rental and Maintenance	17,537	-	17,537	17,055
Utilities	-	3,962	3,962	17,049
Travel	52,973	149	53,122	47,385
Supplies and Other	29,150	-	29,150	34,166
Production	50,416	48,100	98,516	100,421
Lease Amortization Expense	259,189	-	259,189	259,189
Lease Interest Expense	34,270	-	34,270	53,962
Total Program Services	3,967,694	222,355	4,190,049	4,217,433
Management and General				
Salaries	30,477	-	30,477	19,511
Employee Benefits	3,111	-	3,111	308,679
Depreciation	607,872	-	607,872	665,189
Payroll Taxes and Contributions	156,877	9,171	166,048	166,610
Utilities	352,846	-	352,846	313,835
Professional Fees	286,097	-	286,097	289,210
Production	49,672	-	49,672	62,702
Printing and Publication	14,120	9	14,129	17,488
Repairs and Maintenance	118,487	608	119,095	122,594
Insurance	129,757	-	129,757	131,732
Subscriptions and Memberships	11,472	-	11,472	11,246
Professional Development/Training	20,489	-	20,489	48,563
Supplies and Other	176,713	3,023	179,736	226,653
Bad Debt Expense	600	-	600	1,200

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

STATEMENTS OF REVENUES AND EXPENSES PER DIVISION *(Continued)*  
FOR THE YEARS ENDED SEPTEMBER 30, 2024 and 2023

			<b>TOTAL</b>	
	<b>WTJX-TV</b>	<b>WTJX-FM</b>	<b>2024</b>	<b>2023</b>
Program Acquisition	-	11,880	11,880	14,980
Automobile	43,961	-	43,961	44,164
Equipment Rental and Maintenance	21,041	549	21,590	3,213
Small Equipment	33,633	3,127	36,760	241,032
Postage and Freight	15,829	1,349	17,178	28,227
Advertising	45,540	2,070	47,610	11,263
Computer Supplies	81,032	9,858	90,890	100,735
United Jazz Foundation Project Expenses	-	-	-	29,000
Security	12,054	-	12,054	28,204
FEMA	11,458	-	11,458	26,514
Total Management and General	2,223,138	41,644	2,264,782	2,912,544
Fundraising	38,533	-	38,533	10,495
Total Operating Expenses	<u>\$ 6,229,365</u>	<u>\$ 263,999</u>	<u>\$ 6,493,364</u>	<u>\$ 7,140,472</u>

## REPORTS REQUIRED BY THE UNIFORM GUIDANCE

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Board of Directors  
Virgin Islands Public Broadcasting System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Virgin Islands Public Broadcasting System (the "System"), a component unit of the Government of the U.S. Virgin Islands, as of and for the year ended September 30, 2024, and the related notes to the financial statements which collectively comprise the System's basic financial statements and have issued our report thereon dated April 11, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Bert Smith & Co.***

Washington, D.C.

April 11, 2025



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**INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Directors  
Virgin Islands Public Broadcasting System

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Virgin Islands Public Broadcasting System (the "System") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Virgin Islands Public Broadcasting System's major federal programs for the year ended September 30, 2024. The System's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Virgin Islands Public Broadcasting System complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Virgin Islands Public Broadcasting System and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the System's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the System's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the System's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the System's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the System's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the System's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Bert Smith & Co.*

Washington, D.C.

April 11, 2025

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<b>Federal Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying No.</b>	<b>Total Federal Expenditures</b>
<i>U.S. Department of Homeland Security</i>			
Disaster Grants Public Assistance (Presidentially Declared Disaster)	97.036		\$ 927,353
Hazard Mitigation Grant	93.138		<u>240</u>
<i>Total U.S. Department of Homeland Security</i>			<u>927,593</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 927,593</u></u>

*The accompanying notes are an integral part of this Schedule.*

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the Virgin Islands Public Broadcasting System (the “System”) under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the System, it is not intended to and does not present the financial position, changes in net assets or cash flows of the System.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COSTS**

The System has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance for one grant.

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2024

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditors’ report issued:	Unmodified
Internal Control Over Financial Reporting:	
■ Material weakness(es) identified?	No
■ Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal Controls Over Major Federal Programs:	
■ Material weakness(es) identified?	No
■ Significant deficiency(ies) identified?	No
Type of auditor’s report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to reported in accordance with Section 2 CFR 200.516 (a)	No

**Identification of Major Federal Programs**

**Assistance**

**Listing Number      Name of Federal Program**

97.036                      Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as a low risk auditee?	No

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 2024**

**Section II – Financial Statement Findings**

None Noted

**VIRGIN ISLANDS PUBLIC BROADCASTING SYSTEM**  
*(A Component Unit of the Government of the United States Virgin Islands)*

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 2024**

**Section III – Federal Award Findings**

None