



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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Des Moines, Iowa 50319-0006

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NEWS RELEASE

FOR RELEASE

February 7, 2022

Contact: Ernest Ruben
515/281-5834

Auditor of State Rob Sand today released an audit report on Iowa PBS, Des Moines, Iowa for the year ended June 30, 2021. The Iowa PBS Foundation, a component unit, is included in the financial statements.

FINANCIAL HIGHLIGHTS:

Iowa PBS had General Fund revenue of \$14,156,840 for the year ended June 30, 2021, a 10.0% increase over the prior year. Revenues included a state appropriation of \$8,777,814, gifts and grants of \$3,957,650, charges for service of \$593,469 and federal assistance of \$28,465. The Iowa PBS Foundation received \$7,306,813 from Foundation memberships and gifts and grants of \$3,687,957.

Expenditures to operate the educational television network for the year ended June 30, 2021 were as follows:

	General Fund	Special Revenue Fund	
		Iowa PBS Foundation	Total
Administration	\$ 1,991,692	-	1,991,692
Engineering and informational technology	3,805,300	-	3,805,300
Educational services	1,011,354	-	1,011,354
Programming, operations and production	8,507,997	-	8,507,997
Communications and community engagement	1,357,803	-	1,357,803
Emerging media	485,925	-	485,925
Fundraising services	-	4,004,129	4,004,129
Total	\$ 17,160,071	4,004,129	21,164,200

General Fund expenditures during the year ended June 30, 2021 increased 1.7% over the prior year.

AUDIT FINDINGS:

Consistent with the prior year, Sand reported no findings pertaining to Iowa PBS.

A copy of the audit report is available for review on the Auditor of State's web site at <https://www.auditor.iowa.gov/reports/file/67725/embed>.

IOWA PBS

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2021

Iowa PBS



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

January 21, 2022

Iowa PBS
Des Moines, Iowa

To the Members of Iowa PBS:

I am pleased to submit to you the financial and compliance audit report for Iowa PBS for the year ended June 30, 2021. The audit was performed in accordance with U.S. Auditing Standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of Iowa PBS throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized and cursive.

Rob Sand
Auditor of State

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Iowa PBS

Officials

Name

Title

State

Honorable Kim Reynolds
Joel Anderson
Timothy McDermott

Governor
Interim Director, Department of Management
Director, Legislative Services Agency

Board

Gary Steinke
Courtney Maxwell Greene
Angie Anderson (appointed 7/1/20)
Brooke Axiotis (appointed 7/1/20)
Sherry Bates
Julia C. Doll (term ended 6/30/20)
Angela M. English (resigned 6/30/20)
Kevin Fangman
Jason L. Giles
Kevin W. Krause
Bruce McKee

President
Vice President
Member
Member
Member
Member
Member
Member
Member
Member
Member

Agency

Molly M. Phillips
Michelle Wendel
Stephanie Bernard (resigned 3/4/21)
Kris May (appointed 4/16/21)

Executive Director
Director of Administration
Business Manager
Business Manager

Iowa PBS



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Independent Auditor's Report

To the Board Members of Iowa PBS:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Iowa PBS as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise Iowa PBS'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 PBS 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 PBS 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 PBS 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 PBS'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 PBS'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 PBS as of June 30, 2021, and the respective changes in its financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matters

As discussed in Note 1, the financial statements of Iowa PBS 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 PBS. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2021, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We previously audited the financial statements of Iowa PBS for the year ended June 30, 2020, and we expressed unmodified audit opinions on those audited financial statements in our report dated November 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 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, the Schedule of the Agency's Proportionate Share of the Net Pension Liability, the Schedule of the Agency's Contributions and the Schedule of Changes in the Agency's Total OPEB Liability, Related Ratios and Notes on pages 8 through 14 and 48 through 57 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 PBS's basic financial statements. The supplementary information included in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

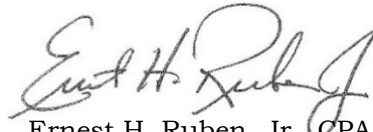
The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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 on page 70 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 January 21, 2022 on our consideration of Iowa PBS'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 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 PBS's internal control over financial reporting and compliance.



Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

January 21, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION AND REPORTING ENTITY

Management of Iowa PBS provides this "Management's Discussion and Analysis" of Iowa PBS's annual financial statements. This narrative overview and analysis of the financial activities of Iowa PBS is for the fiscal year ended June 30, 2021. We encourage readers to consider this information in conjunction with Iowa PBS's financial statements which follow the discussion.

Iowa PBS is Iowa's statewide public broadcasting network. Iowa PBS is an autonomous state agency under the umbrella of the Iowa Department of Education. The Iowa Public Broadcasting Board, the broadcast licensee, governs Iowa PBS 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 Iowa PBS, 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 PBS operates technical and production facilities that permit the creation and distribution of programming and educational products and services responsive to the varied interests of Iowans. Iowa PBS is the state's largest provider of information and entertainment programming about Iowa. Iowa PBS broadcasts close to a thousand hours of high quality, locally produced programming that reflects a range of interests for Iowans across all demographic areas. Contributing membership to the Iowa PBS Foundation consists of approximately 56,000 households.

FINANCIAL HIGHLIGHTS

- In fiscal year 2021, total revenues increased approximately \$6,472,000. This is due in part to gains on investments of approximately \$5,420,000 received during fiscal year 2021.
- Program expenses during fiscal year 2021 increased approximately \$444,000 from the prior year.
- Iowa PBS's net position increased approximately \$7,195,000 over fiscal year 2020.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to Iowa PBS's basic financial statements. Iowa PBS'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 Iowa PBS as a whole and present a longer-term view of Iowa PBS's finances. The activity of the Iowa PBS 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 PBS. 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. Required Supplementary Information includes Iowa PBS's proportionate share of the net pension liability and related contributions. Supplemental information is also in schedule form and provides additional detail.

REPORTING IOWA PBS 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 Iowa PBS's finances is "Is Iowa PBS 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 Iowa PBS 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 Iowa PBS's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in Iowa PBS's net position may serve as a useful indicator of whether the financial position of Iowa PBS is improving or deteriorating.

The Statement of Activities presents information showing how Iowa PBS'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 PBS's net position increased to approximately \$42.6 million at the end of fiscal year 2021 as compared to approximately \$35.4 million at the end of fiscal year 2020.

Restricted net position represents the largest portion of Iowa PBS's net position. Restricted net position increased approximately \$8.6 million or 28.7% during fiscal year 2021. This increase was partly due to approximately \$5.4 million of investment gains. 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.

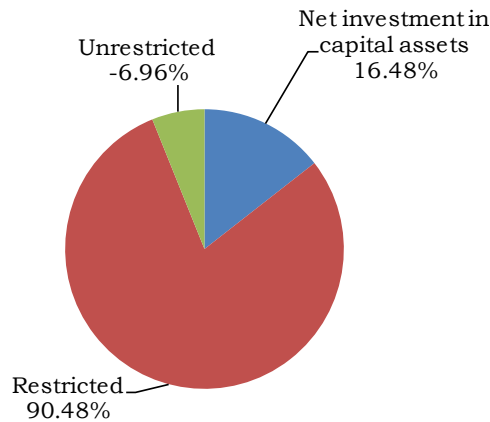
Investment in capital assets represents the second largest portion of net position and includes land, buildings, equipment, vehicles and television transmitters, less any related depreciation. Iowa PBS uses these capital assets to provide services to its viewers and others. Consequently, these assets are not available for future spending. Net capital assets decreased approximately \$1.9 million or 21.1%. This decrease is mainly due to depreciation expense of \$2.2 million being recognized in fiscal year 2021.

The remaining portion represents unrestricted net position and is available to be used to meet Iowa PBS's ongoing obligations to vendors. The negative net position at the end of fiscal year 2021 is primarily due to compensated absences, other postemployment benefits and the net pension liability benefits which are unfunded.

Net Position of Governmental Activities

	June 30, 2021	June 30, 2020
Assets		
Current and other assets	\$ 48,699,781	39,516,514
Capital assets, net	7,027,553	8,909,593
Total Assets	55,727,334	48,426,107
Deferred outflows of resources	1,381,363	1,320,915
Liabilities		
Current liabilities	5,035,496	5,097,007
Noncurrent liabilities	8,719,912	8,054,986
Total Liabilities	13,755,408	13,151,993
Deferred inflows of resources	715,304	1,152,438
Net Position		
Net investment in capital assets	7,027,553	8,909,593
Restricted	38,577,056	29,966,312
Unrestricted	(2,966,624)	(3,433,314)
Total Net Position	\$ 42,637,985	35,442,591

**FY 2021
Composition of Net Position**

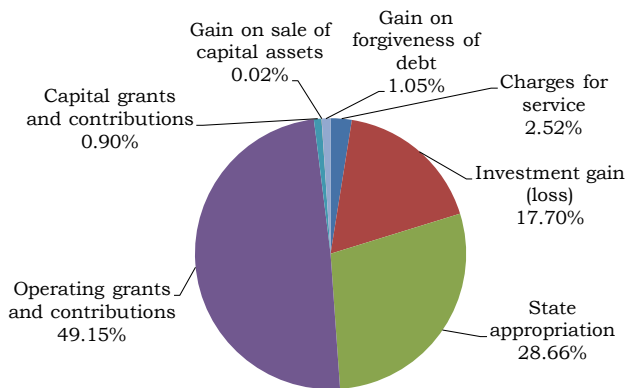


- The net position of Iowa PBS increased approximately \$7,195,000 during fiscal year 2021. Fiscal year 2021 revenues were approximately \$6,472,000 more than in fiscal year 2020. Operating grants and contributions revenue of approximately \$15.0 million, an increase from the prior year, represented 49.2% 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 2021, Iowa PBS received state appropriations of approximately \$8.8 million, which represented 28.7% of total revenues. Fiscal year 2021 expenses were approximately \$444,000 more than in fiscal year 2020. Programming, operating and production expenses of approximately \$8.9 million represented 37.8% of total expenses during the fiscal year. Engineering and informational technology expenses of approximately \$3.9 million represented 16.6% of total expenses.

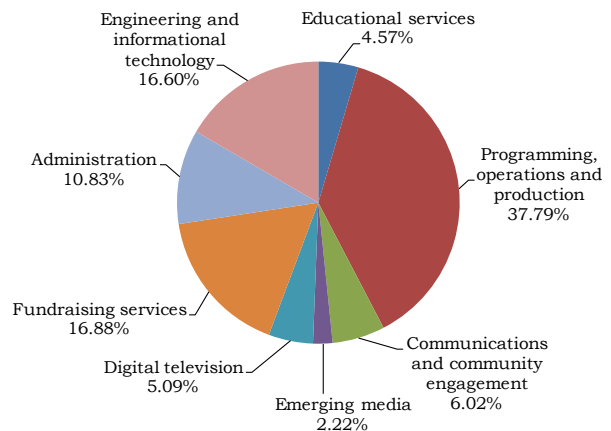
Changes in Net Position of Governmental Activities

	Year Ended June 30, 2021	Year Ended June 30, 2020
Revenues:		
Program revenues:		
Charges for service	\$ 771,461	776,107
Operating grants and contributions	15,049,534	14,611,059
Capital grants and contributions	274,671	222,178
General revenues:		
State appropriation	8,777,814	8,285,254
Investment gain	5,419,612	359,232
Gain (loss) on sale of capital assets	5,375	(106,374)
Gain on forgiveness of debt	320,800	-
Total revenues	<u>30,619,267</u>	<u>24,147,456</u>
Program expenses:		
Administration	2,537,102	2,406,008
Engineering and informational technology	3,887,091	4,194,496
Educational services	1,071,368	1,081,253
Programming, operations and production	8,852,565	8,022,086
Communications and community engagement	1,410,471	1,480,142
Emerging media	518,711	500,932
Digital television	1,192,385	1,381,605
Fundraising services	3,954,180	3,913,539
Total expenses	<u>23,423,873</u>	<u>22,980,061</u>
Change in net position	7,195,394	1,167,395
Net position beginning of year	35,442,591	34,275,196
Net position end of year	<u>\$ 42,637,985</u>	<u>35,442,591</u>

FY21 Revenues by Source



FY21 Expenses by Program



The Notes to Financial Statements provide additional information that is 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 begins on page 50 and includes a comparison of Budget and Actual for the General Fund, information on Iowa PBS's proportionate share of the net pension liability and Iowa PBS's related contributions and the Schedule of Changes in Iowa PBS's Total OPEB Liability, Related Ratios and Notes.

Supplementary information begins on page 62 and provides detailed information about the individual funds and accounts and expenditures by object.

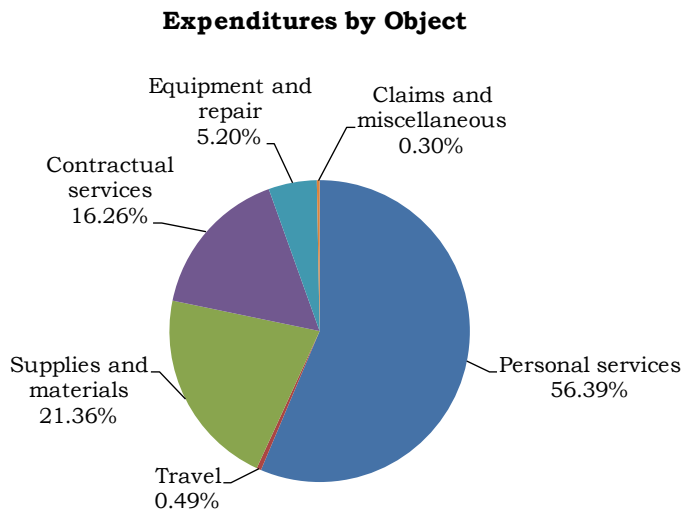
FINANCIAL ANALYSIS OF IOWA PBS'S INDIVIDUAL FUNDS

General Fund (Exhibits C and E):

As of June 30, 2021, Iowa PBS reported a combined General Fund balance of approximately \$15.5 million, which is approximately \$3.0 million more than the previous year's total. Iowa PBS's General Fund expenditures exceeded General Fund revenues by approximately \$3.0 million, and approximately \$6.0 million in net transfers were received from the Special Revenue Fund.

Iowa PBS's total state appropriations of approximately \$8.8 million represents 62.0% of total General Fund revenues of approximately \$14.2 million. Gifts and grants of approximately \$4.0 million represent 28.0% of total General Fund revenues, while Federal assistance of \$28,465 represents 0.2% of total General Fund revenues.

Personal services of approximately \$9.7 million and contractual services of approximately \$2.8 million represents 56.4% and 16.3%, respectively, of total General Fund expenditures of approximately \$17.2 million (see Schedule 3). Contractual services remain a significant expenditure item. Other significant expenditures include the acquisition of national television programming and utilities needed to operate Iowa PBS's television transmission facilities.



Special Revenue Fund (Exhibits C and E):

Iowa PBS's Special Revenue Fund consists of the Iowa PBS Foundation. As of June 30, 2021, Iowa PBS reported a Special Revenue Fund balance of approximately \$19.0 million, which is approximately \$6.5 million more than the previous year's total. Special Revenue Fund revenues exceeded Special Revenue Fund expenditures by approximately \$12.5 million. Approximately \$6.0 million was transferred to Iowa PBS's General Fund to produce and/or acquire public television programming. Total Special Revenue Fund revenue of approximately \$16.5 million was comprised mainly of approximately \$7.3 million in membership revenue and approximately \$4.9 million in net appreciation in fair value of investments.

Permanent Fund (Exhibits C and E):

Iowa PBS's Permanent Fund consists of restricted gifts of the Iowa PBS Foundation. While the corpus of the gifts is not available to spend, the earnings of the gifts are restricted for the acquisition and/or production of quality family programming. Earnings are recognized in the Iowa PBS Foundation's unrestricted endowment in the Special Revenue Fund. As of June 30, 2021, Iowa PBS reported a Permanent Fund balance of approximately \$8.1 million. The Permanent Fund balance increased by approximately \$608,500 from June 30, 2020. Permanent Fund revenues of approximately \$608,500 was comprised of gifts and grants, including bequests, received during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Iowa PBS's receipts were approximately \$68,000 more than budgeted receipts, a variance of 0.7%. Iowa PBS received in-kind and indirect support that was not budgeted.

Total disbursements were approximately \$1.0 million less than budgeted. Iowa PBS budgeted \$1.4 million for various capitals purchases, including updates to facilities and equipment; however, only \$392,000 of these funds were used in fiscal year 2021. The remaining funds will be available for capital purchases, including updates to facilities and equipment, in fiscal year 2022.

Iowa PBS exceeded the budgeted amount in the administration and programming, operations and production functions for the year ended June 30, 2021, primarily due to in-kind and indirect support that was not budgeted. All other Iowa PBS functional areas came in under budget.

CAPITAL ASSETS

Iowa PBS's investment in capital assets for its governmental activities at June 30, 2021 was approximately \$57.5 million, net of accumulated depreciation of approximately \$50.5 million, leaving a net book value of approximately \$7.0 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 Iowa PBS's investment in capital assets for the current fiscal year was approximately \$1.9 million. Depreciation charges for the year totaled approximately \$2.2 million.

More detailed information about Iowa PBS'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 her designee, the Director of the Legislative Services Agency, and a third person agreed upon by the other two members. At the October 15, 2021 meeting, the REC increased the estimate for General Fund tax and other receipts for fiscal year 2022.

The fiscal year 2022 General Fund state appropriation for Iowa PBS increased 1.3%, or approximately \$100,000 over fiscal year 2021 final General Fund appropriation.

CONTACTING IOWA PBS'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 Iowa PBS's finances and to show Iowa PBS's accountability for the money we receive. If you have questions about the report or need additional financial information, contact Iowa PBS, PO Box 6450, Johnston, IA 50131.

Basic Financial Statements

Iowa PBS

Iowa PBS
Statement of Net Position
June 30, 2021
with summarized comparative information for June 30, 2020

	Governmental Activities	
	2021	2020
Assets		
Current assets:		
Cash	\$ 17,786,392	15,854,394
Investments	137,568	117,599
Unexpended appropriation	2,076,673	2,032,098
Accounts receivable	76,398	85,237
Bequests and pledges receivable, net of allowance for uncollectible accounts of \$161,400 for 2021 and \$150,100 for 2020	2,271,419	1,958,443
Due from other state agencies	20,111	31,465
Due from federal government	-	16,374
Restricted assets - cash	192,718	168,498
Inventory	57,976	45,926
Prepaid expenses	117,147	123,614
Total current assets	<u>22,736,402</u>	<u>20,433,648</u>
Noncurrent assets:		
Investments	25,700,011	18,037,096
Beneficial interest in community trust	116,368	85,770
Bequests and pledges receivable	147,000	960,000
Capital assets, net of accumulated depreciation	7,027,553	8,909,593
Total noncurrent assets	<u>32,990,932</u>	<u>27,992,459</u>
Total assets	<u>55,727,334</u>	<u>48,426,107</u>
Deferred Outflows of Resources		
Pension related deferred outflows	1,322,502	1,250,113
OPEB related deferred outflows	58,861	70,802
Total deferred outflows of resources	<u>1,381,363</u>	<u>1,320,915</u>
Liabilities		
Current liabilities:		
Accounts payable	679,075	755,371
Due to other state agencies	84,664	31,193
Advances from grantors	3,491,922	3,473,242
Compensated absences	723,611	784,508
Total OPEB liability	56,224	52,693
Total current liabilities	<u>5,035,496</u>	<u>5,097,007</u>
Noncurrent liabilities:		
Accounts payable	277,373	249,356
Paycheck protection program loan	-	320,800
Compensated absences	1,359,119	1,177,259
Net pension liability	6,157,756	5,341,833
Total OPEB liability	925,664	965,738
Total noncurrent liabilities	<u>8,719,912</u>	<u>8,054,986</u>
Total liabilities	<u>13,755,408</u>	<u>13,151,993</u>
Deferred Inflows of Resources		
Pension related deferred inflows	432,101	959,278
OPEB related deferred inflows	137,078	76,203
Unconditional remainder interest	146,125	116,957
Total deferred inflows of resources	<u>715,304</u>	<u>1,152,438</u>
Net Position		
Net investment in capital assets	7,027,553	8,909,593
Restricted for:		
Nonexpendable - Donor restricted endowment	8,129,724	7,521,201
Expendable:		
Future state vehicle dispatch purchases	192,718	168,498
Acquisition or production of programming	30,254,614	22,276,613
Unrestricted	<u>(2,966,624)</u>	<u>(3,433,314)</u>
Total net position	<u>\$ 42,637,985</u>	<u>35,442,591</u>

See notes to financial statements.

Iowa PBS

Statement of Activities

Year ended June 30, 2021

with summarized comparative information for the year ended June 30, 2020

Functions	Program Revenues			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Administration	\$ 2,537,102	-	599,435	-
Engineering and informational technology	3,887,091	542,217	276,632	274,671
Educational services	1,071,368	42,579	231,889	-
Programming, operations and production	8,852,565	84,952	2,633,752	-
Communications and community engagement	1,410,471	-	435,339	-
Emerging media	518,711	-	231,905	-
Digital television	1,192,385	-	-	-
Fundraising services	3,954,180	101,713	10,640,582	-
Total	\$ 23,423,873	771,461	15,049,534	274,671
General revenues:				
State appropriation				
Unrestricted investment gain				
Gain (loss) on sale of capital assets				
Gain on forgiveness of debt				
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 Position 2021	Net (Expense) Revenue and Change in Net Position 2020
(1,937,667)	(1,770,158)
(2,793,571)	(3,096,342)
(796,900)	(651,908)
(6,133,861)	(6,440,230)
(975,132)	(1,021,964)
(286,806)	(295,163)
(1,192,385)	(1,381,605)
6,788,115	7,286,653
<u>(7,328,207)</u>	<u>(7,370,717)</u>
8,777,814	8,285,254
5,419,612	359,232
5,375	(106,374)
320,800	-
<u>14,523,601</u>	<u>8,538,112</u>
7,195,394	1,167,395
<u>35,442,591</u>	<u>34,275,196</u>
<u>\$ 42,637,985</u>	<u>35,442,591</u>

Iowa PBS
Balance Sheet
Governmental Funds

June 30, 2021
with summarized comparative information for June 30, 2020

	Special Revenue	
	General	Iowa PBS Foundation
Assets		
Cash	\$ 16,175,187	1,608,335
Investments	-	17,793,935
Beneficial interest in community trust	-	33,158
Unexpended appropriation	2,076,673	-
Accounts receivable	76,398	-
Bequests and pledges receivable, net of allowance for uncollectible accounts of \$161,400 for 2021 and \$150,100 for 2020	-	2,388,419
Due from:		
Other funds	1,431,057	-
Other state agencies	20,111	-
Federal government	-	-
Restricted assets - cash	192,718	-
Inventory	-	57,976
Prepaid expenditures	80,620	36,527
Total assets	\$ 20,052,764	21,918,350
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 439,821	436,529
Due to:		
Other funds	510,699	920,358
Other state agencies	84,664	-
Advances from grantors	3,491,422	500
Total liabilities	4,526,606	1,357,387
Deferred inflows of resources:		
Unavailable revenues:		
Memberships and contributions	-	1,419,941
Unconditional remainder interest	-	146,125
Other	20,854	-
Total deferred inflows of resources	20,854	1,566,066
Fund balances:		
Nonspendable:		
Prepaid expenditures and inventory	80,620	94,503
Foundation endowment	-	-
Restricted for:		
Subsequent years' expenditures	192,718	-
Noncurrent receivables	-	117,000
Specific purposes	10,627,262	18,783,394
Committed	4,663,190	-
Unassigned	(58,486)	-
Total fund balances	15,505,304	18,994,897
Total liabilities, deferred inflows of resources and fund balances	\$ 20,052,764	21,918,350

See notes to financial statements.

Permanent Foundation Endowment	Total 2021	Total 2020
2,870	17,786,392	15,854,394
8,043,644	25,837,579	18,154,695
83,210	116,368	85,770
-	2,076,673	2,032,098
-	76,398	85,237
30,000	2,418,419	2,918,443
-	1,431,057	2,037,754
-	20,111	31,465
-	-	16,374
-	192,718	168,498
-	57,976	45,926
-	117,147	123,614
8,159,724	50,130,838	41,554,268
-	876,350	918,379
-	1,431,057	2,037,754
-	84,664	31,193
-	3,491,922	3,473,242
-	5,883,993	6,460,568
30,000	1,449,941	2,448,953
-	146,125	116,957
-	20,854	25,760
30,000	1,616,920	2,591,670
-	175,123	169,540
8,099,724	8,099,724	7,521,201
-	192,718	168,498
30,000	147,000	-
-	29,410,656	20,883,512
-	4,663,190	3,819,436
-	(58,486)	(60,157)
8,129,724	42,629,925	32,502,030
8,159,724	50,130,838	41,554,268

Iowa PBS

Iowa PBS

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

June 30, 2021
with summarized comparative information for June 30, 2020

	2021		2020
Total governmental fund balances (page 21)	\$ 42,629,925		\$ 32,502,030
 Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds, as follows:			
Iowa PBS	7,027,553		8,909,593
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds, as follows:			
Iowa PBS	20,854		25,760
Iowa PBS Foundation	1,449,941	1,470,795	2,448,953
			2,474,713
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental fund, as follows:			
Deferred outflows of resources	1,381,363		1,320,915
Deferred inflows of resources	(569,179)	812,184	(1,035,481)
			285,434
Long term liabilities, including loans payable, compensated absences, total OPEB liability and net pension liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:			
Loans payable	-		(320,800)
Current compensated absences	(723,611)		(784,508)
Non-current compensated absences	(1,359,119)		(1,177,259)
Termination benefits payable, included in accounts payable	(80,098)		(86,348)
Total OPEB liability	(981,888)		(1,018,431)
Net pension liability	(6,157,756)	(9,302,472)	(5,341,833)
Net position of governmental activities (page 17)	\$ 42,637,985		\$ 35,442,591

See notes to financial statements.

Iowa PBS

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

Year ended June 30, 2021
with summarized comparative information for the year ended June 30, 2020

	Special Revenue	
	General	Iowa PBS Foundation
Revenues:		
State appropriation	\$ 8,777,814	-
Federal assistance	28,465	-
Receipts from other entities	4,272	-
Fees and licenses	81,511	-
Gifts and grants	3,957,650	3,687,957
In-kind and indirect support	296,552	21,228
Memberships	-	7,306,813
Charges for service	593,469	116,786
Interest on investments	25,664	447,394
Net appreciation (depreciation) in fair value of investments	-	4,946,554
Miscellaneous	391,443	-
Total revenues	<u>14,156,840</u>	<u>16,526,732</u>
Expenditures:		
Administration	1,991,692	-
Engineering and informational technology	3,805,300	-
Educational services	1,011,354	-
Programming, operations and production	8,507,997	-
Communications and community engagement	1,357,803	-
Emerging media	485,925	-
Fundraising services	-	4,004,129
Total expenditures	<u>17,160,071</u>	<u>4,004,129</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,003,231)</u>	<u>12,522,603</u>
Other financing sources (uses):		
Transfers in	10,176,993	-
Transfers out	(4,139,821)	(6,037,172)
Loan proceeds	-	-
Total other financing sources (uses)	<u>6,037,172</u>	<u>(6,037,172)</u>
Change in fund balances	3,033,941	6,485,431
Fund balances beginning of year	<u>12,471,363</u>	<u>12,509,466</u>
Fund balances end of year	<u>\$ 15,505,304</u>	<u>18,994,897</u>

See notes to financial statements.

<u>Permanent</u>		
<u>Foundation</u>	<u>Total</u>	<u>Total</u>
<u>Endowment</u>	<u>2021</u>	<u>2020</u>
-	8,777,814	8,285,254
-	28,465	68,579
-	4,272	49,852
-	81,511	90,490
608,523	8,254,130	6,612,995
-	317,780	73,885
-	7,306,813	7,229,907
-	710,255	691,917
-	473,058	565,400
-	4,946,554	(206,168)
-	391,443	32,719
608,523	31,292,095	23,494,830
-	1,991,692	1,897,177
-	3,805,300	4,318,771
-	1,011,354	1,056,406
-	8,507,997	7,720,817
-	1,357,803	1,427,900
-	485,925	448,108
-	4,004,129	3,875,679
-	21,164,200	20,744,858
608,523	10,127,895	2,749,972
-	10,176,993	9,447,276
-	(10,176,993)	(9,447,276)
-	-	320,800
-	-	320,800
608,523	10,127,895	3,070,772
7,521,201	32,502,030	29,431,258
8,129,724	42,629,925	32,502,030

Iowa PBS

Iowa PBS

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year ended June 30, 2021
with summarized comparative information for the year ended June 30, 2020

	2021		2020
Change in fund balances - Total governmental funds (page 25)	\$ 10,127,895		\$ 3,070,772
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.		1,470,795	2,474,713
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 of resources in the governmental funds.		(2,474,713)	(1,703,114)
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 PBS			
Expenditures for capital assets	\$ 306,599		\$ 696,121
Depreciation expense	(2,188,639)	(1,882,040)	(2,535,340)
			(1,839,219)
In the governmental funds, the proceeds from the sale of capital assets increase financial resources, whereas the Statement of Activities only reports the gain/(loss) on the disposition of capital assets.		-	(115,949)
The current year employer's share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.		649,994	656,714
The gain on forgiveness of debt for the paycheck protection program loan is reported on the Statement of Activities but is not an available resource in the governmental funds.		320,800	(320,800)
Only expenses which require current financial resources are reported in the governmental funds, whereas the Statement of Activities reports expenses for compensated absences, termination benefits, pension expense and other postemployment benefits not requiring the use of current financial resources, as follows:			
Compensated absences	(120,963)		(140,562)
Termination benefits	6,250		52,309
Pension expense	(866,351)		(918,130)
OPEB expense	(36,273)	(1,017,337)	(49,339)
			(1,055,722)
Change in net position of governmental activities (page 19)	\$ 7,195,394		\$ 1,167,395

See notes to financial statements.

Iowa PBS

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies

Iowa PBS, 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 PBS operates nine digital transmitters and eight translators as follows:

<u>Digital Transmitters</u>	<u>Translators</u>
KDIN-DT Channel 11, Des Moines	K25PE-D Channel 25, Decorah
KIIN-DT Channel 12, Iowa City	K33PV-D Channel 33, 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	K31NJ-D Channel 31, Lansing
KRIN-DT Channel 35, Waterloo	K19KX-D Channel 19, Keokuk
KHIN-DT Channel 35, Red Oak	K24IM-D Channel 24, Keosauqua
KQIN-DT Channel 34, Davenport	

The financial statements of Iowa PBS 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 PBS 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 PBS are such that exclusion would cause Iowa PBS'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 PBS 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 PBS.

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

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

Iowa PBS 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 PBS. The funds received by the Foundation, less expenses, are to be transferred monthly to Iowa PBS for programs and program expenses. Iowa PBS has sole discretion as to the use of the money or property. Iowa PBS 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 PBS 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 PBS and provides services entirely to Iowa PBS.

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 PBS's financial statements for the year ended June 30, 2020 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 PBS 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 PBS'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. Enabling legislation did not result in any restricted net position.

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. The major individual governmental funds are reported as separate columns in the fund financial statements.

Iowa PBS reports the following major governmental funds:

The General Fund is the general operating fund of Iowa PBS 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 PBS 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 restricted gifts made to Iowa PBS Foundation. While the corpus of the gifts is not available to spend, the earnings of the gifts are restricted for the acquisition and/or production of quality family programming. Earnings are recognized in the Iowa PBS Foundation's unrestricted endowment in the Special Revenue Fund and then transferred to the General Fund annually.

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 PBS 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 PBS'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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

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

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

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

Restricted Assets – Cash – Iowa PBS 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 PBS), are reported in the governmental activities column in the entity-wide Statement of Net Position. Capital assets are defined by Iowa PBS 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 acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential.

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from Iowa PBS after the measurement date but before the end of Iowa PBS’s reporting period.

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

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees’ Retirement System (IPERS) and additions to/deductions from IPERS’ fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Total OPEB Liability - For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflow of resources related to OPEB and OPEB expense, information has been determined based on the State of Iowa’s actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. 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 in the fund financial statements consist of memberships and contributions to the Foundation and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of unrecognized items not yet credited to pension and OPEB expense, unconditional remainder interest and the unamortized portion of the net difference between projected and actual earnings on IPERS' investments.

Compensated Absences – Iowa PBS employees accrue vacation, sick leave and compensatory leave at rates specified in the Code of Iowa. Accumulated unused vacation leave and accrued compensatory 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. The liabilities for compensated absences are based on rates of pay in effect at June 30, 2021 and 2020.

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 2021, 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.

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

(2) Deposits and Investments

Iowa PBS's deposits with the Treasurer of State throughout the period and at June 30, 2021 and 2020 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 ensure 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, 2021 and 2020, the carrying amount of cash not held by the Treasurer of State was \$1,613,605 and \$2,954,728, respectively, and the bank balances were \$1,632,084 and \$2,993,276, respectively. Deposits of \$324,867 and \$375,513, 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, 2021 and 2020. The remaining deposits of \$1,307,217 and \$2,617,763, 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, 2021 and 2020, the Foundation's investments had fair values of \$25,953,947 and \$18,240,465, respectively. Investments of the Foundation are not subject to GASB disclosure requirements.

(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 PBS Foundation (Foundation) during the years ended June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, June 30, 2016, 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, 2021 and 2020 were \$116,368 and \$85,770, respectively.

(4) Due From and Due To Other Funds

The detail of interfund receivables and payables at June 30, 2021 and 2020 is as follows:

Fund	2021		2020	
	Receivable	Payable	Receivable	Payable
General	\$ 1,431,057	510,699	2,037,754	1,122,797
Special Revenue, Iowa PBS Foundation	-	920,358	-	914,957
Total	\$ 1,431,057	1,431,057	2,037,754	2,037,754

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, 2021 was as follows:

	Balance Beginning of Year	Reclassifications	Increases	Decreases	Balance End of Year
Iowa PBS:					
Capital assets:					
Land, not being depreciated	\$ 1,299,063	-	-	-	1,299,063
Buildings	10,783,621	-	-	-	10,783,621
Machinery, equipment and vehicles	13,240,136	-	74,988	(125,999)	13,189,125
Transmitters	31,802,314	115,776	231,611	-	32,149,701
Construction in progress	115,776	(115,776)	-	-	-
Total capital assets	57,240,910	-	306,599	(125,999)	57,421,510
Less accumulated depreciation for:					
Buildings	8,280,825	-	609,322	-	8,890,147
Transmitters	28,136,763	-	1,148,412	-	29,285,175
Machinery, equipment and vehicles	11,913,729	-	430,905	(125,999)	12,218,635
Total accumulated depreciation	48,331,317	-	2,188,639	(125,999)	50,393,957
Total capital assets, net	\$ 8,909,593	-	(1,882,040)	-	7,027,553
Iowa PBS Foundation:					
Capital assets:					
Leasehold improvements	\$ 22,952	-	-	-	22,952
Machinery, equipment and vehicles	89,314	-	-	-	89,314
Total capital assets	112,266	-	-	-	112,266
Less accumulated depreciation for:					
Leasehold improvements	22,952	-	-	-	22,952
Machinery, equipment and vehicles	89,314	-	-	-	89,314
Total accumulated depreciation	112,266	-	-	-	112,266
Total capital assets, net	\$ -	-	-	-	-

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance Beginning of Year	Reclassifications	Increases	Decreases	Balance End of Year
Iowa PBS:					
Capital assets:					
Land, not being depreciated	\$ 1,299,063	-	-	-	1,299,063
Buildings	10,783,621	-	-	-	10,783,621
Machinery, equipment and vehicles	13,596,926	-	326,132	(682,922)	13,240,136
Transmitters	32,792,725	-	254,213	(1,244,624)	31,802,314
Construction in progress	-	-	115,776	-	115,776
Total capital assets	58,472,335	-	696,121	(1,927,546)	57,240,910
Less accumulated depreciation for:					
Buildings	7,664,949	-	615,876	-	8,280,825
Transmitters	27,826,044	-	1,434,219	(1,123,500)	28,136,763
Machinery, equipment and vehicles	12,116,581	-	485,245	(688,097)	11,913,729
Total accumulated depreciation	47,607,574	-	2,535,340	(1,811,597)	48,331,317
Total capital assets, net	\$ 10,864,761	-	(1,839,219)	(115,949)	8,909,593
Iowa PBS Foundation:					
Capital assets:					
Leasehold improvements	\$ 41,416	(18,464)	-	-	22,952
Machinery, equipment and vehicles	70,850	18,464	-	-	89,314
Total capital assets	112,266	-	-	-	112,266
Less accumulated depreciation for:					
Leasehold improvements	41,416	(18,464)	-	-	22,952
Machinery, equipment and vehicles	70,850	18,464	-	-	89,314
Total accumulated depreciation	112,266	-	-	-	112,266
Total capital assets, net	\$ -	-	-	-	-

Depreciation expense for the years ended June 30, 2021 and 2020 was charged to the following functions:

	Iowa PBS	Total 2020
Governmental activities:		
Administration	\$ 505,914	530,709
Engineering and informational technology	326,518	459,096
Programming, operations and production	160,256	154,280
Communications and community engagement	3,566	9,650
Digital television	1,192,385	1,381,605
Total depreciation expense	\$ 2,188,639	2,535,340

(6) Pension Plan

Plan Description – IPERS membership is mandatory for employees of Iowa PBS, except for those covered by another retirement system. Employees of Iowa PBS are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees’ Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member’s years of service plus the member’s age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member’s first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member’s monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member’s highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member’s monthly retirement benefit will be permanently reduced by an early retirement reduction. The early retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member’s earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member’s lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member’s beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member’s accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2021 and 2020, pursuant to the required rates, regular members contributed 6.29% of covered payroll and Iowa PBS contributed 9.44% of covered payroll, for a total rate of 15.73%.

Iowa PBS’s contributions to IPERS for the year ended June 30, 2021 and June 30, 2020 totaled \$649,994 and \$656,714.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, Iowa PBS reported a liability of \$6,157,756 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Iowa PBS’s proportion of the net pension liability was based on Iowa PBS’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2020, Iowa PBS’s proportion was 0.087658%, which was a decrease of 0.004591% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021 Iowa PBS recognized pension expense of \$866,351. At June 30, 2021 Iowa PBS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,803	145,955
Changes of assumptions	316,076	-
Net difference between projected and actual earnings on IPERS' investments	346,164	-
Changes in proportion and differences between Agency contributions and the Agency's proportionate share of contributions	3,465	286,146
Agency contributions subsequent to the measurement date	649,994	-
Total	<u>\$ 1,322,502</u>	<u>432,101</u>

\$649,994 reported as deferred outflows of resources related to pensions resulting from Iowa PBS's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Total
2022	\$ 10,631
2023	54,367
2024	49,676
2025	145,810
2026	<u>(20,077)</u>
Total	<u>\$ 240,407</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	3.0	3.11
Total	100.0%	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from Iowa PBS will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Iowa PBS's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents Iowa PBS's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what Iowa PBS's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Iowa PBS's proportionate share of the net pension liability	\$ 10,267,539	6,157,756	2,711,766

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS – At June 30, 2021, Iowa PBS reported payables to IPERS of \$25,314 for legally required employer contributions and \$16,867 for legally required employee contributions which had been withheld from employee wages but had not yet been remitted to IPERS.

(7) Operating Leases

Iowa PBS 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, 2021:

<u>Year Ending June 30,</u>	<u>Minimum Rental Payments</u>
2022	\$ 253,662
2023	242,616
2024	151,277
2025	117,298
2026	118,759
2027-2031	477,658
2032-2036	90,406
2037-2040	64,324
Total	<u>\$ 1,516,000</u>

Rental expense for the years ended June 30, 2021 and 2020 for all operating leases, except those with terms of a month or less that were not renewed, totaled \$244,413 and \$242,012, 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, 2021 and 2020 include the following:

	<u>Year ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Contributed support and in-kind contributions	<u>\$ 317,780</u>	<u>\$ 73,885</u>

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

(9) Lessor Operating Leases

Iowa PBS owns several transmitters which are located throughout the State. Iowa PBS 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, 2021:

Year Ending June 30,	Minimum Future Rentals
2022	\$ 465,718
2023	390,839
2024	190,486
2025	180,060
2026	140,124
2027-2031	423,463
2032-2036	146,463
2037-2038	54,726
Total	\$ 1,991,879

(10) Interfund Transfers

The detail of interfund transfers for the years ended June 30, 2021 and 2020 is as follows:

Fund	2021		2020	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General	\$ 10,176,993	4,139,821	\$ 9,447,276	4,012,346
Special Revenue, Iowa PBS Foundation	-	6,037,172	-	5,434,930
Total	\$ 10,176,993	10,176,993	\$ 9,447,276	9,447,276

Transfers move gifts and grants from the Special Revenue, Iowa PBS 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, 2021 and 2020 are summarized as follows:

Year ended June 30, 2021	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Compensated absences	\$ 1,961,767	816,118	695,155	2,082,730	723,611
Net pension liability	5,341,833	815,923	-	6,157,756	-
Total OPEB liability	1,018,431	-	36,543	981,888	56,224
Total	\$ 8,322,031	1,632,041	731,698	9,222,374	779,835

Year ended June 30, 2020	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Compensated absences	\$ 1,821,205	823,607	683,045	1,961,767	784,508
Net pension liability	5,989,665	-	647,832	5,341,833	-
Total OPEB liability	966,363	52,068	-	1,018,431	52,693
Total	\$ 8,777,233	875,675	1,330,877	8,322,031	837,201

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 PBS 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 PBS 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 PBS. Amounts calculated for this program are included in the compensated absences liability for current employees and \$80,098 is included in accounts payable for retirees.

For the year ended June 30, 2021, five employees received benefits totaling \$62,221 under SLIP.

(13) Other Postemployment Benefits

Plan Description

Iowa PBS's employees are provided with OPEB through the State of Iowa OPEB Plan – a cost-sharing, multiple-employer defined benefit OPEB plan administered by the State of Iowa (State OPEB Plan). The State of Iowa provides access to postretirement medical benefits to all retirees as required by Chapter 509A.13 of the Code of Iowa. Although the retirees generally must pay 100% of the premium rate, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), requires that employers recognize the Implicit Rate Subsidy that exists in postretirement medical plans provided by governmental employers.

Implicit Rate Subsidy refers to the concept that retirees under the age of 65 (i.e. not eligible for Medicare) generate higher claims on average than active participants. When a medical plan is self-insured or fully insured through a third-party administrator, a premium is usually determined by analyzing the claims of the entire population in the plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired participants. Since individuals generally have more and higher claims as they get older, the blended premium paid for retirees is lower than their expected claims. Another way of considering this is that if the retirees were removed from the plan, the premium for the active group would be lower; therefore, the retirees' premiums are being subsidized by the active group. Since the employer generally pays a large portion or all of the premiums for the active group, this subsidy creates a liability for the employer. The difference between the expected claims for the retiree group and the blended premium is called the Implicit Rate Subsidy.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Plan Benefits

The State OPEB Plan currently offers 3 plans which are available to participants: the Iowa Choice Plan, the National Choice Plan and the SPOC (State Police Officer's Council) Plan.

The contribution requirements of the plan participants are established and may be amended by the State Legislature. The State currently finances the retiree benefit plan on a pay-as-you-go basis.

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, Iowa PBS reported a liability of \$981,888 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation performed as of January 1, 2021 and rolled forward to June 30, 2021 using generally accepted actuarial principles. Iowa PBS's proportion of the total OPEB liability was based on a ratio of Iowa PBS's active employees in relation to all active employees of the State OPEB plan. At June 30, 2021, Iowa PBS's proportion was 0.486820%.

For the year ended June 30, 2021, Iowa PBS recognized OPEB expense of \$36,273. At June 30, 2021, Iowa PBS reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	51,644
Changes in proportion and differences in Iowa PBS's contributions and the Iowa PBS's proportionate share of contributions	-	72,816
Changes of assumptions	58,861	12,618
Total	<u>\$ 58,861</u>	<u>137,078</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2022	\$ (11,105)
2023	(11,105)
2024	(11,105)
2025	(11,105)
2026	(11,246)
Thereafter	<u>(22,551)</u>
Total	<u>\$ (78,217)</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 measurement was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.60%
Discount rate	2.16%
Healthcare cost trend rates	7.0% initial, decreasing to 4.5% ultimate.

The discount rate was based on the 20-year Bond Buyer GO Index as of the end of June 2021.

The majority of State of Iowa employees are participants in the Iowa Public Employees' Retirement Systems. For this reason, the individual salary increase, mortality withdrawal, retirement, and age of spouse assumptions are based on the assumptions used for the Iowa Public Employees' Retirement System (IPERS) actuarial valuation report as of June 30, 2021. The plan participation and coverage election at retirement assumptions are based upon the recent experience of the State of Iowa Postretirement Medical Plan.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2020	<u>\$ 1,018,431</u>
Changes for the year:	
Service cost	79,586
Interest	22,736
Differences between expected and actual experiences	(2,927)
Assumption changes	(39,161)
Change in proportionate share	(41,719)
Benefit payments	<u>(55,058)</u>
Net changes	<u>(36,543)</u>
Total OPEB liability at June 20, 2021	<u>\$ 981,888</u>

Sensitivity of IOWA PBS's Total OPEB Liability to Changes in the Discount Rate

The proportionate share of the total OPEB liability was calculated using a discount rate of 2.16%, as well as a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate. The sensitivity of the proportionate share of the total OPEB liability to changes in the discount rate is presented below:

	<u>1% Decrease (1.16%)</u>	<u>Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Total OPEB liability	\$ 1,043,558	981,888	922,508

Sensitivity of IOWA PBS's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The proportionate share of the total OPEB liability was calculated using a healthcare cost rate of 7.00% as well as a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current discount rate. The sensitivity of the proportionate share of the total OPEB liability to changes in the healthcare cost trend rate is presented below:

	1% Decrease (6.00%)	Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB liability	\$ 871,070	981,888	1,112,624

Payables to the OPEB Plan – There were no amounts due to the defined benefit State OPEB plan at June 30, 2021.

(14) Paycheck Protection Program Loan

Through a loan agreement dated June 16, 2020, the Iowa PBS Foundation received loan proceeds of \$320,800 from a financial institution under the federal Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA) and the United States Department of Treasury. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides loans to qualifying business for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities as well as meets all other requirements as described in the CARES Act.

The PPP loan was forgiven by SBA on December 15, 2020 and the gain from the forgiveness of the loan has been recognized by the Iowa PBS Foundation.

(15) COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of Iowa PBS, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Iowa PBS. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to Iowa PBS' operations and finances.

(16) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease liabilities that are not currently reported.

Required Supplementary Information

Iowa PBS

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

Required Supplementary Information

Year ended June 30, 2021

	General Fund Actual	Less Funds not Required to be Budgeted	Net
Revenues:			
State appropriation	\$ 8,777,814	-	8,777,814
Federal assistance	28,465	28,465	-
Receipts from other entities	4,272	4,272	-
Fees and licenses	81,511	81,511	-
Gifts and grants	3,957,650	3,957,650	-
In-kind and indirect support	296,552	248,395	48,157
Charges for service	593,469	45,877	547,592
Interest on investments	25,664	25,664	-
Miscellaneous	391,443	391,443	-
Total revenues	<u>14,156,840</u>	<u>4,783,277</u>	<u>9,373,563</u>
Expenditures:			
Administration	1,991,692	671,681	1,320,011
Engineering and informational technology	3,805,300	693,470	3,111,830
Educational services	1,011,354	378,685	632,669
Programming, operations and production	8,507,997	5,827,097	2,680,900
Communications and community engagement	1,357,803	580,492	777,311
Emerging media	485,925	245,657	240,268
Total expenditures	<u>17,160,071</u>	<u>8,397,082</u>	<u>8,762,989</u>
Excess (deficiency) of revenues over (under) expenditures	(3,003,231)	(3,613,805)	610,574
Other financing sources, net	<u>6,037,172</u>	<u>6,016,468</u>	<u>20,704</u>
Change in balances	3,033,941	2,402,663	631,278
Balance beginning of year	<u>12,471,363</u>	<u>11,040,465</u>	<u>1,430,898</u>
Balance end of year	<u>\$ 15,505,304</u>	<u>13,443,128</u>	<u>2,062,176</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
8,770,316	8,770,316	7,498
-	-	-
117,000	124,498	(124,498)
-	-	-
5,500	5,500	(5,500)
-	-	48,157
405,000	405,000	142,592
-	-	-
-	-	-
9,297,816	9,305,314	68,249
1,309,000	1,316,498	(3,513)
3,983,759	4,338,759	1,226,929
775,800	775,800	143,131
2,331,316	2,331,316	(349,584)
791,363	791,363	14,052
252,089	252,089	11,821
9,443,327	9,805,825	1,042,836
(145,511)	(500,511)	1,111,085
110,511	110,511	(89,807)
(35,000)	(390,000)	1,021,278
1,260,000	1,260,000	170,898
1,225,000	870,000	1,192,176

Iowa PBS

Iowa PBS

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2021

Budgetary control is exercised over Iowa PBS 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.

Iowa PBS

Schedule of the Agency's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
For the Last Seven Years*
(In Thousands)

Required Supplementary Information

	2021	2020	2019	2018
Agency's proportion of the net pension liability	0.087658%	0.092249%	0.094650%	0.093700%
Agency's proportionate share of the net pension liability	\$ 6,158	5,342	5,990	6,242
Agency's covered payroll	\$ 6,957	7,021	7,114	6,994
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	88.52%	76.09%	84.20%	89.25%
IPERS' net position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

2017	2016	2015
0.094503%	0.095686%	0.098966%
5,947	4,727	3,925
6,782	6,550	6,476
87.69%	72.17%	60.61%
81.82%	85.19%	87.61%

Iowa PBS

Schedule of Agency Contributions

Iowa Public Employees' Retirement System
For the Last Nine Years
(In Thousands)

Required Supplementary Information

	2021	2020	2019	2018
Statutorily required contribution	\$ 650	657	663	635
Contributions in relation to the statutorily required contribution	(650)	(657)	(663)	(635)
Contribution deficiency (excess)	\$ -	-	-	-
Agency's covered payroll	\$ 6,897	6,957	7,021	7,114
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	8.93%

* Amounts reported do not agree with calculated amounts due to rounding required contributions and covered payroll to nearest thousandth.

Note: GASB Statement No. 68 requires ten years of information be presented in this table. However, until a full 10-year trend is compiled, Iowa PBS will present information for those years for which information is available.

See accompanying independent auditor's report.

2017	2016	2015	2014	2013
625	606	585	581	560
(625)	(606)	(585)	(581)	(560)
-	-	-	-	-
6,994	6,782	6,550	6,476	6,462
8.93%	8.93%	8.93%	8.97%	8.67%

Iowa PBS

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2021

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

Iowa PBS

Schedule of Changes in Agency's
Total OPEB Liability, Related Ratios and Notes

For the Last Four Years
Required Supplementary Information

	2021	2020	2019	2018
Service cost	\$ 79,586	64,766	59,981	66,407
Interest cost	22,736	34,782	36,150	33,398
Difference between expected and actual experiences	(2,927)	(5,347)	(1,348)	(5,453)
Changes in assumptions	(39,161)	21,949	13,310	13,533
Change in proportionate share	(41,719)	(10,016)	(39,003)	7,306
Benefit payments	(55,058)	(54,066)	(53,410)	(47,095)
Net change in total OPEB liability	(36,543)	52,068	15,680	68,096
Total OPEB liability beginning of year	1,018,431	966,363	950,683	882,587
Total OPEB liability end of year	\$ 981,888	1,018,431	966,363	950,683
Covered-employee payroll	\$ 6,491,579	6,505,888	6,007,236	6,834,239
Total OPEB liability as a percentage of covered-employee payroll	15.1%	15.7%	16.1%	13.9%

Notes to Schedule of Changes in Iowa PBS's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2021	2.16%
Year ended June 30, 2020	2.21%
Year ended June 30, 2019	3.50%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to the pay related benefits.

GASB Statement No. 75 requires ten years of information to be presented in this schedule. However, until a full 10-year trend is complied, Iowa PBS will present information for those years for which information is available. The amounts presented for each fiscal year were determined as of June 30.

Iowa PBS

Supplementary Information

Iowa PBS
Combining Balance Sheet
General Fund Accounts

June 30, 2021
with summarized comparative information for June 30, 2020

	State Appropri- ations #001	CPB Community Service Grant 2019-2021 #004	CPB Community Service Grant 2018-2020 #033	Market to Market #069	Iowa PBS Miscel- laneous #085
Assets					
Cash	\$ 2,400	763,870	2,918,029	424,901	1,128,366
Unexpended appropriation	160,278	-	-	-	-
Accounts receivable	17,332	-	-	-	-
Due from:					
Other funds	5,893	1,239	549	-	6,327
Other state agencies	-	608	1,462	210	446
Federal government	-	-	-	-	-
Restricted assets - cash	192,718	-	-	-	-
Prepaid expenditures	60,886	-	-	1,655	3,948
Total assets	439,507	765,717	2,920,040	426,766	1,139,087
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	189,365	45,213	-	3,998	2,230
Due to:					
Other funds	2,753	190,608	2,011	-	31,592
Other state agencies	32,855	843	-	-	657
Advances from grantors	19,416	529,053	2,918,029	10,543	-
Total liabilities	244,389	765,717	2,920,040	14,541	34,479
Deferred inflows of resources:					
Other revenue	-	-	-	-	-
Fund balances:					
Nonspendable for prepaid expenditures	60,886	-	-	1,655	3,948
Restricted for:					
Subsequent years' expenditures	192,718	-	-	-	-
Specific purposes	-	-	-	-	-
Committed	-	-	-	410,570	1,100,660
Unassigned	(58,486)	-	-	-	-
Total fund balances	195,118	-	-	412,225	1,104,608
Total liabilities, deferred inflows of resources and fund balances	\$ 439,507	765,717	2,920,040	426,766	1,139,087

See accompanying independent auditor's report.

Friends Funded Program- ming #303	Educational Services #304	Marketing and Distribution #308	Educational and Contractual Services #311	Capital Equipment Replacement #316	Friends Contribution Account #713	Technology Reinvestment #943	Total 2021	Total 2020
781,946	134,064	72,478	1,400,712	408,866	8,139,555	-	16,175,187	12,902,066
-	-	-	-	-	-	1,916,395	2,076,673	2,032,098
-	-	2,225	35,425	21,391	25	-	76,398	85,237
196,086	12,000	-	1,637	-	1,207,326	-	1,431,057	2,037,754
447	12,424	36	519	217	3,742	-	20,111	31,465
-	-	-	-	-	-	-	-	16,374
-	-	-	-	-	-	-	192,718	168,498
14,131	-	-	-	-	-	-	80,620	69,884
992,610	158,488	74,739	1,438,293	430,474	9,350,648	1,916,395	20,052,764	17,343,376
68,635	736	-	125,444	4,200	-	-	439,821	564,196
261,703	1,091	-	2,715	-	18,226	-	510,699	1,122,797
37	22	-	172	-	741	49,337	84,664	31,193
-	-	-	14,381	-	-	-	3,491,422	3,128,067
330,375	1,849	-	142,712	4,200	18,967	49,337	4,526,606	4,846,253
-	-	-	-	20,854	-	-	20,854	25,760
14,131	-	-	-	-	-	-	80,620	69,884
-	-	-	-	-	-	-	192,718	168,498
-	-	-	1,295,581	-	9,331,681	-	10,627,262	8,473,702
648,104	156,639	74,739	-	405,420	-	1,867,058	4,663,190	3,819,436
-	-	-	-	-	-	-	(58,486)	(60,157)
662,235	156,639	74,739	1,295,581	405,420	9,331,681	1,867,058	15,505,304	12,471,363
992,610	158,488	74,739	1,438,293	430,474	9,350,648	1,916,395	20,052,764	17,343,376

Iowa PBS

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

Year ended June 30, 2021
with summarized comparative information for the year ended June 30, 2020

	State Appropriations #001	CPB Community Service Grant 2019-2021 #004	CPB Community Service Grant 2018-2020 #033	Market to Market #069	Iowa PBS Miscellaneous #085
Revenues:					
State appropriation	\$ 7,777,814	-	-	-	-
Federal assistance	-	-	-	-	-
Receipts from other entities	-	-	-	-	-
Fees and licenses	-	-	-	68,531	-
Gifts and grants	-	1,998,817	807,309	-	-
In-kind and indirect support	48,157	-	-	1,363	-
Charges for service	547,592	-	-	-	-
Interest on investments	-	3,971	2,901	752	1,595
Miscellaneous	-	-	-	-	391,300
	<u>8,373,563</u>	<u>2,002,788</u>	<u>810,210</u>	<u>70,646</u>	<u>392,895</u>
Expenditures:					
Administration	1,220,171	442,271	111,007	-	77,453
Engineering and informational technology	2,818,728	202,830	50,948	-	155,096
Educational services	632,669	134,165	45,828	-	-
Programming, operations and production	2,680,900	684,763	467,070	153,527	596
Communications and community engagement	777,311	345,459	89,880	-	-
Emerging media	240,268	189,329	42,576	-	-
Total expenditures	<u>8,370,047</u>	<u>1,998,817</u>	<u>807,309</u>	<u>153,527</u>	<u>233,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,516</u>	<u>3,971</u>	<u>2,901</u>	<u>(82,881)</u>	<u>159,750</u>
Other financing sources (uses):					
Operating transfers in	20,704	-	-	145,000	100,671
Operating transfers out	-	(3,971)	(2,901)	-	-
Total other financing sources (uses)	<u>20,704</u>	<u>(3,971)</u>	<u>(2,901)</u>	<u>145,000</u>	<u>100,671</u>
Change in fund balances	24,220	-	-	62,119	260,421
Fund balance beginning of year	170,898	-	-	350,106	844,187
Fund balance end of year	<u>\$ 195,118</u>	<u>-</u>	<u>-</u>	<u>412,225</u>	<u>1,104,608</u>

See accompanying independent auditor's report.

Friends Funded Program- ming #303	Educational Services #304	Marketing and Distri- bution #308	Educational and Contractual Services #311	Capital Equipment Replacement #316	Friends Contribution Account #713	Technology Reinvestment #943	Total 2021	Total 2020
-	-	-	-	-	-	1,000,000	8,777,814	8,285,254
-	6,173	-	-	22,292	-	-	28,465	68,579
-	4,272	-	-	-	-	-	4,272	49,852
-	-	12,980	-	-	-	-	81,511	90,490
54,165	32,101	-	1,050,561	14,697	-	-	3,957,650	3,484,509
-	9,350	-	-	237,682	-	-	296,552	57,326
-	42,579	-	937	2,361	-	-	593,469	629,692
2,410	249	130	1,133	819	11,704	-	25,664	171,607
-	-	143	-	-	-	-	391,443	32,719
56,575	94,724	13,253	1,052,631	277,851	11,704	1,000,000	14,156,840	12,870,028
26,812	-	-	150	5,194	8,794	99,840	1,991,692	1,897,177
7,204	-	-	2,763	274,629	-	293,102	3,805,300	4,318,771
-	101,771	-	96,921	-	-	-	1,011,354	1,056,406
3,756,909	-	466	763,766	-	-	-	8,507,997	7,720,817
91,046	-	-	54,107	-	-	-	1,357,803	1,427,900
384	-	-	13,368	-	-	-	485,925	448,108
3,882,355	101,771	466	931,075	279,823	8,794	392,942	17,160,071	16,869,179
(3,825,780)	(7,047)	12,787	121,556	(1,972)	2,910	607,058	(3,003,231)	(3,999,151)
3,865,852	26,500	-	817,203	130	5,200,933	-	10,176,993	9,447,276
(135,803)	(8,104)	-	(71,281)	-	(3,917,761)	-	(4,139,821)	(4,012,346)
3,730,049	18,396	-	745,922	130	1,283,172	-	6,037,172	5,434,930
(95,731)	11,349	12,787	867,478	(1,842)	1,286,082	607,058	3,033,941	1,435,779
757,966	145,290	61,952	428,103	407,262	8,045,599	1,260,000	12,471,363	11,035,584
662,235	156,639	74,739	1,295,581	405,420	9,331,681	1,867,058	15,505,304	12,471,363

Iowa PBS

Iowa PBS

Schedule of Expenditures by Object
General Fund

Year ended June 30, 2021
with summarized comparative information for the year ended June 30, 2020

	<u>2021</u>	<u>2020</u>
Personal services	\$ 9,674,797	9,798,816
Travel	83,370	136,779
Supplies and materials	3,665,975	3,417,499
Contractual services	2,791,071	2,432,105
Equipment and repair	892,437	1,031,049
Claims and miscellaneous	52,070	51,936
Licenses, permits and refunds	<u>351</u>	<u>995</u>
Total	<u>\$ 17,160,071</u>	<u>16,869,179</u>

See accompanying independent auditor's report.



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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 PBS:

We have audited 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, the financial statements of the governmental activities and each major fund of Iowa PBS as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the Iowa PBS's basic financial statements, and have issued our report thereon dated January 21, 2022. Our report includes a reference to other auditors who audited the financial statements of the Iowa PBS Foundation as described in our report on Iowa PBS' financial statements. The financial statements of the Iowa PBS 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 PBS 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 PBS'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 PBS's internal control. Accordingly, we do not express an opinion on the effectiveness of Iowa PBS'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 PBS'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 preceding paragraph 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 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 PBS'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 the Iowa PBS'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 PBS'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 PBS 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.



Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

January 21, 2022

Iowa PBS

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Deputy
Tiffany M. Ainger, CPA, Manager
Micaela A. Tintjer, CPA, Senior Auditor
Taylor A. Hepp, Staff Auditor
Priscilla M. Ruiz Torres, Staff Auditor
Kerillos M. Hana, Assistant Auditor

Statistical Information

Iowa PBS
Statistical Information
Members and Contributors
(Unaudited)

Year ended June 30, 2021

The number of individuals making contributions to the Iowa PBS
Foundation during the year ended June 30, 2021 was as follows:

Contributors	3,170
Active members	51,418
Major donors	<u>1,618</u>
Total	<u><u>56,206</u></u>

See accompanying independent auditor's report.