



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

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FOR RELEASE

December 11, 2023

Auditor of State Rob Sand today released an audit report on Iowa PBS, Des Moines, Iowa for the year ended June 30, 2023. The Iowa PBS Foundation, a component unit, is included in the financial statements.

FINANCIAL HIGHLIGHTS:

Iowa PBS had General Fund revenue of \$14,457,471 for the year ended June 30, 2023, a 1.3% increase over the prior year. Revenues included a state appropriation of \$8,885,040, gifts and grants of \$3,212,214, receipts from other entities of \$1,001,710 and charges for service of \$676,235. The Iowa PBS Foundation received \$7,994,278 from Foundation memberships and gifts and grants of \$2,847,713.

Expenditures to operate the educational television network for the year ended June 30, 2023 were as follows:

	General Fund	Special Revenue Fund Iowa PBS Foundation	Total
Administration	\$ 3,742,580	-	3,742,580
Engineering and informational technology	4,288,268	-	4,288,268
Educational services	1,240,806	-	1,240,806
Programming, operations and production	8,346,549	-	8,346,549
Communications and community engagement	1,312,383	-	1,312,383
Emerging media	599,898	-	599,898
Debt service:			
Principal	186,249	4,799	191,048
Interest	25,631	528	26,159
Fundraising services	-	4,194,437	4,194,437
Total	\$ 19,742,364	4,199,764	23,942,128

General Fund expenditures during the year ended June 30, 2023 increased 12.8% over the prior year. The increase in General Fund expenditures was primarily due to an increase in administration expenditures for the roof replacement project and the parking lot resurfacing project during fiscal year 2023.

AUDIT FINDINGS:

Sand reported one finding pertaining to Iowa PBS. It is found on page 74 of this report. The finding addresses a material amount of capital asset additions not properly recorded in the financial statements.

A copy of the audit report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

IOWA PBS
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2023

Iowa PBS



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STATE OF IOWA

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Des Moines, Iowa 50319-0006
Telephone (515) 281-5834 Facsimile (515) 281-6518

November 15, 2023

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, 2023. 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, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Table of Contents

		<u>Page</u>
Officials		3
Independent Auditor's Report		5-7
Management's Discussion and Analysis		8-14
Basic Financial Statements:	<u>Exhibit</u>	
Entity-wide Financial Statements:		
Statement of Net Position	A	17
Statement of Activities	B	18-19
Governmental Fund Financial Statements:		
Balance Sheet – Governmental Funds	C	20-21
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	E	24-25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	27
Notes to Financial Statements		28-49
Required Supplementary Information:		
Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund		52-53
Notes to Required Supplementary Information – Budgetary Reporting		55
Schedule of the Agency's Proportionate Share of the Net Pension Liability		56-57
Schedule of Agency Contributions		58-59
Notes to Required Supplementary Information – Pension Liability		61
Schedule of Changes in the Agency's Total OPEB Liability, Related Ratios		62-63
Notes to Required Supplementary Information – OPEB Liability and Related Ratios		64
Supplementary Information:	<u>Schedule</u>	
General Fund:		
Combining Balance Sheet	1	66-67
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	2	68-69
Schedule of Expenditures by Object General Fund	3	71
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		72-73
Schedule of Findings		74
Staff		75

Iowa PBS

Officials

Name

Title

State

Honorable Kim Reynolds	Governor
Kraig Paulsen	Director, Department of Management
Timothy McDermott	Director, Legislative Services Agency

Board

Courtney Maxwell Greene	President
Angie Anderson	Vice President
Brooke Axiotis	Member
Kevin Fangman	Member
Jason L. Giles	Member
Kevin W. Krause	Member
Bruce McKee	Member
Greta Rouse	Member
Gary Steinke	Member

Agency

Molly M. Phillips	Executive Director
Michelle Wendel	Director of Administration
Kris May	Business Manager

Iowa PBS



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Independent Auditor's Report

To the Board Members of Iowa PBS:

Report on the Audit of the Financial Statements

Opinion

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, 2023, and the related Notes to Financial Statements, which collectively comprise Iowa PBS's basic financial statements listed in the table of contents.

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, 2023 and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Iowa PBS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of the Iowa PBS Foundation were not audited in accordance with Government Auditing Standards.

Emphasis of Matter

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, 2023, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

As discussed in Note 14 to the financial statements, Iowa PBS's beginning net position for governmental activities and Iowa PBS's Foundation beginning fund balance was restated to report a change recognizing donor contributions. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 opinions, insofar as it relates to the amounts included for the Iowa PBS Foundation, is based solely on the report of the other auditor.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 52 through 64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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.

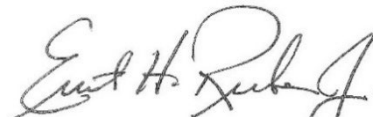
Supplementary Information

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.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information in Schedules 1 through 3 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2023 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 Iowa PBS's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Iowa PBS's internal control over financial reporting and compliance.


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

November 15, 2023

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, 2023. 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 over 570 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 56,800 households.

FINANCIAL HIGHLIGHTS

- Iowa PBS’s net position at June 30, 2022 was restated due to the Iowa PBS Foundation’s change in recognizing donor contributions from projecting monthly sustaining donor contributions to recognizing contributions as they occur.
- In fiscal year 2023, total revenues increased approximately \$4,176,000. This is due in part to a gain on investments of approximately \$3,089,000 in fiscal year 2023 compared to losses on investments of approximately \$2,560,000 during fiscal year 2022.
- Program expenses during fiscal year 2023 increased approximately \$582,000 over the prior year. This is due in part to an increase in administration expenses related to capital projects worked on during the year.
- Iowa PBS’s net position increased approximately \$6,787,000 after restatement over fiscal year 2022.

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 (asset) 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 \$51.0 million at the end of fiscal year 2023 as compared to approximately \$44.2 million after restatement at the end of fiscal year 2022.

Restricted net position represents the largest portion of Iowa PBS's net position. Restricted net position increased approximately \$3.2 million or 7.9% during fiscal year 2023. This increase was partly due to approximately \$1.9 million of net appreciation in fair value of investments being recognized in the Special Revenue Fund. 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.

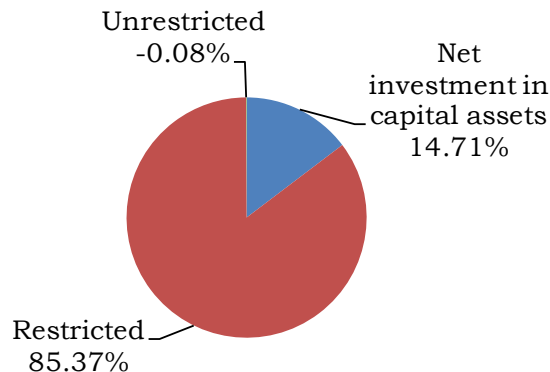
Investment in capital assets represents the second largest portion of net position and includes land, buildings, equipment, vehicles, television transmitters and right-to-use leased assets, less any related depreciation/amortization or outstanding liabilities used to acquire the assets. Iowa PBS uses these capital assets to provide services to its viewers and others. Consequently, these assets are not available for future spending. Net investment in capital assets increased approximately \$1.3 million, or 20.1%. This increase is partly due to \$2.1 million construction in progress being recognized in fiscal year 2023.

The remaining portion represents unrestricted net position and is available to be used to meet Iowa PBS’s ongoing obligations to vendors. The negative unrestricted net position at the end of fiscal year 2023 is primarily due to lease agreements, compensated absences, other postemployment benefits and the net pension liability benefits which are unfunded.

Net Position of Governmental Activities

	June 30, 2023	June 30, 2022 (not restated)
Assets		
Current and other assets	\$ 56,312,860	53,392,217
Capital assets, net	9,757,138	8,695,488
Total Assets	66,069,998	62,087,705
Deferred outflows of resources	1,072,481	1,110,058
Liabilities		
Current liabilities	5,305,533	5,288,872
Noncurrent liabilities	7,322,238	4,667,065
Total Liabilities	12,627,771	9,955,937
Deferred inflows of resources	3,479,540	7,411,343
Net Position		
Net investment in capital assets	7,506,864	6,251,877
Restricted	43,567,179	40,391,400
Unrestricted	(38,875)	(812,794)
Total Net Position	\$ 51,035,168	45,830,483

**FY 2023
Composition of Net Position**

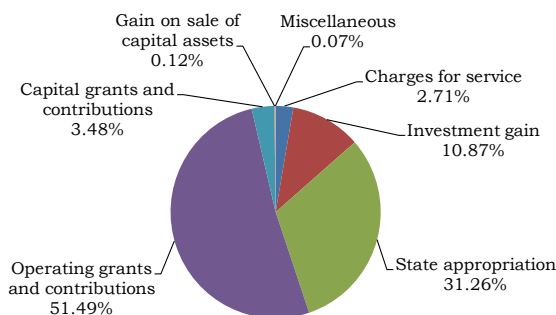


- The net position of Iowa PBS increased approximately \$6,787,000 after restatement during fiscal year 2023. Fiscal year 2023 revenues were approximately \$4,176,000 more than in fiscal year 2022. Operating grants and contributions revenue of approximately \$14.6 million, a decrease from the prior year, represented 51.5% of total revenues during the year. Many of these funds are allocated for specific purposes by the grantor or contributor, such as federal grants, public broadcasting grants, fundraising expenses, and certain local or regional productions. During fiscal year 2023, Iowa PBS received state appropriations of approximately \$8.9 million, which represented 31.3% of total revenues. Fiscal year 2023 expenses were approximately \$582,000 more than in fiscal year 2022. Programming, operating and production expenses of approximately \$7.4 million represented 34.2% of total expenses during the fiscal year. Engineering and informational technology expenses of approximately \$4.0 million represented 18.5% of total expenses.

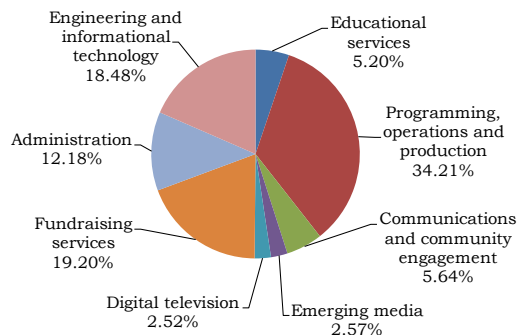
Changes in Net Position of Governmental Activities

	Year Ended June 30, 2023	Year Ended June 30, 2022 (not restated)
Revenues:		
Program revenues:		
Charges for service	\$ 770,792	785,483
Operating grants and contributions	14,635,449	16,077,958
Capital grants and contributions	988,448	49,620
General revenues:		
State appropriation	8,885,040	9,883,638
Investment gain (loss)	3,089,060	(2,560,283)
Gain (loss) on sale of capital assets	34,665	(8,612)
Miscellaneous	21,267	20,628
Total revenues	<u>28,424,721</u>	<u>24,248,432</u>
Program expenses:		
Administration	2,636,002	2,378,754
Engineering and informational technology	3,997,964	3,682,531
Educational services	1,125,729	1,153,000
Programming, operations and production	7,401,601	7,488,885
Communications and community engagement	1,220,162	1,107,893
Emerging media	555,296	460,285
Digital television	546,476	771,300
Fundraising services	4,154,853	4,013,286
Total expenses	<u>21,638,083</u>	<u>21,055,934</u>
Change in net position	6,786,638	3,192,498
Net position beginning of year, as restated	<u>44,248,530</u>	<u>42,637,985</u>
Net position end of year	<u>\$ 51,035,168</u>	<u>45,830,483</u>

FY23 Revenues by Source



FY23 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 52 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 66 and provides detailed information about the individual funds and accounts and expenditures by object.

FINANCIAL ANALYSIS OF IOWA PBS’S INDIVIDUAL FUNDS

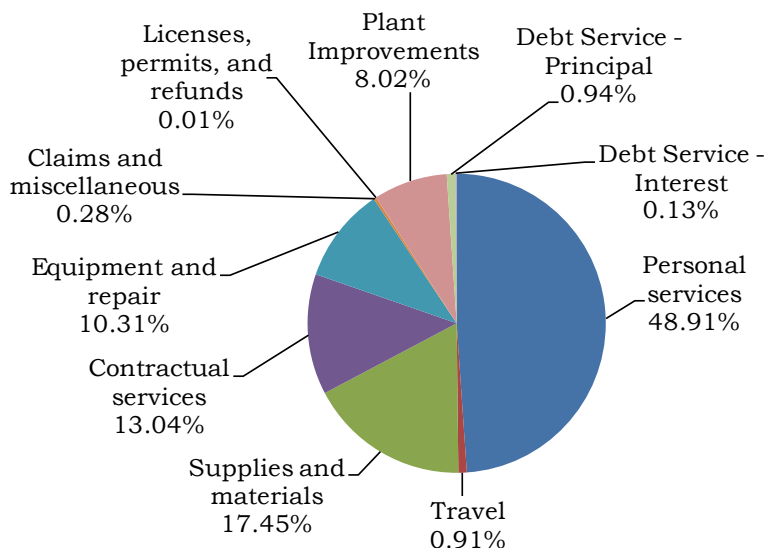
General Fund (Exhibits C and E):

As of June 30, 2023, Iowa PBS reported a combined General Fund balance of approximately \$19.8 million, which is approximately \$1.4 million more than the previous year’s total. Iowa PBS’s General Fund expenditures exceeded General Fund revenues by approximately \$5.3 million. Approximately \$6.6 million in net transfers were received from the Special Revenue Fund.

Iowa PBS’s total state appropriations of approximately \$8.9 million represents 61.5% of total General Fund revenues of approximately \$14.5 million. Gifts and grants of approximately \$3.2 million represent 22.2% of total General Fund revenues, while receipts from other entities of \$1.0 million represents 6.9% of total General Fund revenues.

Personal services of approximately \$9.7 million and supplies and materials of approximately \$3.4 million represents 48.9% and 17.5%, respectively, of total General Fund expenditures of approximately \$19.7 million (see Schedule 3). Contractual services remain a significant expenditure item. Other significant expenditures include plant improvements, the acquisition of national television programming and utilities needed to operate Iowa PBS’s television transmission facilities.

Expenditures by Object



Special Revenue Fund (Exhibits C and E):

Iowa PBS's Special Revenue Fund consists of the Iowa PBS Foundation. As of June 30, 2023, Iowa PBS reported a Special Revenue Fund balance of approximately \$19.2 million, which is approximately \$2.7 million more than the previous year's total. Special Revenue Fund revenues exceeded Special Revenue Fund expenditures by approximately \$9.3 million. Approximately \$6.6 million was transferred to Iowa PBS's General Fund to produce and/or acquire public television programming. Other financing sources of approximately \$23,900 were recognized in the Special Revenue Fund, related to the acquisition of right-to-use assets under lease agreements entered into during the year. Total Special Revenue Fund revenue of approximately \$13.5 million was comprised mainly of approximately \$8.0 million in membership revenue and approximately \$2.8 million in gifts and grants.

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, 2023, Iowa PBS reported a Permanent Fund balance of approximately \$9.7 million. The Permanent Fund balance increased by approximately \$61,700 over June 30, 2022. Permanent Fund revenues of approximately \$61,700 was comprised of gifts and grants, including bequests, received during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Iowa PBS's receipts were approximately \$1.1 million more than budgeted receipts, a difference of 11.9%. Iowa PBS received in-kind and indirect support that was not budgeted, as well as receipts from other entities for a parking lot resurfacing project and a roof replacement project funded by the State of Iowa's Major Maintenance.

Total disbursements were approximately \$479,000 more than budgeted. The overage relates to the in-kind and indirect support received and receipts from other entities that were not budgeted.

Iowa PBS exceeded the budgeted amount in the administration, programming, operations and production and debt service functions for the year ended June 30, 2023, 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, 2023 was approximately \$63.0 million, net of accumulated depreciation/amortization of approximately \$53.3 million, leaving a net book value of approximately \$9.8 million. This investment in capital assets includes land, buildings, improvements other than buildings, furniture, fixtures, equipment, right-to-use leased assets, 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 increase in Iowa PBS's investment in capital assets for the current fiscal year was approximately \$1.1 million. Significant additions include approximately \$1.4 million for a roof replacement project and approximately \$524,000 for audio equipment. Depreciation/amortization charges for the year totaled approximately \$1.9 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 12, 2023 meeting, the REC decreased the estimate for General Fund tax and other receipts for fiscal year 2024.

The fiscal year 2024 General Fund state appropriation for Iowa PBS increased 0.9% or approximately \$73,000 over fiscal year 2023 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, Iowa 50131.

Basic Financial Statements

Iowa PBS

Iowa PBS
Statement of Net Position
June 30, 2023
with summarized comparative information for June 30, 2022

	Governmental Activities	
	2023	2022 (Not Restated)
Assets		
Current assets:		
Cash	\$ 22,064,478	21,446,249
Unexpended appropriation	2,600,716	2,984,827
Accounts receivable	18,352	29,257
Lease receivable	225,402	193,190
Bequests and pledges receivable, net of allowance for uncollectible accounts of \$0 for 2023 and \$167,300 for 2022	310,299	1,965,617
Due from other state agencies	205,123	37,093
Due from federal government	5,000	-
Restricted assets - cash	354,609	346,557
Inventory	37,355	55,801
Prepaid expenses	93,924	101,773
Total current assets	25,915,258	27,160,364
Noncurrent assets:		
Investments	27,886,213	24,056,743
Beneficial interest in community trust	144,754	120,428
Bequests receivable	622,500	190,700
Lease receivable, non-current	1,744,135	1,863,982
Capital assets, net of accumulated depreciation/amortization	9,757,138	8,695,488
Total noncurrent assets	40,154,740	34,927,341
Total assets	66,069,998	62,087,705
Deferred Outflows of Resources		
Pension related deferred outflows	814,249	808,894
OPEB related deferred outflows	258,232	301,164
Total deferred outflows of resources	1,072,481	1,110,058
Liabilities		
Current liabilities:		
Accounts payable	681,373	534,014
Due to other state agencies	34,297	38,703
Advances from grantors	3,497,707	3,519,020
Compensated absences	819,360	927,679
Lease agreements	221,529	211,880
Accrued lease interest	35	-
Total OPEB liability	51,232	57,576
Total current liabilities	5,305,533	5,288,872
Noncurrent liabilities:		
Accounts payable	361,298	380,701
Compensated absences	902,028	976,326
Net pension liability	3,176,552	118,933
Lease agreements	2,028,710	2,231,731
Total OPEB liability	853,650	959,374
Total noncurrent liabilities	7,322,238	4,667,065
Total liabilities	12,627,771	9,955,937
Deferred Inflows of Resources		
Lease related deferred inflows	1,935,242	2,029,431
Pension related deferred inflows	864,402	4,789,277
OPEB related deferred inflows	464,529	376,860
Unconditional remainder interest	215,367	215,775
Total deferred inflows of resources	3,479,540	7,411,343
Net Position		
Net investment in capital assets	7,506,899	6,251,877
Restricted for:		
Nonexpendable - Donor restricted endowment	9,742,468	9,680,734
Expendable:		
Future state vehicle dispatch purchases	354,609	346,557
Acquisition or production of programming	33,470,102	30,364,109
Unrestricted	(38,910)	(812,794)
Total net position	\$ 51,035,168	45,830,483

See notes to financial statements.

Iowa PBS

Statement of Activities

Year ended June 30, 2023

with summarized comparative information for the year ended June 30, 2022

	Program Revenues			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
<u>Functions</u>				
Governmental activities:				
Administration	\$ 2,636,002	-	675,208	988,448
Engineering and informational technology	3,997,964	567,911	379,144	-
Educational services	1,125,729	72,209	196,831	-
Programming, operations and production	7,401,601	65,043	1,240,445	-
Communications and community engagement	1,220,162	-	476,637	-
Emerging media	555,296	-	318,824	-
Digital television	546,476	-	-	-
Fundraising services	4,154,853	65,629	11,348,360	-
Total	<u>\$ 21,638,083</u>	<u>770,792</u>	<u>14,635,449</u>	<u>988,448</u>
General revenues:				
State appropriation				
Unrestricted investment gain (loss)				
Gain (loss) on sale of capital assets				
Miscellaneous				
Total general revenues				
Change in net position				
Net position beginning of year, as restated				
Net position end of year				
See notes to financial statements.				

Net (Expense) Revenue and Change in Net Position 2023	Net (Expense) Revenue and Change in Net Position 2022
(972,346)	(1,722,830)
(3,050,909)	(2,819,986)
(856,689)	(780,100)
(6,096,113)	(5,806,061)
(743,525)	(648,448)
(236,472)	(208,519)
(546,476)	(771,300)
7,259,136	8,614,371
(5,243,394)	(4,142,873)
8,885,040	9,883,638
3,089,060	(2,560,283)
34,665	(8,612)
21,267	20,628
12,030,032	7,335,371
6,786,638	3,192,498
44,248,530	42,637,985
\$ 51,035,168	45,830,483

Iowa PBS
Balance Sheet
Governmental Funds

June 30, 2023
with summarized comparative information for June 30, 2022

	Special Revenue	
	Iowa PBS	
Assets	General	Foundation
Cash	\$ 19,238,273	2,794,709
Investments	-	18,288,758
Beneficial interest in community trust	-	31,237
Unexpended appropriation	2,600,716	-
Accounts receivable	10,883	7,469
Bequests and pledges receivable, net of allowance for uncollectible accounts of \$0 for 2023 and \$167,300 for 2022	-	932,799
Due from:		
Other funds	1,555,122	-
Other state agencies	205,123	-
Federal government	5,000	-
Lease receivable	1,969,537	-
Restricted assets - cash	354,609	-
Inventory	-	37,355
Prepaid expenditures	73,900	20,024
Total assets	\$ 26,013,163	22,112,351
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 451,382	497,266
Due to:		
Other funds	248,734	1,306,388
Other state agencies	34,297	-
Advances from grantors	3,497,707	-
Total liabilities	4,232,120	1,803,654
Deferred inflows of resources:		
Unavailable revenues:		
Memberships and contributions	-	913,509
Unconditional remainder interest	-	215,367
Lease related	1,935,242	-
Other	3,445	-
Total deferred inflows of resources	1,938,687	1,128,876
Fund balances:		
Nonspendable:		
Prepaid expenditures and inventory	73,900	57,379
Leases	34,295	-
Foundation endowment	-	-
Restricted for:		
Subsequent years' expenditures	354,609	-
Noncurrent receivables	-	622,500
Specific purposes	14,160,358	18,499,942
Committed	5,276,131	-
Unassigned	(56,937)	-
Total fund balances	19,842,356	19,179,821
Total liabilities, deferred inflows of resources and fund balances	\$ 26,013,163	22,112,351

See notes to financial statements.

<u>Permanent</u> <u>Foundation</u> <u>Endowment</u>	Total 2023	Total 2022 (not restated)
31,496	22,064,478	21,446,249
9,597,455	27,886,213	24,056,743
113,517	144,754	120,428
-	2,600,716	2,984,827
-	18,352	29,257
-	932,799	2,156,317
-	1,555,122	1,312,014
-	205,123	37,093
-	5,000	-
-	1,969,537	2,057,172
-	354,609	346,557
-	37,355	55,801
-	93,924	101,773
<u>9,742,468</u>	<u>57,867,982</u>	<u>54,704,231</u>
-	948,648	832,199
-	1,555,122	1,312,014
-	34,297	38,703
-	3,497,707	3,519,020
-	6,035,774	5,701,936
-	913,509	1,557,801
-	215,367	215,775
-	1,935,242	2,029,431
-	3,445	13,174
-	3,067,563	3,816,181
-	131,279	157,574
-	34,295	27,741
9,742,468	9,742,468	9,680,734
-	354,609	346,557
-	622,500	190,700
-	32,660,300	29,290,398
-	5,276,131	5,550,964
-	(56,937)	(58,554)
<u>9,742,468</u>	<u>48,764,645</u>	<u>45,186,114</u>
<u>9,742,468</u>	<u>57,867,982</u>	<u>54,704,231</u>

Iowa PBS

Iowa PBS

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

June 30, 2023

with summarized comparative information for June 30, 2022

	2023		2022 (not restated)	
Total governmental fund balances (page 21)	\$ 48,764,645		\$ 45,186,114	
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	\$ 9,612,235		\$ 8,599,728	
Iowa PBS Foundation	144,903	9,757,138	95,760	8,695,488
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	3,445		13,174	
Iowa PBS Foundation	913,509	916,954	1,557,801	1,570,975
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	1,072,481		1,110,058	
Deferred inflows of resources	(1,328,931)	(256,450)	(5,166,137)	(4,056,079)
Long term liabilities, including lease agreements 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:				
Lease agreements	(2,250,239)		(2,443,611)	
Accrued lease interest	(35)		-	
Current compensated absences	(819,360)		(927,679)	
Non-current compensated absences	(902,028)		(976,326)	
Termination benefits payable, included in accounts payable	(94,023)		(82,516)	
Current total OPEB liability	(51,232)		(57,576)	
Non-current total OPEB liability	(853,650)		(959,374)	
Net pension liability	(3,176,552)	(8,147,119)	(118,933)	(5,566,015)
Net position of governmental activities (page 17)	\$ 51,035,168		\$ 45,830,483	

See notes to financial statements.

Iowa PBS

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

Year ended June 30, 2023

with summarized comparative information for the year ended June 30, 2022

	<u>Special Revenue</u>	
	<u>General</u>	<u>Iowa PBS Foundation</u>
Revenues:		
State appropriation	\$ 8,885,040	-
Federal assistance	10,000	-
Receipts from other entities	1,001,710	-
Fees and licenses	63,593	-
Gifts and grants	3,212,214	2,847,713
In-kind and indirect support	49,623	14,745
Memberships	-	7,994,278
Charges for service	676,235	62,027
Interest on investments	526,070	648,158
Net appreciation (depreciation) in fair value of investments	-	1,914,832
Miscellaneous	32,986	-
Total revenues	<u>14,457,471</u>	<u>13,481,753</u>
Expenditures:		
Administration	3,742,580	-
Engineering and informational technology	4,288,268	-
Educational services	1,240,806	-
Programming, operations and production	8,346,549	-
Communications and community engagement	1,312,383	-
Emerging media	599,898	-
Fundraising services	-	4,194,437
Debt service:		
Principal	186,249	4,799
Interest	25,631	528
Total expenditures	<u>19,742,364</u>	<u>4,199,764</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,284,893)</u>	<u>9,281,989</u>
Other financing sources (uses):		
Transfers in	11,545,848	-
Transfers out	(4,907,344)	(6,638,504)
Lease agreements	-	23,870
Total other financing sources (uses)	<u>6,638,504</u>	<u>(6,614,634)</u>
Change in fund balances	1,353,611	2,667,355
Fund balances beginning of year, as restated	<u>18,488,745</u>	<u>16,512,466</u>
Fund balances end of year	<u>\$ 19,842,356</u>	<u>19,179,821</u>

See notes to financial statements.

<u>Permanent</u>		
Foundation Endowment	Total 2023	Total 2022
-	8,885,040	9,883,638
-	10,000	100,374
-	1,001,710	58,365
-	63,593	82,554
61,734	6,121,661	7,703,808
-	64,368	92,747
-	7,994,278	8,068,824
-	738,262	740,128
-	1,174,228	722,887
-	1,914,832	(3,283,170)
-	32,986	20,984
61,734	28,000,958	24,191,139
-	3,742,580	2,119,931
-	4,288,268	4,147,337
-	1,240,806	1,230,189
-	8,346,549	7,993,772
-	1,312,383	1,293,222
-	599,898	512,184
-	4,194,437	4,125,700
-	191,048	194,538
-	26,159	18,077
-	23,942,128	21,634,950
61,734	4,058,830	2,556,189
-	11,545,848	10,101,019
-	(11,545,848)	(10,101,019)
-	23,870	-
-	23,870	-
61,734	4,082,700	2,556,189
9,680,734	44,681,945	42,629,925
9,742,468	48,764,645	45,186,114

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, 2023
with summarized comparative information for the year ended June 30, 2022

	2023	2022 (not restated)
Change in fund balances - Total governmental funds (page 25)	\$ 4,082,700	\$ 2,556,189
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.	916,954	1,570,975
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.	(493,191)	(1,470,795)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. In the current year, these amounts are:		
Iowa PBS:		
Expenditures for capital assets	\$ 2,825,104	\$ 1,000,449
Depreciation/amortization expense	(1,847,262)	(2,041,613)
Iowa PBS Foundation:		
Expenditures for capital assets	72,675	95,760
Right-to-use leased capital assets	23,870	-
Depreciation/amortization expense	(47,402)	-
	1,026,985	(945,404)
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.	34,665	(42,887)
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.	670,377	638,960
Only expenses which require current financial resources are reported in the governmental funds, whereas the Statement of Activities reports expenses for lease agreements payable, compensated absences, termination benefits, pension expense and other postemployment benefits not requiring the use of current financial resources, as follows:		
Lease agreements including interest payable	193,337	212,615
Compensated absences	182,617	178,725
Termination benefits	(11,507)	(2,418)
Pension expense	202,234	529,079
OPEB expense	(18,533)	(32,541)
	548,148	885,460
Change in net position of governmental activities (page 19)	\$ 6,786,638	\$ 3,192,498

See notes to financial statements.

Iowa PBS

Notes to Financial Statements

June 30, 2023

(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 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, 2022 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/amortization and reduced by outstanding balances for lease liabilities that are attributed to the assets.

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 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.

Due from and Due to Other Funds – During the course of its operations, Iowa PBS has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from and Due to Other State Agencies – During the course of its operations, Iowa PBS has numerous transactions with other State of Iowa Agencies. To the extent certain transactions between Iowa PBS and other state agencies had not been paid or received as of June 30, 2023, receivables or payables have been recorded in the financial statements.

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 recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) 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. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with

tangible assets in the appropriate capital asset class. Reportable capital assets are defined by Iowa PBS as assets with an initial, individual cost of in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Buildings	\$ 50,000
Building improvements	5,000
Transmitter sites	5,000
Leasehold improvements	5,000
Machinery, equipment and vehicles	5,000
Right-to-use leased assets	5,000

Land and construction in progress are not depreciated. Right-to-use leased assets are amortized using the straight-line method over the term of the related lease. All other capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)	
	Iowa PBS	Iowa PBS Foundation
Buildings	32 - 39	-
Building improvements	4 - 15	-
Transmitter sites	3 - 19	-
Leasehold improvements	-	15
Machinery, equipment and vehicles	3 - 20	5 - 7
Right-to-use leased assets	2 - 20	-

Leases – Iowa PBS as Lessee – Iowa PBS is the lessee for three noncancelable leases of transmitter sites and ten noncancelable leases of land. The Iowa PBS Foundation is the lessee for four noncancelable leases of equipment. Iowa PBS has recognized a lease liability and intangible right-to-use lease assets (lease assets) in the government-wide financial statements. Iowa PBS recognizes leases with an individual value of \$5,000 or more.

At the commencement of a lease, Iowa PBS initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the related lease.

Key estimates and judgments related to leases include how Iowa PBS determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Iowa PBS uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, Iowa PBS generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments.

Iowa PBS monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Iowa PBS as the Lessor – Iowa PBS is the lessor for seven noncancelable leases of transmitter sites, one noncancelable lease of land and one noncancelable lease of equipment. Iowa PBS recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. Iowa PBS recognizes leases with an individual value of \$5,000 or more.

At the commencement of a lease, Iowa PBS initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how Iowa PBS determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

Iowa PBS uses its incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

Iowa PBS monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources 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, deferred amounts related to leases, 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, 2023 and 2022.

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 2023, 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.

(2) Deposits and Investments

Iowa PBS's deposits with the Treasurer of State throughout the period and at June 30, 2023 and 2022 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, 2023 and 2022, the carrying amount of cash not held by the Treasurer of State was \$2,826,205 and \$3,597,791, respectively, and the bank balances were \$2,883,129 and \$3,663,696, respectively. Deposits of \$477,536 and \$417,547, 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, 2023 and 2022. The remaining deposits of \$2,405,593 and \$3,246,149, 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, 2023 and 2022, the Foundation's investments had fair values of \$28,030,967 and \$24,177,171, 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, 2023, June 30, 2022, 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, 2023 and 2022 were \$144,754 and \$120,428, respectively.

(4) Due From and Due To Other Funds

The detail of interfund receivables and payables at June 30, 2023 and 2022 is as follows:

Fund	2023		2022	
	Receivable	Payable	Receivable	Payable
General	\$ 1,555,122	248,734	\$ 1,312,014	245,448
Special Revenue, Iowa PBS Foundation	-	1,306,388	-	1,066,566
Total	<u>\$ 1,555,122</u>	<u>1,555,122</u>	<u>\$ 1,312,014</u>	<u>1,312,014</u>

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

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

(5) Capital Assets

Capital asset activity for the year ended June 30, 2023 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	10,769,321	-	-	-	10,769,321
Transmitter sites	31,619,905	158,104	18,719	-	31,796,728
Machinery, equipment and vehicles	13,304,744	305,846	717,092	(143,782)	14,183,900
Right-to-use leased land	863,949	-	-	-	863,949
Right-to-use leased building	21,537	-	-	(21,537)	-
Right-to-use leased transmitter sites	1,770,740	-	-	-	1,770,740
Construction in progress, not being depreciated	509,111	(463,950)	2,123,958	-	2,169,119
Total capital assets	<u>60,158,370</u>	<u>-</u>	<u>2,859,769</u>	<u>(165,319)</u>	<u>62,852,820</u>
Less accumulated depreciation/amortization for:					
Buildings	9,313,820	-	492,381	-	9,806,201
Transmitter sites	29,662,034	-	692,503	-	30,354,537
Machinery, equipment and vehicles	12,313,227	-	401,615	(143,782)	12,571,060
Right-to-use leased assets	269,561	-	260,763	(21,537)	508,787
Total accumulated depreciation/amortization	<u>51,558,642</u>	<u>-</u>	<u>1,847,262</u>	<u>(165,319)</u>	<u>53,240,585</u>
Total capital assets, net	<u>\$ 8,599,728</u>	<u>-</u>	<u>1,012,507</u>	<u>-</u>	<u>9,612,235</u>
Iowa PBS Foundation:					
Capital assets:					
Machinery, equipment and vehicles	\$ -	95,760	72,675	-	168,435
Right-to-use leased equipment	-	-	23,870	-	23,870
Construction in progress, not being depreciated	95,760	(95,760)	-	-	-
Total capital assets	<u>95,760</u>	<u>-</u>	<u>96,545</u>	<u>-</u>	<u>192,305</u>
Less accumulated depreciation/amortization for:					
Machinery, equipment and vehicles	-	-	42,109	-	42,109
Right-to-use leased assets	-	-	5,293	-	5,293
Total accumulated depreciation/amortization	<u>-</u>	<u>-</u>	<u>47,402</u>	<u>-</u>	<u>47,402</u>
Total capital assets, net	<u>\$ 95,760</u>	<u>-</u>	<u>49,143</u>	<u>-</u>	<u>144,903</u>

Capital asset activity for the year ended June 30, 2022 was as follows:

	Restated, 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	-	84,378	(98,678)	10,769,321
Machinery, equipment and vehicles	13,189,125	-	366,756	(251,137)	13,304,744
Transmitters	32,149,701	-	40,204	(570,000)	31,619,905
Right-to-use leased land	863,949	-	-	-	863,949
Right-to-use leased building	21,537	-	-	-	21,537
Right-to-use leased transmitter sites	1,770,740	-	-	-	1,770,740
Construction in progress, not being depreciated	-	-	509,111	-	509,111
Total capital assets	60,077,736	-	1,000,449	(919,815)	60,158,370
Less accumulated depreciation/amortization for:					
Buildings	8,890,147	-	509,230	(85,557)	9,313,820
Transmitters	29,285,175	-	919,146	(542,287)	29,662,034
Machinery, equipment and vehicles	12,218,635	-	343,676	(249,084)	12,313,227
Right-to-use leased assets	-	-	269,561	-	269,561
Total accumulated depreciation/amortization	50,393,957	-	2,041,613	(876,928)	51,558,642
Total capital assets, net	\$ 9,683,779	-	(1,041,164)	(42,887)	8,599,728
Iowa PBS Foundation:					
Capital assets:					
Leasehold improvements	\$ 22,952	-	-	(22,952)	-
Machinery, equipment and vehicles	89,314	-	-	(89,314)	-
Construction in progress, not being depreciated	-	-	95,760	-	95,760
Total capital assets	112,266	-	95,760	(112,266)	95,760
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	\$ -	-	95,760	-	95,760

Depreciation /amortization expense for the years ended June 30, 2023 and 2022 was charged to the following functions:

	Iowa PBS	Iowa PBS Foundation	Total 2023	Total 2022
Governmental activities:				
Administration	\$ 426,287	-	426,287	443,355
Engineering and informational technology	682,998	-	682,998	657,535
Educational services	265	-	265	-
Programming, operations and production	184,904	-	184,904	162,610
Communications and community engagement	5,655	-	5,655	6,813
Emerging media	677	-	677	-
Digital television	546,476	-	546,476	771,300
Fundraising Services	-	47,402	47,402	-
Total depreciation/amortization expense	\$ 1,847,262	47,402	1,894,664	2,041,613

(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 2023 and 2022, 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, 2023 and June 30, 2022 totaled \$670,377 and \$638,960.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, Iowa PBS reported a liability of \$3,176,552 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 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, 2022, Iowa PBS's proportion of the overall plan net pension asset was 0.084077%, which was an increase of 0.118528% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023 Iowa PBS recognized pension expense (reduction) of \$(202,234). At June 30, 2023 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	\$ 140,816	43,512
Changes of assumptions	2,695	76
Net difference between projected and actual earnings on IPERS' investments	-	340,040
Changes in proportion and differences between Agency contributions and the Agency's proportionate share of contributions	362	480,774
Agency contributions subsequent to the measurement date	670,377	-
Total	<u>\$ 814,250</u>	<u>864,402</u>

\$670,377 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 (asset) in the year ending June 30, 2024. 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
2024	\$ (458,016)
2025	(369,420)
2026	(516,593)
2027	635,072
2028	(11,572)
Total	<u>\$ (720,529)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2022 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, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension liability (asset) 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 asset.

Sensitivity of 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	\$ 5,918,298	3,176,552	760,320

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, 2023, there were no amounts due to IPERS for legally required employer contributions or legally required employee contributions which had been withheld from employee wages but had not yet been remitted to IPERS.

(7) Leases – Lessee

Iowa PBS

Iowa PBS has three broadcast tower/transmitter site lease agreements, which expire between June 30, 2031 and September 30, 2033. An initial lease liability was recorded in the amount of \$1,770,740. Two of the three agreements require monthly payments ranging from \$4,949 to \$10,103 and one agreement requires annual payments of \$3,096, all with an implicit interest rate of 1.08%. During the year ended June 30, 2023, principal and interest paid were \$128,060 and \$17,170, respectively.

On December 1, 2017, Iowa PBS entered into a lease agreement for warehouse building rental with an initial lease liability of \$21,537. The agreement required monthly payments of \$1,276, with an implicit interest rate of 1.08% and final payment was due December 1, 2022. During the year ended June 30, 2023, principal and interest paid were \$6,363 and \$17, respectively.

Iowa PBS also has ten land lease agreements, which expire between October 30, 2023 and August 31, 2039. An initial lease liability was recorded in the amount of \$863,949. Eight of the agreements require annual payments ranging from \$3,000 to \$21,028 and two agreements require quarterly payments ranging from \$809 to \$1,688, all with an implicit interest rate of 1.08%. During the year ended June 30, 2023, principal and interest paid were \$77,457 and \$8,444, respectively.

The following is a schedule by year of future minimum principal and interest lease payments required, which have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2023:

Year Ending June 30,	Transmitter Sites			Land		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 135,433	15,751	151,184	\$ 80,426	7,603	88,029
2025	143,147	14,250	157,397	68,729	6,732	75,461
2026	151,218	12,664	163,882	71,697	5,987	77,684
2027	159,660	10,990	170,650	67,500	5,211	72,711
2028	168,493	9,222	177,715	69,812	4,479	74,291
2029-2033	741,425	18,342	759,767	243,895	13,034	256,929
2034-2038	20,516	37	20,553	78,131	4,183	82,314
2039-2040	-	-	-	31,649	513	32,162
Total	\$ 1,519,892	81,256	1,601,148	\$ 711,839	47,742	759,581

Year Ending June 30,	Total		
	Principal	Interest	Total
2024	\$ 215,859	23,354	239,213
2025	211,876	20,982	232,858
2026	222,915	18,651	241,566
2027	227,160	16,201	243,361
2028	238,305	13,701	252,006
2029-2033	985,320	31,376	1,016,696
2034-2038	98,647	4,220	102,867
2039-2040	31,649	513	32,162
Total	\$ 2,231,731	128,998	2,360,729

Iowa PBS Foundation

Iowa PBS Foundation has four equipment lease agreements, which expire between June 15, 2025 and June 14, 2027. An initial lease liability was recorded in the amount of \$23,870. The four agreements require monthly payments ranging from \$40 to \$276, with a weighted average discount rate of 2.98%. During the year ended June 30, 2023, principal and interest paid were \$5,362 and \$563, respectively.

The following is a schedule by year of future minimum principal and interest lease payments required, which have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2023:

Year Ending June 30,	Equipment		
	Principal	Interest	Total
2024	\$ 5,670	471	6,141
2025	5,699	300	5,999
2026	3,844	154	3,998
2027	3,295	52	3,347
Total	\$ 18,508	977	19,485

(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, 2023 and 2022 include the following:

	Year ended June 30,	
	2023	2022
Contributed support and in-kind contributions	<u>\$ 64,368</u>	<u>\$ 92,747</u>

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

(9) Lessor Leases

Iowa PBS owns several transmitter sites which are located throughout the State. Iowa PBS has seven noncancelable leases for portions of tower space at some of the transmitter sites, which expire between April 30, 2025 and September 30, 2043. Iowa PBS receives monthly rent payments, ranging from \$375 to \$3,846 with an implicit rate of 1.08%.

Iowa PBS owns a panel antenna at the Waterloo transmitter site (equipment). Effective December 1, 2002, Iowa PBS entered into a ten-year lease, with two ten-year renewal options, with Sinclair Broadcasting whereby Sinclair Broadcasting can use the equipment to broadcast their DTV signal. Iowa PBS receives \$6,109 in equipment rent monthly with an implicit rate of 1.08%. The lease ends on August 31, 2031.

Iowa PBS owns land at the Fort Dodge (KTIN) transmitter site. Effective January 1, 2023, Iowa PBS entered into a five-year lease, with Iowa Farms Associates whereby Iowa Farms Associates agrees to provide professional farm management services and to manage agricultural lease(s) of the Property for agricultural purposes only. Iowa PBS receives \$27,560 annual rent with an implicit rate of 1.76%. The first lease payment was received March 16, 2023. The lease ends on December 31, 2027.

The following is a schedule by year of minimum future rental payments due to Iowa PBS as of June 30, 2023:

Year Ending June 30,	Transmitter Sites			Land		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 132,245	13,295	145,540	\$ 25,702	1,858	27,560
2025	129,350	11,842	141,192	26,155	1,405	27,560
2026	80,481	10,698	91,179	26,615	945	27,560
2027	73,324	9,890	83,214	27,083	477	27,560
2028	75,896	9,085	84,981	-	-	-
2029-2033	326,976	33,642	360,618	-	-	-
2034-2038	289,237	17,866	307,103	-	-	-
2039-2043	174,291	5,415	179,706	-	-	-
2044	9,389	17	9,406	-	-	-
Total	<u>\$ 1,291,189</u>	<u>111,750</u>	<u>1,402,939</u>	<u>\$ 105,555</u>	<u>4,685</u>	<u>110,240</u>

Year Ending June 30,	Equipment			Total		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 67,455	5,853	73,308	\$ 225,402	21,006	246,408
2025	68,187	5,121	73,308	223,692	18,368	242,060
2026	68,927	4,381	73,308	176,023	16,024	192,047
2027	69,676	3,632	73,308	170,083	13,999	184,082
2028	70,432	2,876	73,308	146,328	11,961	158,289
2029-2033	228,116	4,026	232,142	555,092	37,668	592,760
2034-2038	-	-	-	289,237	17,866	307,103
2039-2043	-	-	-	174,291	5,415	179,706
2044	-	-	-	9,389	17	9,406
Total	\$ 572,793	25,889	598,682	\$ 1,969,537	142,324	2,111,861

(10) Interfund Transfers

The detail of interfund transfers for the years ended June 30, 2023 and 2022 is as follows:

Fund	2023		2022	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General	\$ 11,545,848	4,907,344	\$ 10,101,019	3,883,981
Special Revenue, Iowa PBS Foundation	-	6,638,504	-	6,217,038
Total	\$ 11,545,848	11,545,848	\$ 10,101,019	10,101,019

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).

The State of Iowa insures with commercial insurers for certain risks of loss assuming liability for any deductibles and claims in excess of coverage limitations. Iowa PBS insures its mobile broadcasting truck and contents for \$4.4 million. There were no settlements in excess of coverage for the past three fiscal years.

(12) Compensated Absences and Other Postemployment Benefits

Changes in compensated absences and other postemployment benefit obligations for the years ended June 30, 2023 and 2022 are summarized as follows:

Year ended June 30, 2023	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Compensated absences	\$ 1,904,005	884,244	1,066,861	1,721,388	819,360
Net pension liability	118,933	3,057,619	-	3,176,552	-
Total OPEB liability	1,016,950	-	112,068	904,882	51,232
Total	\$ 3,039,888	3,941,863	1,178,929	5,802,822	870,592

Year ended June 30, 2022	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Compensated absences	\$ 2,082,730	801,175	979,900	1,904,005	927,679
Net pension liability	6,157,756	-	6,038,823	118,933	-
Total OPEB liability	981,888	35,062	-	1,016,950	57,576
Total	\$ 9,222,374	836,237	7,018,723	3,039,888	985,255

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 \$94,023 is included in accounts payable for retirees.

For the year ended June 30, 2023, six employees received benefits totaling \$57,977 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.

The 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.

The State of Iowa Postretirement Medical Plan operates as a single-employer retiree benefit plan which provides medical insurance benefits for retirees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The State currently finances the retiree benefit plan on a pay-as-you-go basis.

Plan Benefits

The State currently offers three plans which are available to participants: Iowa Choice, National Choice and SPOC (State Police Officer's Council) (Alliance Select). The contribution requirements of the plan participants are established and may be amended by the State Legislature.

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

At June 30, 2023, Iowa PBS reported a liability of \$904,882 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation performed as of January 1, 2023 and rolled forward to June 30, 2023 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, 2023, Iowa PBS's proportion was 0.439000%.

For the year ended June 30, 2023, Iowa PBS recognized OPEB expense of \$18,533. At June 30, 2023, 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	\$ 219,271	36,187
Changes in proportion and differences in Iowa PBS's contributions and the Iowa PBS's proportionate share of contributions	-	90,497
Changes of assumptions	38,961	337,845
Total	<u>\$ 258,232</u>	<u>464,529</u>

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

Year Ending June 30,	Amount
2024	\$ (27,350)
2025	(27,350)
2026	(27,487)
2027	(26,350)
2028	(22,286)
Thereafter	<u>(75,474)</u>
Total	<u>\$ (206,297)</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 measurement was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.60%
Discount rate	3.65%
Healthcare cost trend rates	(3.60%) initial, then 6.75% decreasing to 4.5% ultimate.

The discount rate was based on the 20-year Bond Buyer GO Index as of the end of June 2023.

The healthcare cost trend rates were revised for the first year due to the average cost per participant decreasing when compared with prior (initial) year. As reflected above, the initial healthcare cost trend rates are negative. This decrease is expected to be a one-time event and the remaining years were not adjusted.

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, 2023. 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, 2022	<u>\$ 1,016,950</u>
Changes for the year:	
Service cost	69,271
Interest	36,270
Differences between expected and actual experiences	-
Assumption changes	(125,212)
Change in proportionate share	(31,429)
Benefit payments	<u>(60,968)</u>
Net changes	<u>(112,068)</u>
Total OPEB liability at June 20, 2023	<u>\$ 904,882</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 3.65%, as well as a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) 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:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 965,023	904,882	847,749

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 6.75% as well as a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) 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 (5.75%)	Healthcare Cost Trend Rate (6.75%)	1% Increase (7.75%)
Total OPEB liability	\$ 805,550	904,882	1,021,456

Payables to the OPEB Plan – There were no amounts due to the defined benefit State OPEB plan at June 30, 2023.

(14) Accounting Change

During fiscal year 2023, the Iowa PBS Foundation elected to make a change in accounting principle in regards to revenue recognition related to sustaining donor's contributions. Prior to fiscal year 2023, the Foundation projected monthly sustaining donor's contributions for the twelve-month period beyond the donor's renewal date. To better align with the Foundation's accounting policies and their correspondence with sustaining donors, the Foundation now recognizes sustaining donor's contributions as they occur. The effect of the accounting change is as follows:

	Governmental Activities	Special Revenue Iowa PBS Foundation Fund Balance
Balances June 30, 2022, as previously reported	\$ 45,830,483	17,016,635
Change in accounting principle	(1,581,953)	(504,169)
Balances July 1, 2022, as restated	\$ 44,248,530	16,512,466

Iowa PBS

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, 2023

	General Fund Actual	Less Funds not Required to be Budgeted	Net
Revenues:			
State appropriation	\$ 8,885,040	-	8,885,040
Federal assistance	10,000	10,000	-
Receipts from other entities	1,001,710	13,262	988,448
Fees and licenses	63,593	63,593	-
Gifts and grants	3,212,214	3,212,214	-
In-kind and indirect support	49,623	500	49,123
Charges for service	676,235	73,913	602,322
Interest on investments	526,070	526,070	-
Miscellaneous	32,986	11,719	21,267
Total revenues	14,457,471	3,911,271	10,546,200
Expenditures:			
Administration	3,742,580	767,068	2,975,512
Engineering and informational technology	4,288,268	687,107	3,601,161
Educational services	1,240,806	436,164	804,642
Programming, operations and production	8,346,549	5,960,166	2,386,383
Communications and community engagement	1,312,383	616,955	695,428
Emerging media	599,898	321,711	278,187
Debt Service:			
Principal	186,249	-	186,249
Interest	25,631	-	25,631
Total expenditures	19,742,364	8,789,171	10,953,193
Excess (deficiency) of revenues over (under) expenditures	(5,284,893)	(4,877,900)	(406,993)
Other financing sources, net	6,638,504	6,631,554	6,950
Change in balances	1,353,611	1,753,654	(400,043)
Balance beginning of year	18,488,745	15,306,792	3,181,953
Balance end of year	\$ 19,842,356	17,060,446	2,781,910

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
8,870,316	8,870,316	14,724
-	-	-
131,700	131,700	856,748
-	-	-
500	500	(500)
-	-	49,123
420,000	420,000	182,322
-	-	-
-	-	21,267
<u>9,422,516</u>	<u>9,422,516</u>	<u>1,123,684</u>
1,340,878	1,340,878	(1,634,634)
4,640,559	4,964,711	1,363,550
844,398	844,398	39,756
2,322,283	2,322,283	(64,100)
720,205	720,205	24,777
281,702	281,702	3,515
-	-	(186,249)
-	-	(25,631)
<u>10,150,025</u>	<u>10,474,177</u>	<u>(479,016)</u>
(727,509)	(1,051,661)	644,668
<u>42,607</u>	<u>42,607</u>	<u>(35,657)</u>
(684,902)	(1,009,054)	609,011
<u>2,998,502</u>	<u>2,807,654</u>	<u>374,299</u>
<u>2,313,600</u>	<u>1,798,600</u>	<u>983,310</u>

Iowa PBS

Iowa PBS

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2023

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 Nine Years*
(In Thousands)

Required Supplementary Information

	2023	2022	2021	2020
Agency's proportion of the net pension liability/asset	0.084077%	(0.034451%) **	0.087658%	0.092249%
Agency's proportionate share of the net pension liability (asset)	\$ 3,177	119	6,158	5,342
Agency's covered payroll	\$ 6,772	6,897	6,957	7,021
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	46.91%	1.73%	88.52%	76.09%
IPERS' net position as a percentage of the total pension liability	91.40%	100.81%	82.90%	85.45%

* 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.

** Overall plan net pension asset.

See accompanying independent auditor's report.

2019	2018	2017	2016	2015
0.094650%	0.093700%	0.094503%	0.095686%	0.098966%
5,990	6,242	5,947	4,727	3,925
7,114	6,994	6,782	6,550	6,476
84.20%	89.25%	87.69%	72.17%	60.61%
83.62%	82.21%	81.82%	85.19%	87.61%

Iowa PBS

Schedule of Agency Contributions

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

Required Supplementary Information

	2023	2022	2021	2020
Statutorily required contribution	\$ 671	639	650	657
Contributions in relation to the statutorily required contribution	(671)	(639)	(650)	(657)
Contribution deficiency (excess)	\$ -	-	-	-
Agency's covered payroll	\$ 7,105	6,772	6,897	6,957
Contributions as a percentage of covered payroll*	9.44%	9.44%	9.44%	9.44%

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

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
663	635	625	606	585	581
(663)	(635)	(625)	(606)	(585)	(581)
-	-	-	-	-	-
7,021	7,114	6,994	6,782	6,550	6,476
9.44%	8.93%	8.93%	8.93%	8.93%	8.97%

Iowa PBS

Iowa PBS

Notes to Required Supplementary Information – Pension Liability (Asset)

Year ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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 Six Years*
Required Supplementary Information

	2023	2022	2021	2020
Service cost	\$ 69,271	78,680	79,586	64,766
Interest cost	36,270	22,021	22,736	34,782
Difference between expected and actual experiences	-	25,741	(2,927)	(5,347)
Changes in assumptions	(125,212)	(21,363)	(39,161)	21,949
Change in proportionate share	(31,429)	(12,441)	(41,719)	(10,016)
Benefit payments	(60,968)	(57,576)	(55,058)	(54,066)
Net change in total OPEB liability	(112,068)	35,062	(36,543)	52,068
Total OPEB liability beginning of year	1,016,950	981,888	1,018,431	966,363
Total OPEB liability end of year	\$ 904,882	1,016,950	981,888	1,018,431
Covered-employee payroll	\$ 6,096,024	6,506,141	6,491,579	6,505,888
Total OPEB liability as a percentage of covered-employee payroll	14.8%	15.6%	15.1%	15.7%

* GASB Statement No. 75 requires ten years of information to be presented in this schedule; however, until a full 10-year trend is compiled, 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.

See Note to Required Supplementary Information - Schedule of Changes in Total OPEB Liability and Related Ratios.

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>
59,981	66,407
36,150	33,398
(1,348)	(5,453)
13,310	13,533
(39,003)	7,306
<u>(53,410)</u>	<u>(47,095)</u>
<u>15,680</u>	<u>68,096</u>
<u>950,683</u>	<u>882,587</u>
<u>966,363</u>	<u>950,683</u>
6,007,236	6,834,239
16.1%	13.9%

Iowa PBS

Notes to Required Supplementary Information –
Schedules of Changes in Total OPEB Liability and Related Ratios

Year ended June 30, 2023

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

2023:

- Increased the discount rate from 3.54% to 3.65%.
- Updated annual medical trend rates based on recent experience and future expectations.

2022:

- Increased the discount rate from 2.16% to 3.54%.
- Updated mortality assumptions, turnover rates assumptions, retirement rates assumptions and the salary scale to be consistent with the assumptions used in the June 30, 2022 IPERS actuarial valuation.
- Updated medical claims costs based on recent experience.
- Updated annual medical trend rates based on recent experience and future expectations.

2021:

- Decreased the discount rate from 2.21% to 2.16%.
- Updated medical claims costs based on recent experience.
- Updated annual medical trend rates based on recent experience and future expectations.

2020:

- Decreased the discount rate from 3.50% to 2.21%.
- Updated medical claims costs and premiums based on recent experience.
- Updated annual medical trend rates based on industry observations and the current SOA-Getzen model.
- Updated mortality assumptions, turnover rates assumptions, retirement rates assumptions and the salary scale to be consistent with the assumptions used in the June 30, 2019 IPERS actuarial valuation.

2019:

- Decreased the discount rate from 3.87% to 3.50%.

2018:

- Increased the discount rate from 3.58% to 3.87%.
- Decreased the inflation rate from 3.00% to 2.6%.

Supplementary Information

Iowa PBS

Combining Balance Sheet
General Fund Accounts

June 30, 2023

with summarized comparative information for June 30, 2022

	State Appropri- ations #001	CPB Community Service Grant 2019-2021 #004	CPB Community Service Grant 2020-2022 #033	Market to Market #069	Iowa PBS Miscel- laneous #085
Assets					
Cash	\$ -	743,146	2,833,643	489,289	1,228,531
Unexpended appropriation	260,528	-	-	-	-
Accounts receivable	9,500	-	-	-	679
Due from:					
Other funds	1,324	52	-	25,000	124,992
Other state agencies	-	8,120	19,847	3,401	7,732
Federal government	-	-	-	-	-
Lease receivable	1,969,537	-	-	-	-
Restricted assets - cash	354,609	-	-	-	-
Prepaid expenditures	56,937	-	-	-	1,586
Total assets	2,652,435	751,318	2,853,490	517,690	1,363,520
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	247,904	107,155	-	4,434	3,591
Due to:					
Other funds	27,216	8,120	19,847	19	-
Other state agencies	32,189	1,250	-	-	132
Advances from grantors	20,980	634,793	2,833,643	8,291	-
Total liabilities	328,289	751,318	2,853,490	12,744	3,723
Deferred inflows of resources:					
Lease related	1,935,242	-	-	-	-
Other revenue	-	-	-	-	-
Total deferred inflow of resources	1,935,242	-	-	-	-
Fund balances:					
Nonspendable for prepaid expenditures	56,937	-	-	-	1,586
Nonspendable for lessor leases	34,295	-	-	-	-
Restricted for:					
Subsequent years' expenditures	354,609	-	-	-	-
Specific purposes	-	-	-	-	-
Committed	-	-	-	504,946	1,358,211
Unassigned	(56,937)	-	-	-	-
Total fund balances	388,904	-	-	504,946	1,359,797
Total liabilities, deferred inflows of resources and fund balances	\$ 2,652,435	751,318	2,853,490	517,690	1,363,520

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	Friends Technology Reinvestment #943	Total 2023	Total 2022
534,208	112,004	93,827	991,293	395,279	11,817,053	-	19,238,273	17,849,052
-	-	-	-	-	-	2,340,188	2,600,716	2,984,827
-	-	-	704	-	-	-	10,883	20,729
7,715	11,027	-	-	15,067	1,357,822	12,123	1,555,122	1,312,014
6,096	10,175	647	7,281	6,760	78,055	57,009	205,123	37,093
-	5,000	-	-	-	-	-	5,000	-
-	-	-	-	-	-	-	1,969,537	2,057,172
-	-	-	-	-	-	-	354,609	346,557
15,377	-	-	-	-	-	-	73,900	74,116
563,396	138,206	94,474	999,278	417,106	13,252,930	2,409,320	26,013,163	24,681,560
66,637	668	-	4,679	-	-	16,314	451,382	347,539
106,407	1,350	-	5	-	85,770	-	248,734	245,448
17	17	-	-	-	692	-	34,297	38,703
-	-	-	-	-	-	-	3,497,707	3,518,520
173,061	2,035	-	4,684	-	86,462	16,314	4,232,120	4,150,210
-	-	-	-	-	-	-	1,935,242	2,029,431
-	2,741	-	704	-	-	-	3,445	13,174
-	2,741	-	704	-	-	-	1,938,687	2,042,605
15,377	-	-	-	-	-	-	73,900	74,116
-	-	-	-	-	-	-	34,295	27,741
-	-	-	-	-	-	-	354,609	346,557
-	-	-	993,890	-	13,166,468	-	14,160,358	12,547,921
374,958	133,430	94,474	-	417,106	-	2,393,006	5,276,131	5,550,964
-	-	-	-	-	-	-	(56,937)	(58,554)
390,335	133,430	94,474	993,890	417,106	13,166,468	2,393,006	19,842,356	18,488,745
563,396	138,206	94,474	999,278	417,106	13,252,930	2,409,320	26,013,163	24,681,560

Iowa PBS

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

Year ended June 30, 2023

with summarized comparative information for the year ended June 30, 2022

	State Appropriations #001	CPB Community Service Grant 2019-2021 #004	CPB Community Service Grant 2020-2022 #033	Market to Market #069	Iowa PBS Miscel- laneous #085
Revenues:					
State appropriation	\$ 7,885,040	-	-	-	-
Federal assistance	-	-	-	-	-
Receipts from other entities	988,448	-	-	-	-
Fees and licenses	-	-	-	61,993	-
Gifts and grants	-	2,249,899	883,298	-	75
In-kind and indirect support	49,123	-	-	-	-
Charges for service	602,322	-	-	-	-
Interest on investments	-	56,652	56,444	13,982	29,862
Miscellaneous	21,267	-	-	-	11,719
	<u>9,546,200</u>	<u>2,306,551</u>	<u>939,742</u>	<u>75,975</u>	<u>41,656</u>
Expenditures:					
Operating:					
Administration	2,703,330	512,965	116,520	-	121,608
Engineering and informational technology	2,633,336	302,720	73,024	-	177,165
Educational services	804,642	148,143	32,827	-	3,103
Programming, operations and production	2,211,742	676,425	485,816	179,808	2,229
Communications and community engagement	695,428	352,348	113,585	-	4,485
Emerging media	278,187	257,298	61,526	-	-
Debt Service					
Principal	186,249	-	-	-	-
Interest	25,631	-	-	-	-
Total expenditures	<u>9,538,545</u>	<u>2,249,899</u>	<u>883,298</u>	<u>179,808</u>	<u>308,590</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,655</u>	<u>56,652</u>	<u>56,444</u>	<u>(103,833)</u>	<u>(266,934)</u>
Other financing sources (uses):					
Operating transfers in	6,950	-	-	147,000	604,995
Operating transfers out	-	(56,652)	(56,444)	-	-
Total other financing sources (uses)	<u>6,950</u>	<u>(56,652)</u>	<u>(56,444)</u>	<u>147,000</u>	<u>604,995</u>
Change in fund balances	14,605	-	-	43,167	338,061
Fund balance beginning of year	<u>374,299</u>	<u>-</u>	<u>-</u>	<u>461,779</u>	<u>1,021,736</u>
Fund balance end of year	<u>\$ 388,904</u>	<u>-</u>	<u>-</u>	<u>504,946</u>	<u>1,359,797</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 2023	Total 2022
-	-	-	-	-	-	1,000,000	8,885,040	9,883,638
-	10,000	-	-	-	-	-	10,000	100,374
-	-	-	13,262	-	-	-	1,001,710	58,365
-	-	1,600	-	-	-	-	63,593	82,554
49,942	-	-	29,000	-	-	-	3,212,214	3,360,281
500	-	-	-	-	-	-	49,623	60,143
-	51,077	-	22,132	704	-	-	676,235	665,286
33,965	3,635	2,709	32,093	8,602	288,126	-	526,070	44,028
-	-	-	-	-	-	-	32,986	20,984
84,407	64,712	4,309	96,487	9,306	288,126	1,000,000	14,457,471	14,275,653
6,616	-	-	-	1,054	8,305	272,182	3,742,580	2,119,931
14,304	-	-	119,894	-	-	967,825	4,288,268	4,147,337
1,045	90,560	-	160,486	-	-	-	1,240,806	1,230,189
4,342,378	336	466	272,708	-	-	174,641	8,346,549	7,993,772
132,792	-	-	13,745	-	-	-	1,312,383	1,293,222
36	-	-	2,851	-	-	-	599,898	512,184
-	-	-	-	-	-	-	186,249	194,538
-	-	-	-	-	-	-	25,631	18,077
4,497,171	90,896	466	569,684	1,054	8,305	1,414,648	19,742,364	17,509,250
(4,412,764)	(26,184)	3,843	(473,197)	8,252	279,821	(414,648)	(5,284,893)	(3,233,597)
4,284,581	26,000	-	351,223	-	6,125,099	-	11,545,848	10,101,019
(115,232)	(8,507)	-	(67,636)	-	(4,602,873)	-	(4,907,344)	(3,883,981)
4,169,349	17,493	-	283,587	-	1,522,226	-	6,638,504	6,217,038
(243,415)	(8,691)	3,843	(189,610)	8,252	1,802,047	(414,648)	1,353,611	2,983,441
633,750	142,121	90,631	1,183,500	408,854	11,364,421	2,807,654	18,488,745	15,505,304
390,335	133,430	94,474	993,890	417,106	13,166,468	2,393,006	19,842,356	18,488,745

Iowa PBS

Iowa PBS

Schedule of Expenditures by Object
General Fund

Year ended June 30, 2023

with summarized comparative information for the year ended June 30, 2022

	<u>2023</u>	<u>2022</u>
Personal services	\$ 9,655,839	9,531,871
Travel	179,012	149,521
Supplies and materials	3,445,272	3,615,687
Contractual services	2,574,905	2,452,876
Equipment and repair	2,036,372	1,444,875
Claims and miscellaneous	55,298	56,363
Licenses, permits and refunds	280	280
Plant improvements	1,583,506	45,162
Debt Service - Principal	186,249	194,538
Debt Service - Interest	25,631	18,077
Total	<u>\$ 19,742,364</u>	<u>17,509,250</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 auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Iowa PBS as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise Iowa PBS's basic financial statements, and have issued our report thereon dated November 15, 2023. 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's 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.

Report on 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 (internal control) as a basis for designing audit procedures that are 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 that 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 that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Iowa PBS's Response to Finding

Government Auditing Standards require the auditor to perform limited procedures on the Iowa PBS's response to the finding identified in our audit and described in the accompanying Schedule of Findings. Iowa PBS's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 the 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

November 15, 2023

Iowa PBS

Schedule of Findings

Year ended June 30, 2023

Finding Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCY:

2022-001 Financial Reporting

Criteria – A deficiency in internal control over financial reporting 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 of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of Iowa PBS's financial statements.

Condition – A material amount of capital assets additions were not properly recorded in Iowa PBS's financial statements. Adjustments were subsequently made by Iowa PBS to properly include these amounts in the financial statements.

Cause – While Iowa PBS's policies and procedures require independent review of transactions to ensure Iowa PBS's financial statements are accurate and reliable, the uniqueness of the capital project that was not properly recorded caused the oversight by Iowa PBS employees.

Effect – The uniqueness of the capital project being partially funded by Iowa PBS and partially funded by the Department of Administrative Services resulted in Iowa PBS employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the Iowa PBS's financial statements were necessary.

Recommendation – Iowa PBS should implement additional procedures to ensure all capital assets are identified and properly included in their financial statements.

Response – Although Iowa PBS has policies and procedures which require independent review of transactions, the financial report ran to reconcile capital asset additions to expenditures during the year did not factor in transfers out from Iowa PBS to other State of Iowa agencies. Iowa PBS uses specific coding on transfers to other State of Iowa agencies to help with reclassifying such transfers as either revenue or expenditures for Iowa PBS. The financial report used to reconcile capital asset additions has been updated to include the specific coding used on transfers so future expenditures paid for on behalf of Iowa PBS with Iowa PBS funds will be properly capitalized, as applicable.

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Other Findings Related to Required Statutory Reporting:

No matters were noted.

Iowa PBS

Staff

This audit was performed by:

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Tiffany M. Ainger, CPA, Manager
Micaela A. Tintjer, CPA, Senior Auditor II
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