



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

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NEWS RELEASE

FOR RELEASE _____ December 2, 2014 _____

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Auditor of State Mary Mosiman today released an audit report on Iowa Public Television for the year ended June 30, 2014. The Iowa Public Television Foundation, a component unit, is included in the financial statements.

Iowa Public Television had General Fund revenues of \$13,452,738 for the year ended June 30, 2014, a 20.7% increase from the prior year. Revenues included a state appropriation of \$8,410,633, gifts and grants of \$2,391,295, charges for service of \$975,070 and federal assistance of \$1,385,646. The Iowa Public Television Foundation received \$5,449,703 from Foundation memberships and corporate support of \$2,287,451.

Expenditures to operate the educational television network for the year ended June 30, 2014 were as follows:

	General Fund	Special Revenue Fund	Total
Administration	\$ 1,727,526	-	1,727,526
Engineering and informational technology	6,050,440	-	6,050,440
Educational services	1,289,420	-	1,289,420
Programming, operations and production	6,819,375	-	6,819,375
Communications and community engagement	1,228,058	-	1,228,058
Digital television	37,500	-	37,500
Fundraising services	-	3,460,016	3,460,016
Total	\$ 17,152,319	3,460,016	20,612,335

General Fund expenditures during the year ended June 30, 2014 increased 13.9% from the prior year, primarily due to the purchase of emergency backup generator systems funded by a federal grant.

A copy of the audit report is available for review in Iowa Public Television's administrative office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1560-2850-0000.pdf>.

IOWA PUBLIC TELEVISION
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2014

Table of Contents

	<u>Page</u>
Officials	3
Independent Auditor's Report	5-7
Management's Discussion and Analysis	9-15
Basic Financial Statements:	<u>Exhibit</u>
Entity-wide Financial Statements:	
Statement of Net Position	A 17
Statement of Activities	B 18-19
Governmental Fund Financial Statements:	
Balance Sheet – Governmental Funds	C 20-21
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D 22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	E 24-25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F 26
Fiduciary Fund Financial Statement:	
Statement of Fiduciary Assets and Liabilities – Agency Fund	G 27
Notes to Financial Statements	28-39
Required Supplementary Information:	
Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	42-43
Notes to Required Supplementary Information – Budgetary Reporting	44
Supplementary Information:	<u>Schedule</u>
General Fund:	
Combining Balance Sheet	1 46-47
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	2 48-49
Schedule of Expenditures by Object	3 50
Agency Fund:	
Schedule of Changes in Fiduciary Assets and Liabilities	4 51
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	53-54
Staff	55
Statistical Information:	
Members and Contributors	A 57

Iowa Public Television

Officials

Name

Title

State

Honorable Terry E. Branstad
David Roederer
Glen P. Dickinson

Governor
Director, Department of Management
Director, Legislative Services Agency

Board

Gary Steinke
Brent Siegrist
Charles C. Edwards
Betty Jean Furgerson
Jason L. Giles
Courtney Maxwell Greene
Kelli Grubbs
Mary Kramer
Bruce McKee

President
Vice President
Member
Member
Member
Member
Member
Member
Member

Agency

Molly M. Phillips
Kristine Houston
Lori J. Smith

Executive Director
Director of Administration
Business Manager

Iowa Public Television



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Independent Auditor's Report

To the Board Members of
Iowa Public Television:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Iowa Public Television, as of and for the year ended June 30, 2014, and the related Notes to Financial Statements, which collectively comprise Iowa Public Television's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Iowa Public Television Foundation, a component unit which represents 100% of the assets and revenues of the Special Revenue Fund and 100% of the assets and revenues of the Permanent Fund. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Iowa Public Television Foundation, is based solely on the report of the other auditor.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Iowa Public Television Foundation were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Iowa Public Television's preparation and fair presentation of the financial statements 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 Iowa Public Television's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Iowa Public Television as of June 30, 2014, and the respective changes in its financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 1, the financial statements of Iowa Public Television present the financial position and the changes in financial position of only that portion of the financial reporting entity of the State of Iowa that is attributable to the transactions of Iowa Public Television. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2014, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We previously audited the financial statements of Iowa Public Television for the year ended June 30, 2013, and we expressed unmodified audit opinions on those audited financial statements in our report dated December 5, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis and the Budgetary Comparison Information on pages 9 through 15 and 42 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 U.S. generally accepted auditing standards, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Iowa Public Television's basic financial statements. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical information has not been audited by us and, accordingly, we do not express an opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 17, 2014 on our consideration of Iowa Public Television'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 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 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 Iowa Public Television's internal control over financial reporting and compliance.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

November 17, 2014

Iowa Public Television

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION AND REPORTING ENTITY

Management of Iowa Public Television (IPTV) provides this "Management's Discussion and Analysis" of IPTV's annual financial statements. This narrative overview and analysis of the financial activities of IPTV is for the fiscal year ended June 30, 2014. We encourage readers to consider this information in conjunction with IPTV's financial statements which follow the discussion.

Iowa Public Television is Iowa's statewide public broadcasting network. IPTV is an autonomous state agency under the umbrella of the Iowa Department of Education. The Iowa Public Broadcasting Board, the broadcast licensee, governs IPTV and sets general programming objectives and policy guidelines. The nine-member Iowa Public Broadcasting Board is appointed per the Code of Iowa. Four members are appointed by the Governor and must include one member from the business community not working in television and telecommunications, one member with experience or knowledge about the television industry, one member from the membership of a fund-raising non-profit organization assisting IPTV and one member from the general public. The remainder of the board consists of one member appointed by each of the following organizations: the state association of private colleges and universities, the superintendents of the community colleges, the administrators of the area education agencies, the state board of regents and the state board of education.

Iowa Public Television operates technical and production facilities which permit the creation and distribution of programming and educational products and services responsive to the varied interests of Iowans. IPTV is the state's largest provider of information and entertainment programming about Iowa. More than 2,000,000 viewers watch IPTV each month. Contributing membership to the IPTV Foundation consists of approximately 51,000 households.

FINANCIAL HIGHLIGHTS

- In fiscal year 2014, total revenues increased approximately \$4 million. This is due in part to approximately \$1.4 million received from a federal grant for capitalized emergency backup generator systems at eight transmitter sites. In addition, revenue received from fundraising services increased approximately \$1.3 million, a large part of which is for the endowment and subject to external restriction on how it may be used. There was also an approximately \$400,000 increase in unrestricted investment gain.
- Program expenses during fiscal year 2014 increased \$425,773 from the prior year.
- Iowa Public Television's governmental activities have a negative unrestricted fund balance. This is due to unfunded compensated absences and other postemployment benefits.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to IPTV's basic financial statements. Iowa Public Television's basic financial statements consist of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of IPTV as a whole and present a longer-term view of IPTV's finances. The activity of the IPTV Foundation is shown in the Special Revenue Fund and the Permanent Fund financial statements. These financial statements show how the Foundation raised and used funds for the purpose of providing membership and fundraising services to Iowa Public Television. These basic financial statements also include the Notes to Financial Statements which explain some of the information in the financial statements and provide more detail. Supplementary information is also in schedule form and provides additional detail.

REPORTING IOWA PUBLIC TELEVISION AS A WHOLE

The Statement of Net Position and the Statement of Activities (Exhibits A and B):

One of the most important questions asked about IPTV's finances is, "Is IPTV as a whole better off or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about IPTV as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The entity-wide financial statements include two statements.

The Statement of Net Position presents all of IPTV's assets and liabilities, with the difference between the two reported as "net position." Over time, increases or decreases in IPTV's net position may serve as a useful indicator of whether the financial position of IPTV is improving or deteriorating.

The Statement of Activities presents information showing how IPTV's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future periods.

ENTITY-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Iowa Public Television's combined net position increased to approximately \$40.5 million at the end of fiscal year 2014 as compared to approximately \$38.8 million at the end of fiscal year 2013.

Net investment in capital assets represents the largest portion of net position and includes land, buildings, equipment, vehicles and television transmitters, less any related depreciation. Iowa Public Television uses these capital assets to provide services to its viewers and others. Consequently, these assets are not available for future spending.

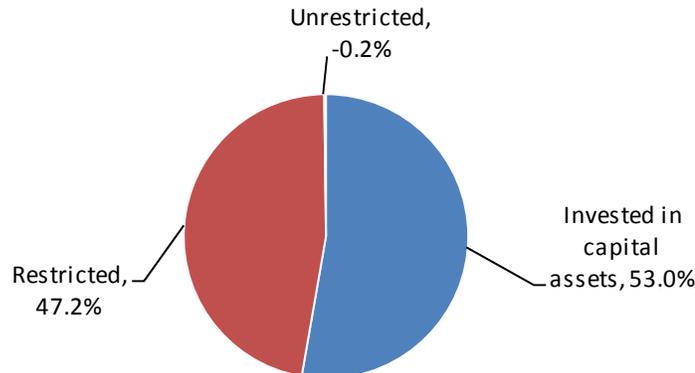
Restricted net position represents the second largest portion of IPTV's net position. Much of the restricted net position will be used for the acquisition or production of programming. This portion also includes endowment assets which are subject to external restrictions on how they may be used. The earnings on these assets will eventually be used for the acquisition of and/or production of television programs.

The remaining portion represents unrestricted net position and is available to be used to meet IPTV's ongoing obligations to vendors. The negative fund balance at the end of fiscal year 2014 is due to compensated absences and other postemployment benefits that are unfunded.

Net Position of Governmental Activities

Assets	June 30, 2014	June 30, 2013
Current and other assets	\$ 25,213,873	21,596,510
Capital assets, net	21,501,791	23,369,625
Total Assets	46,715,664	44,966,135
Liabilities		
Current liabilities	4,525,316	4,262,640
Noncurrent liabilities	1,652,313	1,928,379
Total Liabilities	6,177,629	6,191,019
Net Position		
Invested in capital assets	21,501,791	23,369,625
Restricted	19,123,237	15,926,856
Unrestricted	(86,993)	(521,365)
Total Net Position	\$ 40,538,035	38,775,116

**FY 2014
Composition of Net Position**

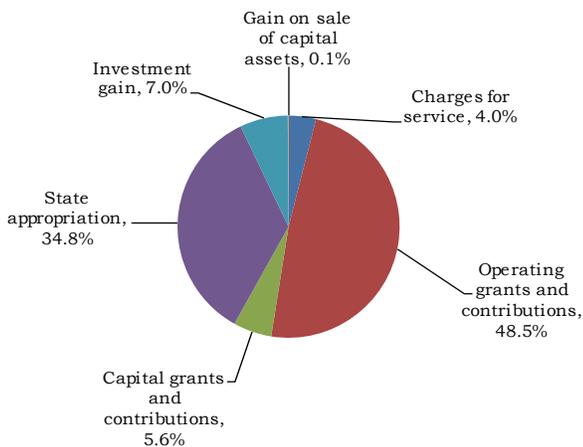


- The net position of IPTV increased approximately \$1.8 million during fiscal year 2014. Fiscal year 2014 revenues were approximately \$4 million more than in fiscal year 2013. Operating grants and contributions revenue of approximately \$11.7 million, an increase from the prior year, represented 48.5% of total revenues during the year. Many of these funds are allocated for specific purposes by the grantor or contributor, such as federal grants, public broadcasting grants, fundraising expenses and certain local or regional productions. During fiscal year 2014, IPTV received state appropriations of approximately \$8.4 million, which represented 34.8% of total revenues. Fiscal year 2014 expenses were \$425,773 more than in fiscal year 2013. Programming and production expenses of approximately \$6.3 million represented 28.2% of total expenses during the fiscal year. Iowa Public Television Foundation expenses represented 15.4% of total expenses.

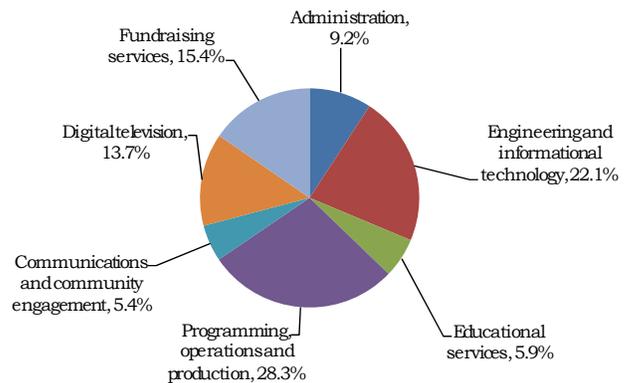
Changes in Net Position of Governmental Activities

	Year Ended June 30, 2014	Year Ended June 30, 2013
Revenues:		
Program revenues:		
Charges for service	\$ 969,065	563,965
Operating grants and contributions	11,719,217	10,884,973
Capital grants and contributions	1,357,749	164,439
General revenues:		
State appropriation	8,410,633	7,289,021
Investment gain	1,679,334	1,287,350
Gain on sale of capital assets	21,049	-
Total revenues	24,157,047	20,189,748
Program expenses:		
Administration	2,065,402	1,896,086
Engineering and informational technology	4,958,935	3,722,573
Educational services	1,314,091	1,015,536
Programming, operations and production	6,310,333	6,840,535
Communications and community engagement	1,216,581	1,374,492
Digital television	3,068,907	3,674,751
Fundraising services	3,459,879	3,444,382
Total expenses	22,394,128	21,968,355
Change in net position	1,762,919	(1,778,607)
Net position beginning of year	38,775,116	40,553,723
Net position end of year	\$ 40,538,035	38,775,116

FY 2014 Revenues by Source



FY 2014 Expenses by Program



The Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements. The Notes to Financial Statements can be found beginning on page 28.

Required supplementary information includes a comparison of Budget and Actual for the General Fund and can be found beginning on page 42.

Supplementary information begins on page 46 and provides detailed information about the individual funds and accounts and expenditures by object.

FINANCIAL ANALYSIS OF IPTV'S INDIVIDUAL FUNDS

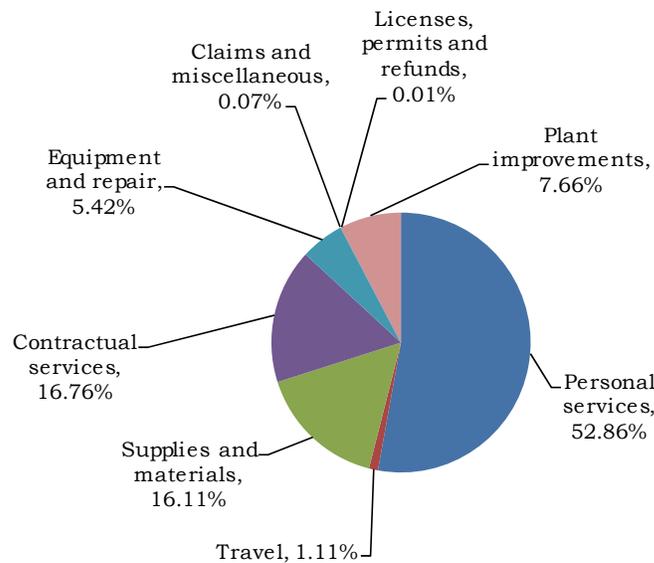
General Fund (Exhibits C and E):

As of June 30, 2014, IPTV reported a combined General Fund balance of \$7.8 million, which is \$788,091 more than the previous year's total. IPTV's General Fund expenditures exceeded General Fund revenues by approximately \$3.7 million, and approximately \$4.5 million in net transfers were received from the Special Revenue Fund and the Permanent Fund.

Iowa Public Television's total state appropriation of approximately \$8.4 million represents 62.5% of total General Fund revenues of approximately \$13.5 million. Gifts and grants of approximately \$2.4 million represent 17.8% of total General Fund revenues, while Federal assistance of approximately \$1.4 million represents 10.3% of total General Fund revenues.

Personal services of approximately \$9 million represent 52.9% of General Fund expenditures. Contractual services of approximately \$2.9 million represents 16.8% of total General Fund expenses of approximately \$17 million (see Schedule 3). Contractual services remain a significant expense item. Other significant expenses include the acquisition of national television programming and utilities needed to operate IPTV's television transmission facilities.

Expenditures by Object



Special Revenue Fund (Exhibits C and E):

Iowa Public Television's Special Revenue Fund consists of the Iowa Public Television Foundation. As of June 30, 2014, IPTV reported a Special Revenue Fund balance of approximately \$9.9 million. The Special Revenue Fund balance increased by approximately \$1.5 million over the fiscal year ended June 30, 2013. Special Revenue Fund revenues exceeded Special Revenue Fund expenditures by approximately \$5.5 million. This excess was transferred to IPTV's General Fund to produce and/or acquire public television programming. Total Special Revenue Fund revenue of approximately \$9 million was comprised mainly of approximately \$5.4 million in membership revenue and approximately \$2.3 million in gifts and grants.

GENERAL FUND BUDGETARY HIGHLIGHTS

Iowa Public Television's receipts were \$107,061 less than budgeted receipts, a variance of 1.2%. Iowa Public Television received more in charges for service than budgeted. Also, IPTV had in-kind and indirect support that was not budgeted.

Total disbursements were \$336,788 less than budgeted. IPTV budgeted \$160,000 for the replacement of inductive output tubes (IOTs), but no IOTs needed to be replaced in fiscal year 2014. These funds will be available for the replacement of IOTs in fiscal year 2015.

Iowa Public Television exceeded the budgeted amount in the administration, programming, operations and production, communications and community engagement and digital television functions for the year ended June 30, 2014, primarily due to in-kind and indirect support which was not budgeted. All other IPTV functional areas came in under budget.

CAPITAL ASSETS

Iowa Public Television's investment in capital assets for its governmental activities at June 30, 2014 was approximately \$61.5 million, net of accumulated depreciation of approximately \$40 million, leaving a net book value of approximately \$21.5 million. This investment in capital assets includes land, buildings, improvements other than buildings, furniture, fixtures, equipment, vehicles and transmitters. Transmitter assets include property and equipment at the transmitter and translator sites across the state, such as towers, buildings, transmitters, antennas, transmission lines and test equipment.

The net decrease in IPTV's investment in capital assets for the current fiscal year was approximately \$1.9 million. Depreciation charges for the year totaled approximately \$3.8 million.

More detailed information about IPTV's capital assets is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

State General Fund revenue estimates are generated by the Iowa Revenue Estimating Conference (REC). The REC is comprised of the Governor or his designee, the Director of the Legislative Services Agency and a third person agreed upon by the other two members. At the October 10, 2014 meeting, the REC decreased the estimate for General Fund tax and other receipts for fiscal year 2015.

The fiscal year 2015 state appropriation for IPTV was increased 4.5%, or approximately \$341,000.

CONTACTING IPTV'S FINANCIAL MANAGEMENT

This financial report is designed to provide our viewers, educational users and citizens of the State of Iowa with a general overview of IPTV's finances and to show IPTV's accountability for the money we receive. If you have questions about the report or need additional financial information, contact Iowa Public Television, P.O. Box 6450, Johnston, IA 50131.

Basic Financial Statements

Iowa Public Television
Statement of Net Position

June 30, 2014
with summarized comparative information for June 30, 2013

	Governmental Activities	
	2014	2013
Assets		
Current assets:		
Cash	\$ 10,872,674	10,770,400
Investments	103,653	96,020
Beneficial interest in community trust	45,513	37,079
Unexpended appropriation	243,830	192,770
Accounts receivable	102,849	101,005
Pledges receivable, net of allowance for uncollectible accounts of \$174,000 for 2014 and \$159,600 for 2013	2,355,554	903,330
Due from other state agencies	109,456	103,732
Due from federal government	-	143,928
Restricted assets - cash	108,217	64,779
Inventory	26,072	35,173
Prepaid expenses	217,855	124,494
Total current assets	<u>14,185,673</u>	<u>12,572,710</u>
Noncurrent assets:		
Investments	10,791,300	8,928,300
Pledges receivable	236,900	95,500
Capital assets, net of accumulated depreciation	21,501,791	23,369,625
Total noncurrent assets	<u>32,529,991</u>	<u>32,393,425</u>
Total assets	<u>46,715,664</u>	<u>44,966,135</u>
Liabilities		
Current liabilities:		
Accounts payable	938,455	875,338
Due to other state agencies	47,829	59,271
Advances from grantors	2,691,424	2,633,693
Compensated absences	847,608	694,338
Total current liabilities	<u>4,525,316</u>	<u>4,262,640</u>
Noncurrent liabilities:		
Accounts payable	129,554	221,622
Compensated absences	1,012,951	1,277,713
Net OPEB liability	509,808	429,044
Total noncurrent liabilities	<u>1,652,313</u>	<u>1,928,379</u>
Total liabilities	<u>6,177,629</u>	<u>6,191,019</u>
Net Position		
Net investment in capital assets	21,501,791	23,369,625
Restricted for:		
Nonexpendable - Donor restricted endowment	1,866,885	1,799,235
Expendable:		
Future state vehicle dispatch purchases	108,217	64,779
Acquisition or production of programming	17,148,135	14,062,842
Unrestricted	(86,993)	(521,365)
Total net position	<u>\$ 40,538,035</u>	<u>38,775,116</u>

See notes to financial statements.

Iowa Public Television

Statement of Activities

Year ended June 30, 2014

with summarized comparative information for the year ended June 30, 2013

Functions	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Administration	\$ 2,065,402	-	41,436	-
Engineering and informational technology	4,958,935	364,778	-	1,357,749
Educational services	1,314,091	395,850	20,083	-
Programming, operations and production	6,310,333	208,437	2,615,757	-
Communications and community engagement	1,216,581	-	-	-
Digital television	3,068,907	-	-	-
Fundraising services	3,459,879	-	9,041,941	-
Total	\$ 22,394,128	969,065	11,719,217	1,357,749

General revenues:

State appropriation

Unrestricted investment gain

Gain on sale of capital assets

Total general revenues

Change in net position

Net position beginning of year

Net position end of year

See notes to financial statements.

Net (Expense) Revenue and Change in Net Postion 2014	Net (Expense) Revenue and Change in Net Position 2013
(2,023,966)	(1,857,831)
(3,236,408)	(3,384,578)
(898,158)	(766,796)
(3,486,139)	(3,891,360)
(1,216,581)	(1,286,583)
(3,068,907)	(3,510,312)
5,582,062	4,342,482
<u>(8,348,097)</u>	<u>(10,354,978)</u>
8,410,633	7,289,021
1,679,334	1,287,350
21,049	-
<u>10,111,016</u>	<u>8,576,371</u>
1,762,919	(1,778,607)
<u>38,775,116</u>	<u>40,553,723</u>
<u>\$ 40,538,035</u>	<u>38,775,116</u>

Iowa Public Television

Balance Sheet
Governmental Funds

June 30, 2014

with summarized comparative information for June 30, 2013

Assets	<u>Special Revenue</u>	
	General	Iowa Public Television Foundation
Assets:		
Cash	\$ 9,761,914	1,110,760
Investments	-	9,095,718
Beneficial interest in community trust	-	45,513
Unexpended appropriation	243,830	-
Accounts receivable	102,849	-
Pledges receivable, net of allowance for uncollectible accounts of \$174,000 for 2014	-	2,524,804
Due from:		
Other funds	1,422,068	104,508
Other state agencies	109,456	-
Federal government	-	-
Restricted assets - cash	108,217	-
Inventory	-	26,072
Prepaid expenditures	190,028	27,827
Total assets	\$ 11,938,362	12,935,202
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 478,138	302,059
Due to:		
Other funds	1,048,461	478,115
Other state agencies	47,829	-
Advances from grantors	2,610,653	80,771
Total liabilities	4,185,081	860,945
Deferred inflows of resources:		
Unavailable revenues:		
Memberships and contributions	-	2,197,919
Other	238	-
Total deferred inflows of resources	238	2,197,919
Fund balances:		
Nonspendable:		
Prepaid expenditures and inventory	190,028	53,899
Foundation endowment	-	-
Restricted for:		
Subsequent years' expenditures	108,217	-
Noncurrent receivables	-	236,900
Specific purposes	5,464,539	9,585,539
Committed	2,038,255	-
Unassigned	(47,996)	-
Total fund balances	7,753,043	9,876,338
Total liabilities, deferred inflows of resources and fund balances	\$ 11,938,362	12,935,202

See notes to financial statements.

Permanent Foundation Endowment	Total 2014	Total 2013
-	10,872,674	10,770,400
1,799,235	10,894,953	9,024,320
-	45,513	37,079
-	243,830	192,770
-	102,849	101,005
67,650	2,592,454	998,830
-	1,526,576	1,558,941
-	109,456	103,732
-	-	143,928
-	108,217	64,779
-	26,072	35,173
-	217,855	124,494
1,866,885	26,740,449	23,155,451
-	780,197	731,959
-	1,526,576	1,558,941
-	47,829	59,271
-	2,691,424	2,633,693
-	5,046,026	4,983,864
-	2,197,919	971,651
-	238	15,626
-	2,198,157	987,277
-	243,927	159,667
1,866,885	1,866,885	1,799,235
-	108,217	64,779
-	236,900	95,500
-	15,050,078	13,424,076
-	2,038,255	1,651,253
-	(47,996)	(10,200)
1,866,885	19,496,266	17,184,310
1,866,885	26,740,449	23,155,451

Exhibit D

Iowa Public Television

Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position

June 30, 2014

with summarized comparative information for June 30, 2013

	2014		2013
Total governmental fund balances (page 21)	\$ 19,496,266		17,184,310
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds, as follows:			
Iowa Public Television	\$ 21,501,791		23,362,669
Iowa Public Television Foundation	-	21,501,791	6,956
			23,369,625
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows in the governmental funds, as follows:			
Iowa Public Television deferred inflows	238		15,626
Iowa Public Television Foundation deferred inflows	2,197,919	2,198,157	971,651
			987,277
Long term liabilities, including compensated absences and other postemployment benefits payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:			
Current compensated absences	(847,608)		(694,338)
Non-current compensated absences	(1,012,951)		(1,277,713)
Termination benefits payable, included in accounts payable	(287,812)		(365,001)
Other postemployment benefits payable	(509,808)	(2,658,179)	(429,044)
			(2,766,096)
Net position of governmental activities (page 17)	\$ 40,538,035		38,775,116

See notes to financial statements.

Iowa Public Television

Iowa Public Television

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year ended June 30, 2014
with summarized comparative information for the year ended June 30, 2013

	<u>General</u>
Revenues:	
State appropriation	\$ 8,410,633
Federal assistance	1,385,646
Receipts from other entities	35,981
Fees and licenses	76,173
Gifts and grants	2,391,295
In-kind and indirect support	58,969
Memberships	-
Charges for service	975,070
Interest on investments	23,455
Miscellaneous	95,516
Total revenues	<u>13,452,738</u>
Expenditures:	
Administration	1,727,526
Engineering and informational technology	6,050,440
Educational services	1,289,420
Programming, operations and production	6,819,375
Communications and community engagement	1,228,058
Digital television	37,500
Fundraising services	-
Total expenditures	<u>17,152,319</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,699,581)</u>
Other financing sources (uses):	
Operating transfers in	8,118,900
Operating transfers out	(3,631,228)
Total other financing sources (uses)	<u>4,487,672</u>
Change in fund balances	788,091
Fund balances beginning of year	<u>6,964,952</u>
Fund balances end of year	<u>\$ 7,753,043</u>
See notes to financial statements.	

<u>Special Revenue</u>			
<u>Iowa Public</u>	<u>Permanent</u>		
Television	Foundation	Total	Total
Foundation	Endowment	2014	2013
-	-	8,410,633	7,289,021
-	-	1,385,646	200,582
-	-	35,981	-
-	-	76,173	101,650
2,287,451	67,650	4,746,396	4,676,799
10,869	-	69,838	118,557
5,449,703	-	5,449,703	5,463,191
-	-	975,070	698,892
1,261,907	393,973	1,679,335	1,287,350
-	-	95,516	58,748
9,009,930	461,623	22,924,291	19,894,790
-	-	1,727,526	1,720,362
-	-	6,050,440	3,678,014
-	-	1,289,420	955,128
-	-	6,819,375	7,038,142
-	-	1,228,058	1,384,964
-	-	37,500	285,077
3,460,016	-	3,460,016	3,434,816
3,460,016	-	20,612,335	18,496,503
5,549,914	461,623	2,311,956	1,398,287
-	-	8,118,900	7,676,804
(4,093,699)	(393,973)	(8,118,900)	(7,676,804)
(4,093,699)	(393,973)	-	-
1,456,215	67,650	2,311,956	1,398,287
8,420,123	1,799,235	17,184,310	15,786,023
9,876,338	1,866,885	19,496,266	17,184,310

Exhibit F

Iowa Public Television

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds to the Statement of ActivitiesYear ended June 30, 2014
with summarized comparative information for the year ended June 30, 2013

	2014	2013	
Change in fund balances - Total governmental funds (page 25)	\$ 2,311,956	1,398,287	
 Amounts reported for governmental activities in the Statement of Activities are different because:			
Contributions which will not be collected for several months after year end are not considered available revenues and, therefore, are deferred in the governmental funds.	2,198,157	987,277	
Because some revenues will not be collected for several months after year end, they are not considered available revenues and are recognized as deferred inflows in the governmental funds.	(987,277)	(691,492)	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. In the current year, these amounts are:			
Iowa Public Television:			
Expenditures for capital assets	\$ 1,927,179	422,864	
Depreciation expense	(3,752,639)	(3,887,545)	
Iowa Public Television Foundation:			
Depreciation expense	-	(6,337)	(3,471,018)
In the governmental funds, the proceeds from the sale of capital assets increase financial resources, whereas the Statement of Activities only reports the gain or loss on the disposition of capital assets.	(42,374)	(98,804)	
Only expenses which require current financial resources are reported in the governmental funds, whereas the Statement of Activities reports expenses for capital lease purchase agreements, compensated absences, termination benefits and other postemployment benefits not requiring the use of current financial resources, as follows:			
Capital lease purchase agreements	-	438	
Compensated absences	(10,817)	136,564	
Termination benefits	199,498	(34,280)	
Other postemployment benefits	(80,764)	(5,579)	97,143
Change in net position of governmental activities (page 19)	\$ 1,762,919	(1,778,607)	

See notes to financial statements.

Iowa Public Television
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2014
with summarized comparison information for June 30, 2013

	<u>2014</u>	<u>2013</u>
Assets		
Accounts receivable	<u>\$ 834</u>	<u>8,466</u>
Liabilities		
Due to other state agencies	<u>\$ 834</u>	<u>8,466</u>
See notes to financial statements.		

Iowa Public Television

Notes to Financial Statements

June 30, 2014

(1) Summary of Significant Accounting Policies

Iowa Public Television, an agency of the State of Iowa, operates as an autonomous division of the Iowa Department of Education. It is mandated by statute to plan, establish and operate an educational television facility and such other communications services as may prove necessary to aid in the accomplishment of the educational objectives of the State of Iowa.

Iowa Public Television operates nine digital transmitters and eight translators as follows:

<u>Digital Transmitters</u>	<u>Translators</u>
KDIN-DT Channel 11, Des Moines	K28KK-D Channel 28, Decorah
KIIN-DT Channel 12, Iowa City	K43LX-D Channel 43, Rock Rapids
KTIN-DT, Channel 25, Fort Dodge	K18GU-D Channel 18, Ottumwa
KYIN-DT Channel 18, Mason City	K26JI-D Channel 26, Sibley
KSIN-DT Channel 28, Sioux City	K28JD-D Channel 28, Fort Madison
KBIN-DT Channel 33, Council Bluffs	K39LW-D Channel 38, Lansing
KRIN-DT Channel 35, Waterloo	K44AB-D Channel 44, Keokuk
KHIN-DT Channel 35, Red Oak	K24IM-D Channel 24, Keosauqua
KQIN-DT Channel 34, Davenport	

The financial statements of Iowa Public Television and its component unit have been prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Iowa Public Television has included all funds and organizations. It has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with Iowa Public Television are such that exclusion would cause Iowa Public Television's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of Iowa Public Television to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on Iowa Public Television.

These financial statements present Iowa Public Television (the primary government) and its component unit. The component unit discussed below is included in Iowa Public Television's reporting entity because of the significance of its operational or financial relationships with Iowa Public Television. Complete financial statements of the component unit, Iowa Public Television Foundation, which issued separate financial statements, can be obtained from Iowa Public Television, P.O. Box 6450, Johnston, Iowa 50131.

Blended Component Unit – The following component unit is an entity which is legally separate from Iowa Public Television, but is so intertwined with it that it is, in substance, the same as Iowa Public Television. It is reported as part of Iowa Public Television and is blended into the Special Revenue and the Permanent Funds.

Iowa Public Television Foundation (Foundation) is a non-profit corporation which was incorporated in December 1991 for the purpose of soliciting and managing gifts of money and property for the exclusive purpose of granting gifts of money and/or property to Iowa Public Television. The funds received by the Foundation, less expenses, are to be transferred monthly to Iowa Public Television for programs and program expenses. Iowa Public Television has sole discretion as to the use of the money or property. Iowa Public Television provides support to the Foundation, including office space, equipment, website, legal services, television studio space and equipment, as well as broadcast production staff. The Iowa Public Television Board has the ability to control fund raising activities and operations as well as personnel decisions regarding the management of the Foundation. The Foundation exclusively benefits Iowa Public Television and provides services entirely to Iowa Public Television.

B. Basis of Presentation

The basic financial statements include prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with Iowa Public Television's financial statements for the year ended June 30, 2013 from which the summarized information was derived.

Entity-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all the nonfiduciary activities of Iowa Public Television and its component unit. The effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents Iowa Public Television's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories/components.

Net investment in capital assets consists of capital assets, net of accumulated depreciation.

Nonexpendable restricted net position is subject to externally imposed stipulations which require the preservation of the donor restricted endowment to be maintained permanently and distribution of accumulations to be made in accordance with the direction of the applicable donor gift instrument.

Expendable restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories/components. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the entity-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Iowa Public Television reports the following major governmental funds:

The General Fund is the general operating fund of Iowa Public Television and is used to account for all financial resources except for those accounted for in another fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

The Special Revenue, Iowa Public Television Foundation Fund is used to account for all money and property donations received to support public television in Iowa. Periodic transfers are made to the General Fund to finance program expenditures.

The Permanent Fund is used to hold a restricted gift made to Iowa Public Television during the fiscal year ended June 30, 2002. While the corpus of the gift is not available to spend, the earnings of the gift are restricted for the acquisition and/or production of quality family programming. Earnings are transferred to the General Fund.

Iowa Public Television also reports the following fiduciary fund:

The Agency fund is used to account for assets held by Iowa Public Television as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The entity-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, Iowa Public Television considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, Iowa Public Television's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Contributions, pledges, intergovernmental revenues and interest associated with the current fiscal year are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash and Pooled Investments – Iowa Public Television makes deposits with the Treasurer of State and with other specific custodial banks. The cash balances of most funds are pooled and invested by the Treasurer of State.

Iowa Public Television Foundation Investments – Investments are reported at fair value based on quoted market prices.

Restricted Assets – Cash – Iowa Public Television makes monthly contributions to the State Vehicle Dispatcher. Such contributions are restricted for the purpose of purchasing replacement vehicles.

Pledges Receivable – Pledges receivable are recognized when pledged and are shown net of an allowance for uncollectibles.

Capital Assets – Capital assets, which include land, buildings, equipment and infrastructure assets (e.g., towers, transmitters and similar items that are immovable and of value only to Iowa Public Television), are reported in the governmental activities column in the entity-wide Statement of Net Position. Capital assets are defined by Iowa Public Television as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>	
	<u>Iowa Public</u>	<u>Iowa Public</u>
	<u>Television</u>	<u>Television Foundation</u>
Buildings	31.5	-
Transmitters	10-15	-
Leasehold improvements	5-15	15
Machinery, equipment and vehicles	2.5-13.5	5-7

Advances from Grantors – Advances from grantors represents grant proceeds which have been received by Iowa Public Television but will not be spent until succeeding fiscal years.

Deferred Inflows of Resources – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of memberships and contributions to the Foundation and other receivables not collected within sixty days after year end.

Compensated Absences – Iowa Public Television employees accrue vacation, sick leave and compensatory leave at rates specified in the Code of Iowa and/or collective bargaining agreements. Accumulated unused vacation leave is payable upon termination of employment. Accumulated unused sick leave is payable only upon retirement and only to limits specified in the Code of Iowa and/or collective bargaining agreements. The liabilities for compensated absences are based on rates of pay in effect at June 30, 2014 and 2013.

State Appropriation and Reversion – The Legislature makes annual appropriations of state funds to the various agencies. No payment of an obligation for goods and services can be charged to an appropriation subsequent to the last day of the fiscal year for which the appropriation is made unless such goods or services are received on or before June 30. Fifty percent of unobligated balances of operational appropriations at the end of fiscal year 2014, if any, may be encumbered for technology enhancement or purchases of goods and services from Iowa Prison Industries during the succeeding fiscal year. Any remaining funds are to be deposited in the General Fund of the state.

Fund Balance – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Legislature through appropriation or legislative action. Committed amounts cannot be used for any other purpose unless the Legislature removes or changes the specified use by taking the same action employed to commit those amounts.

Unassigned – All amounts not included in the preceding classifications.

E. Reclassification

Certain prior year amounts have been reclassified to conform to current year presentations.

(2) Deposits and Investments

Iowa Public Television's deposits with the Treasurer of State throughout the period and at June 30, 2014 and 2013 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. All interest income on money invested in the investment pool is retained in the fund holding the cash balance.

At June 30, 2014 and 2013, the carrying amount of cash not held by the Treasurer of State was \$1,113,160 and \$1,551,365, respectively, and the bank balances were \$1,128,033 and \$1,612,114, respectively. Deposits of \$336,550 and \$530,982, respectively, are covered by federal depository insurance or by collateral held by the Foundation's agent in the Foundation's name as of June 30, 2014 and 2013. The remaining deposits of \$791,483 and \$1,081,132, respectively, are uninsured.

Investments are held by the Foundation in accordance with the component unit's investment policy. The purpose of the investment policy is to outline the asset allocation guidelines, the investment planning horizon, investment return objectives, the selection criteria application to investment managers and consultants and the monitoring and control procedures. At June 30, 2014 and 2013, the Foundation's investments had fair values of \$10,894,953 and \$9,024,320, respectively.

(3) Beneficial Interest in Community Trust

The Community Foundation of Greater Des Moines (Community Foundation) was organized to receive gifts and bequests from private and public organizations and to make contributions to projects benefiting the greater Des Moines community. Direct contributions from donors were made on behalf of the Iowa Public Television Foundation (Foundation) during the years ended June 30, 2013 and June 30, 2012. The Community Foundation controls the investment and reinvestment of funds held and management of the funds is at the Community Foundation's sole discretion. The Foundation may receive distributions limited to no more than a 'spending formula' determined from time to time by the Community Foundation's Board of Directors.

The Foundation's beneficial interest is carried at fair market value in the Statement of Net Position. The balances of the interests at June 30, 2014 and 2013 were \$45,513 and \$37,039, respectively.

(4) Due From and Due To Other Funds

The detail of interfund receivables and payables at June 30, 2014 and 2013 is as follows:

Fund	2014		2013	
	Receivable	Payable	Receivable	Payable
General	\$ 1,422,068	1,048,461	\$ 1,369,613	1,159,124
Special Revenue, Iowa Public Television Foundation	104,508	478,115	189,328	399,817
Total	<u>\$ 1,526,576</u>	<u>1,526,576</u>	<u>\$ 1,558,941</u>	<u>1,558,941</u>

The interfund receivables and payables shown above are prior to eliminations within the same fund type.

These balances resulted from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

(5) Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance Beginning of Year	Reclass- ifications	Increases	Decreases	Balance End of Year
Iowa Public Television:					
Capital assets:					
Land, not being depreciated	\$ 1,314,063	-	-	-	1,314,063
Buildings	8,943,496	-	-	-	8,943,496
Transmitters	33,080,001	108,715	1,314,512	(33,420)	34,469,808
Machinery, equipment and vehicles	17,065,443	24,983	637,666	(1,049,958)	16,678,134
Construction in progress	133,698	(133,698)	-	-	-
Total capital assets	60,536,701	-	1,952,178	(1,083,378)	61,405,501
Less accumulated depreciation for:					
Buildings	5,063,562	-	318,155	-	5,381,717
Transmitters	18,775,111	(24,983)	1,949,632	(24,694)	20,675,066
Machinery, equipment and vehicles	13,335,359	24,983	1,484,852	(998,267)	13,846,927
Total accumulated depreciation	37,174,032	-	3,752,639	(1,022,961)	39,903,710
Total capital assets, net	\$ 23,362,669	-	(1,800,461)	(60,417)	21,501,791
Iowa Public Television Foundation:					
Capital assets:					
Leasehold improvements	\$ 41,416	-	-	-	41,416
Machinery, equipment and vehicles	88,960	-	-	(37,182)	51,778
Total capital assets	130,376	-	-	(37,182)	93,194
Less accumulated depreciation for:					
Leasehold improvements	41,417	-	-	-	41,417
Machinery, equipment and vehicles	82,003	-	-	(30,226)	51,777
Total accumulated depreciation	123,420	-	-	(30,226)	93,194
Total capital assets, net	\$ 6,956	-	-	(6,956)	-

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance Beginning of Year	Reclass- ifications	Increases	Decreases	Balance End of Year
Iowa Public Television:					
Capital assets:					
Land, not being depreciated	\$ 1,314,063	-	-	-	1,314,063
Buildings	8,943,496	-	-	-	8,943,496
Transmitters	33,350,776	-	-	(270,775)	33,080,001
Machinery, equipment and vehicles	17,645,757	-	289,166	(869,480)	17,065,443
Construction in progress	-	-	133,698	-	133,698
Total capital assets	61,254,092	-	422,864	(1,140,255)	60,536,701
Less accumulated depreciation for:					
Buildings	4,716,477	-	347,085	-	5,063,562
Transmitters	17,054,639	-	1,924,972	(204,500)	18,775,111
Machinery, equipment and vehicles	12,556,822	-	1,615,488	(836,951)	13,335,359
Total accumulated depreciation	34,327,938	-	3,887,545	(1,041,451)	37,174,032
Total capital assets, net	\$ 26,926,154	-	(3,464,681)	(98,804)	23,362,669
Iowa Public Television Foundation:					
Capital assets:					
Leasehold improvements	\$ 41,416	-	-	-	41,416
Machinery, equipment and vehicles	88,960	-	-	-	88,960
Total capital assets	130,376	-	-	-	130,376
Less accumulated depreciation for:					
Leasehold improvements	41,042	-	375	-	41,417
Machinery, equipment and vehicles	76,041	-	5,962	-	82,003
Total accumulated depreciation	117,083	-	6,337	-	123,420
Total capital assets, net	\$ 13,293	-	(6,337)	-	6,956

Depreciation expense for the years ended June 30, 2014 and 2013 was charged to the following functions:

	Iowa Public		Total 2014	Total 2013
	Iowa Public Television	Television Foundation		
Governmental activities:				
Administration	\$ 378,583	-	378,583	263,216
Engineering and informational technology	268,936	-	268,936	212,392
Educational services	-	-	-	320
Programming, operations and production	130,180	-	130,180	121,475
Digital television	2,974,940	-	2,974,940	3,296,479
Total depreciation expense	\$ 3,752,639	-	3,752,639	3,893,882

(6) Pension and Retirement Benefits

Iowa Public Television contributes to the Iowa Public Employees' Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa, 50306-9117 or by calling 515-281-0020.

For the year ended June 30, 2014, plan members are required to contribute 5.95% of their annual covered salary and Iowa Public Television is required to contribute 8.93% of annual covered payroll. For the year ended June 30, 2013, plan members were required to contribute 5.78% of their annual covered salary and Iowa Public Television was required to contribute 8.67% of annual covered payroll. Contribution requirements are established by state statute. Iowa Public Television's contributions to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$580,805, \$560,137 and \$521,680, respectively, equal to the required contributions for each year.

(7) Operating Leases

Iowa Public Television has leased various sites of land and towers to provide educational television service for the State. These leases have been classified as operating leases and, accordingly, all rents are charged to expense as incurred. The leases expire prior to June 30, 2040 and require various minimum annual rentals. Certain leases are renewable for additional periods. In most cases, management expects the leases will be renewed or replaced by other leases.

The following is a schedule by year of future minimum rental payments required under operating leases which have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2014:

Year Ending June 30,	Minimum Rental Payments
2015	\$ 187,930
2016	218,514
2017	221,959
2018	206,148
2019	196,970
2020-2024	631,734
2025-2029	72,240
2030-2034	75,851
2035-2039	79,644
2040-2044	16,082
Total	\$ 1,907,072

Rental expense for the years ended June 30, 2014 and 2013 for all operating leases, except those with terms of a month or less that were not renewed, totaled \$325,607 and \$186,060, respectively.

(8) Indirect Administrative Support and In-Kind Contributions

Indirect administrative support provided by other state agencies and in-kind contributions for the years ended June 30, 2014 and 2013 include the following:

	Year ended June 30,	
	2014	2013
Contributed support and in-kind contributions	\$ 69,838	\$ 118,557

These amounts are included in revenues and expenditures in the accompanying financial statements.

(9) Lessor Operating Leases

Iowa Public Television owns several transmitters which are located throughout the State. Iowa Public Television leases a portion of the tower space, but currently no value has been assigned to the leased portion. The following is a schedule by year of minimum future rentals on operating leases as of June 30, 2014:

Year Ending June 30,	Minimum Future Rentals
2015	\$ 295,299
2016	296,345
2017	286,900
2018	202,398
2019	134,129
2020-2024	265,874
2025-2029	32,453
Total	<u>\$ 1,513,398</u>

(10) Interfund Transfers

The detail of interfund transfers for the years ended June 30, 2014 and 2013 is as follows:

Fund	2014		2013	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General	\$ 8,118,900	3,631,228	\$ 7,676,804	3,819,925
Special Revenue, Iowa Public Television Foundation	-	4,093,699	-	3,540,586
Permanent, Foundation Endowment	-	393,973	-	316,293
Total	<u>\$ 8,118,900</u>	<u>8,118,900</u>	<u>\$ 7,676,804</u>	<u>7,676,804</u>

Transfers move gifts and grants from the Special Revenue, Iowa Public Television Foundation Fund to the General Fund. Transfers from the General Fund represent the payment of obligations to other funds.

(11) Risk Management

State employee benefits for health, dental, long-term disability and life insurance coverage are insured through commercial insurers. There were no significant reductions in insurance coverage from the prior year and settlements have not exceeded coverage for the past three fiscal years.

The State of Iowa self-insures on behalf of its agencies for losses related to workers' compensation, its motor vehicle fleet, property damage and torts. A contingent fund exists under section 29C.20 of the Code of Iowa to provide compensation for loss or damage to state property (casualty losses).

(12) Compensated Absences and Other Postemployment Benefits

Changes in compensated absences and other postemployment benefit obligations for the years ended June 30, 2014 and 2013 are summarized as follows:

Year ended June 30, 2014	Balance Beginning of Year			Balance End of Year	Due Within One Year
		Increases	Decreases		
Compensated absences	\$ 1,972,051	778,811	890,303	1,860,559	847,608
Net OPEB liability	429,044	80,764	-	509,808	-
Total	\$ 2,401,095	859,575	890,303	2,370,367	847,608

Year ended June 30, 2013	Balance Beginning of Year			Balance End of Year	Due Within One Year
		Increases	Decreases		
Compensated absences	\$ 2,108,615	838,728	975,292	1,972,051	694,338
Net OPEB liability	423,465	5,579	-	429,044	-
Total	\$ 2,532,080	844,307	975,292	2,401,095	694,338

Sick Leave Insurance Program (SLIP)

A voluntary termination program has been established by the State of Iowa. The program is an opportunity for employees who are retirement-eligible to use the value of their unused sick leave to pay the employer's share of the monthly premium of the State's group health insurance plan after their retirement.

Upon retirement, employees shall first receive a cash payment for accumulated, unused sick leave converted at the employee's current regular hourly rate of pay, up to \$2,000, payable with the final payroll warrant which includes the employee's retirement date. The value of the remaining balance of the accrued sick leave will be converted based upon the original balance (before the cash payment). The remainder of the sick leave value is calculated as follows, based on the number of sick leave hours the employee had before the cash payment:

If the sick leave balance is:	The conversion rate is:
Zero to 750 hours	60% of the value
Over 750 hours to 1,500 hours	80% of the value
Over 1,500 hours	100% of the value

The final calculated dollar value will be credited to the employee's Sick Leave Insurance Program (SLIP) account. Each month, Iowa Public Television will pay 100% of the employer's share of the selected state group health insurance premium from the retiree's SLIP account. The retiree is responsible for any additional premiums associated with the employee/retiree share.

Iowa Public Television will continue to pay the employer's share of the health insurance premium each month until the converted value of the employee's sick leave balance is exhausted, until the employee is eligible for Medicare, until the employee waives the benefit or until the employee dies, whichever comes first. The retired employees may stay with the same health insurance program as when employed or switch down at any time without underwriting. The converted value of the sick leave can only be applied to the employer's share of health insurance premium payments. It has no cash value and it is not transferable to another use or to an heir. If a retired employee who has utilized this benefit returns to permanent state employment, all remaining balances in the SLIP account will be forfeited. All SLIP program benefits are financed on a pay-as-you-go basis by Iowa Public Television. Amounts calculated for this program are included in the compensated absences liability for current employees and \$216,652 is included in accounts payable for retirees.

For the year ended June 30, 2014, ten employees received benefits totaling \$71,667 under SLIP.

State Employee Retirement Incentive Program (SERIP)

On February 10, 2010, the Governor signed into law the State Employee Retirement Incentive Program (SERIP) for eligible Executive Branch employees. To be eligible, an employee must have been employed on February 10, 2010, be age 55 or older on July 31, 2010 and terminate employment no later than June 24, 2010.

Participants in SERIP will receive the following incentives:

- 1) Unused sick leave – A cash payment of the monetary value of the participant's accrued sick leave balance, not to exceed \$2,000. The payment is calculated by multiplying the number of hours of accrued sick leave by the participant's regular hourly rate of pay at the time of retirement. This payment was made in fiscal year 2010 on the participant's last pay check.
- 2) Health insurance – A minimum of five years of state contributions toward the premiums of a state-sponsored health insurance plan, either through the Sick Leave Insurance Program (SLIP), SERIP or a combination of both programs.
- 3) Unused vacation leave and years of service incentive – Cash payments, including the entire value of the participant's accrued but unused vacation leave and, for participants with at least ten years of state employment, \$1,000 for each year of state employment, up to 25 years of employment. The total unused vacation leave and years of service incentive shall be paid in five equal installments beginning in September 2010 and ending in 2014.

SERIP is financed on a pay-as-you-go basis by Iowa Public Television. Five employees retired under this program and the amounts due have been recorded as accounts payable. The liability for the expected future health insurance benefits at June 30, 2014 is \$37,612 and the liability for the unused vacation leave and years of service incentive payments at June 30, 2014 is \$33,549.

Other Postemployment Benefits

Iowa Public Television participates in the State of Iowa postretirement medical plan (OPEB Plan). The State of Iowa recognizes the implicit rate subsidy for the OPEB Plan as required by GASB Statement No. 45.

The annual valuation of liabilities under the OPEB Plan is calculated using the entry age normal cost method. This method requires the calculation of an unfunded actuarial accrued liability, which was approximately \$233,000,000 for the State of Iowa at June 30, 2014. Iowa Public Television's portion of the unfunded actuarial accrued liability is not separately determinable.

Details of the OPEB Plan are provided on a state-wide basis and are available in the State of Iowa's Comprehensive Annual Financial Report for the year ended June 30, 2014. The report may be obtained by writing to the Iowa Department of Administrative Services, Hoover State Office Building, Des Moines, Iowa 50319.

Iowa Public Television recognized a net OPEB liability of \$509,808 for other postemployment benefits, which represents Iowa Public Television's portion of the State's net OPEB liability. Iowa Public Television's portion of the net OPEB liability was calculated using the ratio of full time equivalent Iowa Public Television employees compared to all full time equivalent employees of the State of Iowa.

(13) Subsequent Event

Iowa Public Television signed lease agreements in August 2014 and October 2014 to lease certain land for use by its broadcasting operations. The terms of the leases range from August 1, 2014 to October 1, 2024. The future lease payments total \$75,565 over the next 10 years.

(14) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for Iowa Public Television's proportionate share of the employee pension plan.

Iowa Public Television

Required Supplementary Information

Iowa Public Television
 Budgetary Comparison Schedule of
 Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual – General Fund

Required Supplementary Information

Year ended June 30, 2014

	General Fund Actual	Less Funds not Required to be Budgeted	Net
Revenues:			
State appropriation	\$ 8,410,633	-	8,410,633
Federal assistance	1,385,646	1,385,646	-
Receipts from Other Entities	35,981	-	35,981
Fees and licenses	76,173	76,173	-
Gifts and grants	2,391,295	2,391,295	-
In-kind and indirect support	58,969	17,533	41,436
Charges for service	975,070	640,048	335,022
Interest on investments	23,455	23,455	-
Miscellaneous	95,516	95,516	-
Total revenues	13,452,738	4,629,666	8,823,072
Expenditures:			
Administration	1,727,526	640,415	1,087,111
Engineering and informational technology	6,050,440	1,652,626	4,397,814
Educational services	1,289,420	498,531	790,889
Programming, operations and production	6,819,375	5,015,189	1,804,186
Communications and community engagement	1,228,058	406,198	821,860
Digital television	37,500	-	37,500
Total expenditures	17,152,319	8,212,959	8,939,360
Excess (deficiency) of revenues over (under) expenditures	(3,699,581)	(3,583,293)	(116,288)
Other financing sources, net	4,487,672	4,246,320	241,352
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	788,091	663,027	125,064
Balance beginning of year	6,964,952	6,493,398	471,554
Balance end of year	\$ 7,753,043	7,156,425	596,618

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
8,410,633	8,410,633	-
-	-	-
-	-	35,981
-	-	-
5,500	229,500	(229,500)
-	-	41,436
290,000	290,000	45,022
-	-	-
-	-	-
8,706,133	8,930,133	(107,061)
1,068,477	1,068,477	(18,634)
4,732,608	4,732,608	334,794
889,736	889,736	98,847
1,539,602	1,764,602	(39,584)
820,725	820,725	(1,135)
-	-	(37,500)
9,051,148	9,276,148	336,788
(345,015)	(346,015)	229,727
185,015	186,015	55,337
(160,000)	(160,000)	285,064
320,000	320,000	151,554
160,000	160,000	436,618

Iowa Public Television

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2014

Budgetary control is exercised over Iowa Public Television through the budgetary process prescribed in Chapter 8 of the Code of Iowa. Each agency of the State prepares estimates of expenditures and income for each ensuing fiscal year. These estimates are transmitted to the Department of Management, which prepares and submits a tentative budget to the Governor. After holding public hearings, the Governor prepares and transmits the budget to the Iowa Legislature. The Legislature appropriates funds to the various agencies based on the budget as adjusted through the appropriation process. Formal and legal budgetary control is based on total operating expenditures by appropriation unit.

The budgetary process described above does not apply to the non-appropriated accounts, indirect cost associated with in-kind and indirect support revenue or the accounts of its component unit. The budget for the General Fund is adopted on a basis consistent with U.S. generally accepted accounting principles. There were no material violations of finance-related legal and contractual provisions.

Supplementary Information

Iowa Public Television

Combining Balance Sheet
General Fund Accounts

June 30, 2014

with summarized comparative information for June 30, 2013

	State Appropri- ations # 001	CPB Community Service Grant 2010-2012 # 004	Iowa Infra- structure # 017	CPB Community Service Grant 2011-2013 # 033	Public Telecomm- unications Facilities Program # 059	Market to Market # 069
Assets						
Cash	\$ 2,400	2,119,142	-	646,929	-	189,520
Unexpended appropriation	243,830	-	-	-	-	-
Accounts receivable	50,994	-	-	2,965	-	-
Due from:						
Other funds	153,875	-	-	27,386	-	72,500
Other state agencies	-	1,873	-	920	-	180
Federal government	-	-	-	-	-	-
Restricted assets - cash	108,217	-	-	-	-	-
Prepaid expenditures	48,301	-	46,875	-	-	-
Total assets	\$ 607,617	2,121,015	46,875	678,200	-	262,200
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 253,598	-	-	78,676	-	7,301
Due to:						
Other funds	179,337	1,877	-	136,524	-	1,176
Other state agencies	42,523	-	-	3,623	-	-
Advances from grantors	21,542	2,119,138	-	459,377	-	10,596
Total liabilities	497,000	2,121,015	-	678,200	-	19,073
Deferred inflows of resources:						
Other revenue	-	-	-	-	-	-
Fund balances:						
Nonspendable for prepaid expenditures	48,301	-	46,875	-	-	-
Restricted for:						
Subsequent years' expenditures	108,217	-	-	-	-	-
Specific purposes	-	-	-	-	-	-
Committed	-	-	-	-	-	243,127
Unassigned	(45,901)	-	-	-	-	-
Total fund balances	110,617	-	46,875	-	-	243,127
Total liabilities, deferred inflows of resources and fund balances	\$ 607,617	2,121,015	46,875	678,200	-	262,200

See accompanying independent auditor's report.

IPTV Miscel- laneous # 085	Friends Funded Program- ming # 303	Education Telecomm- unications Projects # 304	Marketing and Distribution # 308	Educational and Contractual Services # 311	Capital Equipment Replacement # 316	Friends Contribution Account # 713	Technology Reinvestment # 943	Total 2014	Total 2013
371,490	831,974	63,856	63,981	523,033	207,182	4,391,357	351,050	9,761,914	9,221,435
-	-	-	-	-	-	-	-	243,830	192,770
28,349	-	248	632	16,583	2,881	197	-	102,849	100,925
115,992	226,547	7,535	615	140,764	15,803	661,051	-	1,422,068	1,369,613
435	954	100,688	59	449	179	3,719	-	109,456	103,732
-	-	-	-	-	-	-	-	-	143,928
-	-	-	-	-	-	-	-	108,217	64,779
-	2,548	-	-	975	-	-	91,329	190,028	96,975
516,266	1,062,023	172,327	65,287	681,804	226,045	5,056,324	442,379	11,938,362	11,294,157
2,238	106,215	13,482	-	13,375	-	-	3,253	478,138	461,491
-	310,687	160,752	-	71,312	-	186,796	-	1,048,461	1,159,124
416	132	-	4	240	-	891	-	47,829	59,271
-	-	-	-	-	-	-	-	2,610,653	2,633,693
2,654	417,034	174,234	4	84,927	-	187,687	3,253	4,185,081	4,313,579
-	-	188	-	-	50	-	-	238	15,626
-	2,548	-	-	975	-	-	91,329	190,028	96,975
-	-	-	-	-	-	-	-	108,217	64,779
-	-	-	-	595,902	-	4,868,637	-	5,464,539	5,162,145
513,612	642,441	-	65,283	-	225,995	-	347,797	2,038,255	1,651,253
-	-	(2,095)	-	-	-	-	-	(47,996)	(10,200)
513,612	644,989	(2,095)	65,283	596,877	225,995	4,868,637	439,126	7,753,043	6,964,952
516,266	1,062,023	172,327	65,287	681,804	226,045	5,056,324	442,379	11,938,362	11,294,157

Iowa Public Television

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund Accounts

Year ended June 30, 2014

with summarized comparative information for the year ended June 30, 2013

	State Appropriations # 001	CPB Community Service Grant 2010-2012 # 004	Iowa Infra- structure # 017	CPB Community Service Grant 2011-2013 # 033	Public Telecomm- unications Facilities Program # 059	Market to Market # 069
Revenues:						
State appropriation	\$ 7,450,633	-	-	-	-	-
Federal assistance	-	-	-	-	1,357,749	-
Receipts from other entities	35,981	-	-	-	-	-
Fees and licenses	-	-	-	-	-	70,340
Gifts and grants	-	527,448	-	1,855,178	-	-
In-kind and indirect support	41,436	-	-	-	-	17,533
Charges for service	335,022	-	-	-	-	-
Interest on investments	-	3,287	-	4,198	-	535
Miscellaneous	-	-	-	-	-	-
Total revenues	7,863,072	530,735	-	1,859,376	1,357,749	88,408
Expenditures:						
Administration	1,087,111	172,142	-	468,273	-	-
Engineering and informational technology	3,556,940	68,126	-	226,751	1,357,749	-
Educational services	790,889	22,283	-	60,808	-	-
Programming, operations and production	1,804,186	164,726	-	793,319	-	168,719
Communications and community engagement	821,860	100,171	-	306,027	-	-
Digital television	-	-	37,500	-	-	-
Total expenditures	8,060,986	527,448	37,500	1,855,178	1,357,749	168,719
Excess (deficiency) of revenues over (under) expenditures	(197,914)	3,287	(37,500)	4,198	-	(80,311)
Other financing sources (uses):						
Operating transfers in	241,352	-	-	-	-	139,150
Operating transfers out	-	(3,287)	-	(4,198)	-	-
Total other financing sources (uses)	241,352	(3,287)	-	(4,198)	-	139,150
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	43,438	-	(37,500)	-	-	58,839
Fund balance beginning of year	67,179	-	84,375	-	-	184,288
Fund balance end of year	\$ 110,617	-	46,875	-	-	243,127

See accompanying independent auditor's report.

Schedule 2

IPTV Miscel- laneous # 085	Friends Funded Program- ming # 303	Education Telecomm- unications Projects # 304	Marketing and Distri- bution # 308	Educational and Contractual Services # 311	Capital Equipment Replacement # 316	Friends Contribution Account # 713	Technology Reinvestment # 943	Total 2014	Total 2013
-	-	-	-	-	-	-	960,000	8,410,633	7,289,021
-	-	12,897	-	15,000	-	-	-	1,385,646	200,582
-	-	-	-	-	-	-	-	35,981	-
-	-	425	5,408	-	-	-	-	76,173	101,650
-	-	-	-	8,669	-	-	-	2,391,295	2,689,325
-	-	-	-	-	-	-	-	58,969	80,806
132,503	-	401,925	-	64,912	40,708	-	-	975,070	698,892
935	3,767	392	163	1,411	442	8,325	-	23,455	22,868
52,941	40,508	497	1,570	-	-	-	-	95,516	58,748
186,379	44,275	416,136	7,141	89,992	41,150	8,325	960,000	13,452,738	11,141,892
-	-	-	-	-	-	-	-	1,727,526	1,720,362
-	-	-	-	-	-	-	840,874	6,050,440	3,678,014
-	-	415,440	-	-	-	-	-	1,289,420	955,128
56,295	2,984,704	-	588	837,820	-	9,018	-	6,819,375	7,038,142
-	-	-	-	-	-	-	-	1,228,058	1,384,964
-	-	-	-	-	-	-	-	37,500	285,077
56,295	2,984,704	415,440	588	837,820	-	9,018	840,874	17,152,319	15,061,687
130,084	(2,940,429)	696	6,553	(747,828)	41,150	(693)	119,126	(3,699,581)	(3,919,795)
110,882	2,997,403	186,537	1,365	1,050,322	57,096	3,334,793	-	8,118,900	7,676,804
-	(84,177)	(206,341)	-	(271,955)	-	(3,061,270)	-	(3,631,228)	(3,819,925)
110,882	2,913,226	(19,804)	1,365	778,367	57,096	273,523	-	4,487,672	3,856,879
240,966	(27,203)	(19,108)	7,918	30,539	98,246	272,830	119,126	788,091	(62,916)
272,646	672,192	17,013	57,365	566,338	127,749	4,595,807	320,000	6,964,952	7,027,868
513,612	644,989	(2,095)	65,283	596,877	225,995	4,868,637	439,126	7,753,043	6,964,952

Schedule 3

Iowa Public Television

Schedule of Expenditures by Object
General Fund

Year ended June 30, 2014

with summarized comparative information for the year ended June 30, 2013

	<u>2014</u>	<u>2013</u>
Personal services	\$ 9,067,383	\$ 9,029,143
Travel	189,523	175,828
Supplies and materials	2,762,889	2,737,717
Contractual services	2,874,978	2,467,501
Equipment and repair	929,901	507,599
Claims and miscellaneous	11,438	8,696
Licenses, permits and refunds	1,695	135,203
Plant improvements	1,314,512	-
Total	<u>\$ 17,152,319</u>	<u>\$ 15,061,687</u>

See accompanying independent auditor's report.

Iowa Public Television

Schedule of Changes in Fiduciary Assets and Liabilities
Agency Fund

Year ended June 30, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash	\$ -	32,975	32,975	-
Accounts receivable	8,466	834	8,466	834
Total assets	\$ 8,466	33,809	41,441	834
Liabilities				
Due to other state agencies	\$ 8,466	834	8,466	834

See accompanying independent auditor's report.

Iowa Public Television



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Independent Auditor's 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

To the Board Members of Iowa Public Television:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Iowa Public Television, as of and for the year ended June 30, 2014, and the related Notes to Financial Statements, which collectively comprise Iowa Public Television's basic financial statements, and have issued our report thereon dated November 17, 2014. The financial statements of the Iowa Public Television Foundation were not audited in accordance with Government Auditing Standards. This report on internal control over financial reporting and compliance and other matters does not include the results of the Iowa Public Television Foundation's audit performed by another auditor.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iowa Public Television's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iowa Public Television's internal control. Accordingly, we do not express an opinion on the effectiveness of Iowa Public Television'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 a material misstatement of Iowa Public Television'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 which 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, we did not identify any deficiencies in internal control during our audit we consider to be material weaknesses. However, material weaknesses may exist which have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Public Television’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 non-compliance or other matters which 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 Iowa Public Television’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Iowa Public Television’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Public Television during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

November 17, 2014

Iowa Public Television

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager
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Lucas D. Bernhard, Staff Auditor
Kaylynn D. Short, Staff Auditor
Kyle C. Smith, Staff Auditor
Kelsie K. Boyer, Assistant Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large, prominent initial "A".

Andrew E. Nielsen, CPA
Deputy Auditor of State

Statistical Information

Iowa Public Television
Statistical Information
Members and Contributors
(Unaudited)

Year ended June 30, 2014

The number of individuals making contributions to the Iowa Public Television Foundation during the year ended June 30, 2014 was as follows:

Contributors	4,829
Active members	45,246
Leadership Circle members	965
Total	<u>51,040</u>

See accompanying independent auditor's report.