



OFFICE OF AUDITOR OF STATE

STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE

November 24, 2010

Contact: Andy Nielsen
515/281-5834

Auditor of State David A. Vaudt today released an audit report on Iowa Public Television for the year ended June 30, 2010. The Iowa Public Television Foundation, a component unit, is included in the financial statements.

Iowa Public Television had General Fund revenues of \$13,453,460 for the year, a 20.1% decrease from the prior year. Revenues included state appropriations of \$9,079,979, gifts and grants of \$2,679,875, in-kind and indirect support of \$428,274 and charges for service of \$994,170. The Iowa Public Television Foundation received \$5,090,269 from Foundation memberships and corporate support of \$2,787,153.

Expenditures to operate the educational television network for the year ended June 30, 2010 were as follows:

	General Fund	Special Revenue Funds	Total
Administration	\$ 1,169,739	576,842	1,746,581
Engineering and technical support	5,437,048	-	5,437,048
Educational telecommunications	1,324,677	-	1,324,677
Programming and production	8,773,811	2,545,327	11,319,138
Communications	534,745	-	534,745
Digital television	1,731,746	-	1,731,746
Total	\$ 18,971,766	3,122,169	22,093,935

General Fund expenditures decreased 32.6% from the prior year.

A copy of the audit report is available for review in Iowa Public Television's administrative office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1160-2850-0000.pdf>.

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IOWA PUBLIC TELEVISION
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2010

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Iowa Public Television

Officials

Name

Title

State

Honorable Chester J. Culver
Richard C. Oshlo, Jr.
Glen P. Dickinson

Governor
Director, Department of Management
Director, Legislative Services Agency

Board

Robert W. Hall
Susan McDermott
Bettie A. Bolar
Betty Jean Furgerson
N. Brian Gentry
Michelle Guinn
John V. Hartung
Brent Siegrist
Bill Withers

President
Vice President
Member
Member
Member
Member
Member
Member
Member

Agency

Daniel K. Miller
Kristine Houston
Lori J. Smith

Executive Director
Director of Administration
Business Manager

Iowa Public Television



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David A. Vaudt, CPA
Auditor of State

Independent Auditor's Report

To the Board Members of
Iowa Public Television:

We have audited the accompanying financial statements of the governmental activities and each major fund of Iowa Public Television as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements listed in the table of contents. These financial statements are the responsibility of Iowa Public Television's management. Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Iowa Public Television Foundation, a component unit which represents 63.5% and 99.9%, respectively, of the assets and revenues of the Special Revenue Funds and 100% of the assets and revenues of the Permanent Fund. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Iowa Public Television Foundation, is based solely on the report of the other auditor.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Iowa Public Television Foundation were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits and the report of the other auditor provide a reasonable basis for our opinions.

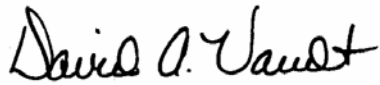
As discussed in Note 1, the financial statements of Iowa Public Television are intended to present the financial position and the changes in financial position of only that portion of the financial reporting entity of the State of Iowa that is attributable to the transactions of Iowa Public Television. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2010, and the changes in its financial position for the year ended June 30, 2010 in conformity with U.S. generally accepted accounting principles.

In our opinion, based on our audits and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Iowa Public Television at June 30, 2010, and the respective changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

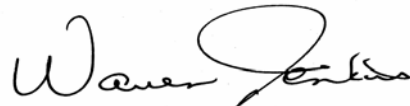
In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2010 on our consideration of Iowa Public Television's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 13 and 40 through 42 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Iowa Public Television's basic financial statements. Other supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical information has not been audited by us and, accordingly, we do not express an opinion on it.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

November 8, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION AND REPORTING ENTITY

Management of Iowa Public Television (IPTV) provides this "Management's Discussion and Analysis" of IPTV's annual financial statements. This narrative overview and analysis of the financial activities of IPTV is for the fiscal year ended June 30, 2010. We encourage readers to consider this information in conjunction with IPTV's financial statements which follow the discussion.

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

Iowa Public Television operates technical and production facilities that permit the creation and distribution of programming and educational products and services responsive to the varied interests of Iowans. IPTV is the state's largest provider of information and entertainment programming about Iowa. More than 1,000,000 viewers watch IPTV each week. Contributing membership to the IPTV Foundation consists of approximately 56,000 households.

Iowa Public Television operates nine high-power digital transmitters and eight translators. The FCC mandated all commercial and noncommercial television broadcasters convert from analog to digital transmission. With support from the State of Iowa, the U.S. Department of Commerce and the Corporation for Public Broadcasting, IPTV has received or has commitments for the \$46,800,000 estimated cost to complete the digital television conversion. Ninety-six percent of the digital television conversion budget was incurred as of June 30, 2010. Remaining projects include the KDIN rechannelization, KQIN fiber, two remaining translators and production equipment.

FINANCIAL HIGHLIGHTS

- In fiscal year 2010, total revenues decreased \$406,592. The decrease was partly due to an across-the-board appropriation reduction.
- Program expenses for Iowa Public Television decreased \$193,190 to correspond to the decrease in revenue.

USING THIS ANNUAL REPORT

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

REPORTING IOWA PUBLIC TELEVISION AS A WHOLE

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

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

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

The Statement of Activities presents information showing how IPTV's net assets changed during the most recent fiscal year. All changes in net assets 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 assets may serve over time as a useful indicator of financial position. Iowa Public Television's combined net assets decreased to approximately \$48.9 million at the end of fiscal year 2010 as compared to approximately \$52.2 million at the end of fiscal year 2009.

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

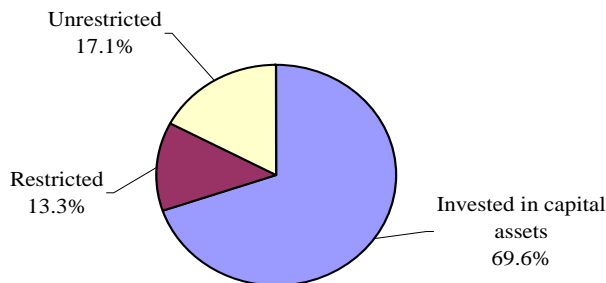
Restricted net assets represent the smallest portion of IPTV's net assets. Much of these restricted net assets will be invested in capital assets for the digital conversion. This portion also includes endowment assets which are subject to external restrictions on how they may be used. The earnings on these assets will eventually be used for the acquisition of and/or production of television programs.

The remaining portion represents unrestricted net assets and is available to be used to meet IPTV's ongoing obligations to vendors.

Net Assets of Governmental Activities

Assets	June 30, 2009	June 30, 2010
Current and other assets	\$ 20,759,666	21,741,068
Capital assets	37,278,321	34,032,991
Total Assets	58,037,987	55,774,059
Liabilities		
Current liabilities	4,410,316	5,032,607
Noncurrent liabilities	1,455,636	1,826,771
Total Liabilities	5,865,952	6,859,378
Net Assets		
Invested in capital assets	37,278,321	34,032,991
Restricted	7,641,184	6,498,001
Unrestricted	7,252,530	8,383,689
Total Net Assets	\$ 52,172,035	48,914,681

**Fiscal Year 2010
Composition of Net Assets**

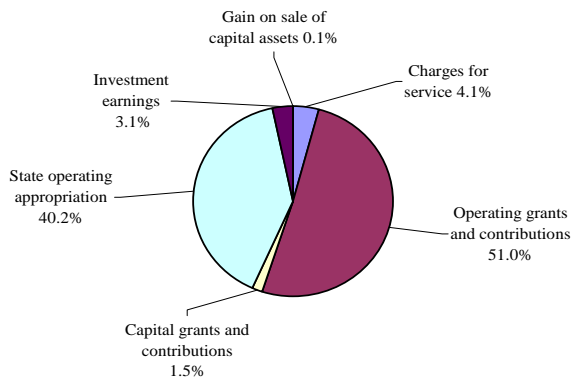


The net assets of IPTV decreased approximately \$3.3 million during fiscal year 2010. Fiscal year 2010 revenues were \$406,592 less than in fiscal year 2009, due primarily to a decrease in the state operating appropriation. Operating grants and contributions of approximately \$11.5 million represented 51% 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 2010, IPTV received a state operating appropriation of approximately \$9 million, of which \$1.1 million was passed directly to regional telecommunications councils across the state. The state operating appropriation of approximately \$9 million represented 40.3% of total revenues. Fiscal year 2010 expenses were \$193,190 lower than in fiscal year 2009. Programming and production expenses of approximately \$11.8 million represented 45.7% of total expenses during the fiscal year. The majority of the expenses from the IPTV Foundation are included in programming and production expenses.

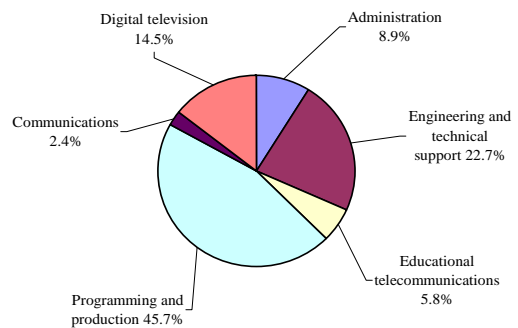
Changes in Net Assets of Governmental Activities

	Year Ended June 30, 2009	Year Ended June 30, 2010
Revenues:		
Program revenues:		
Charges for service	\$ 967,184	917,229
Operating grants and contributions	10,695,285	11,502,627
Capital grants and contributions	462,583	328,333
General revenues:		
State operating appropriation	10,082,382	9,079,979
State capital appropriation	2,303,937	-
Investment gain (loss)	(1,591,896)	706,227
Gain on sale of capital assets	30,351	8,839
Total revenues	<u>22,949,826</u>	<u>22,543,234</u>
Program expenses:		
Administration	1,992,938	2,287,867
Engineering and technical support	6,452,846	5,850,936
Educational telecommunications	1,546,463	1,488,098
Programming and production	11,636,221	11,797,528
Communications	369,063	629,557
Digital television	3,996,247	3,746,602
Total expenses	<u>25,993,778</u>	<u>25,800,588</u>
Change in net assets	(3,043,952)	(3,257,354)
Net assets beginning of year	<u>55,215,987</u>	<u>52,172,035</u>
Net assets end of year	<u>\$ 52,172,035</u>	<u>48,914,681</u>

**Fiscal Year 2010
Revenues by Source**



**Fiscal Year 2010
Expenses by Program**



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

Required supplementary information includes a comparison of Budget and Actual for the General Fund and can be found beginning on page 40.

Other supplementary information begins on page 44 and provides detailed information about the individual funds and accounts and expenditures by object.

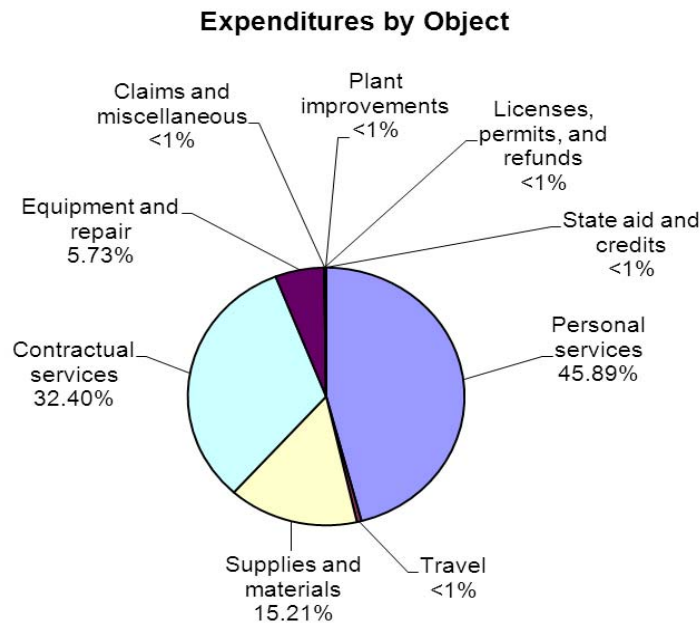
FINANCIAL ANALYSIS OF IPTV’S INDIVIDUAL FUNDS

General Fund (Exhibits C and E):

As of June 30, 2010, IPTV reported a combined General Fund balance of approximately \$4.4 million, which is approximately \$2.4 million less than the previous year’s total of approximately \$6.8 million. IPTV’s General Fund expenditures exceeded General Fund revenues by approximately \$5.5 million and approximately \$3.1 million in net transfers were received from the Special Revenue Funds.

Iowa Public Television’s total state appropriations of approximately \$9 million represented 67.5% of total General Fund revenues of approximately \$13.5 million. Gifts and grants of approximately \$2.7 million represented 20% of total General Fund revenues, while Federal assistance of \$102,648 represented .76% of total General Fund revenues.

Personal services of approximately \$8.7 million represented 46% of General Fund expenditures. Contractual services of approximately \$6.1 million represented 32% of total General Fund expenditures of approximately \$19 million (see Schedule 3). Contractual services remain a significant expenditure item. However, much of this expenditure relates to the pass-through of support to other government entities, such as local school districts and other educational entities. Other significant expenditures include the acquisition of national television programming and utilities needed to operate IPTV’s television transmission facilities.



Special Revenue Funds (Exhibits C and E):

Iowa Public Television's Special Revenue Funds consist of the Friends Contribution Account and the Iowa Public Television Foundation. The Friends Contribution Account is primarily a holding account used by IPTV to hold net membership revenue transferred in from the Iowa Public Television Foundation until it is used in IPTV's General Fund to produce and/or acquire public television programming.

As of June 30, 2010, IPTV reported a combined Special Revenue Fund balance of approximately \$9.5 million, an increase of approximately \$2.3 million over the June 30, 2009 combined balance. Special Revenue Fund revenues exceeded Special Revenue Fund expenditures by approximately \$5.2 million during fiscal year 2010. This excess was transferred to IPTV's General Fund to produce and/or acquire public television programming. Total Special Revenue Fund revenues of approximately \$8.3 million was comprised mainly of approximately \$5.1 million in membership revenue and approximately \$2.8 million in gifts and grants.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, IPTV amended its budget three times. In September 2009, an amendment was made to recognize the routine maintenance funding of \$23,680 received from the Department of Administrative Services. In October 2009, a 10% across-the-board budget cut reduced the IPTV budget by \$897,168 and the Regional Telecommunications Councils (RTC) budget by \$123,027. In January 2010, the budget was reduced by \$103,399 for an appropriation transfer.

Iowa Public Television's receipts were \$376,322 more than budgeted receipts, a variance of 4.0%. Iowa Public Television received more in charges for service than budgeted. Also, IPTV had in-kind and indirect support which was not budgeted.

Total disbursements were \$1,435,188 less than budgeted. Actual disbursements for the digital television activities were \$1,063,772 less than budgeted. Total expenditures for digital television were budgeted at the amount of funds available to be spent. However, the funds are used over a period of time as towers and equipment are constructed or installed. Funds were carried forward to the next fiscal year for continued digital television conversion expenses.

Iowa Public Television exceeded the budgeted amounts in the administration and programming and production functions for the year ended June 30, 2010, primarily due to in-kind and indirect support not budgeted. All other IPTV functional areas came in under budget.

CAPITAL ASSETS

Iowa Public Television's investment in capital assets for its governmental activities at June 30, 2010 was approximately \$61.5 million, net of accumulated depreciation of approximately \$27.5 million, leaving a net book value of approximately \$34 million. This investment in capital assets includes land, buildings, improvements other than buildings, furniture, fixtures, equipment, vehicles and transmitters. Transmitter assets include property and equipment at the transmitter and translator sites across the state, such as towers, buildings, transmitters, antennas, transmission lines and test equipment.

The net decrease in IPTV's investment in capital assets for the current fiscal year was approximately \$3.2 million. Depreciation charges for the year totaled approximately \$4.2 million.

Iowa Public Television's fiscal year 2010 capital budget included approximately \$2.7 million for capital projects, principally for the rechannelization of the KIIN transmitter, completion of the translator at Rock Rapids, completion of master control and purchase of equipment for the production studios. Funds will be carried forward to fiscal year 2011 to complete the two remaining translators, the KDIN antenna and the purchase of production equipment. Funds to pay for the continued conversion to digital will come from appropriations received from the State and grants from the Corporation for Public Broadcasting.

More detailed information about IPTV's capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

State General Fund revenue estimates are generated by the Iowa Revenue Estimating Conference (REC). The REC is comprised of the Governor or his designee, the Director of the Legislative Services Agency and a third person agreed upon by the other two members. At the October 11, 2010 meeting, the REC increased the estimate for General Fund tax and other receipts for fiscal year 2011.

The fiscal year 2011 state appropriations for IPTV decreased 3.94%.

CONTACTING IPTV'S FINANCIAL MANAGEMENT

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

Iowa Public Television

Basic Financial Statements

Iowa Public Television

Iowa Public Television

Statement of Net Assets

June 30, 2010

with partial financial information for June 30, 2009

	Governmental Activities	
	2010	2009
Assets		
Current assets:		
Cash	\$ 9,921,025	7,507,875
Investments	73,457	59,484
Unexpended appropriation	2,157,018	4,710,670
Accounts receivable	568,173	580,060
Pledges receivable, net of allowance for uncollectible accounts of \$165,600 for 2010	1,789,052	1,228,902
Due from:		
Other state agencies	102,446	91,779
Federal government	-	29,580
Restricted assets-cash	4	82,254
Inventory	37,368	40,923
Prepaid expenses	226,234	357,632
Total current assets	<u>14,874,777</u>	<u>14,689,159</u>
Noncurrent assets:		
Investments	6,636,691	5,748,987
Pledges receivable	229,600	321,520
Capital assets, net	34,032,991	37,278,321
Total noncurrent assets	<u>40,899,282</u>	<u>43,348,828</u>
Total assets	<u>55,774,059</u>	<u>58,037,987</u>
Liabilities		
Current liabilities:		
Accounts payable	1,322,476	785,976
Capital lease purchase agreements	20,156	-
Due to other state agencies	123,182	239,034
Deferred revenue	2,763,134	2,535,919
Compensated absences	803,659	849,387
Total current liabilities	<u>5,032,607</u>	<u>4,410,316</u>
Noncurrent liabilities:		
Accounts payable	410,765	-
Capital lease purchase agreements	14,597	-
Compensated absences	1,188,423	1,317,178
Net OPEB liability	212,986	138,458
Total noncurrent liabilities	<u>1,826,771</u>	<u>1,455,636</u>
Total liabilities	<u>6,859,378</u>	<u>5,865,952</u>
Net Assets		
Invested in capital assets	34,032,991	37,278,321
Restricted for:		
Nonexpendable:		
Donor restricted endowment	1,547,985	1,547,985
Expendable:		
Future state vehicle dispatch purchases	4	82,254
Acquisition or production of programming	3,173,760	3,409,839
Installation of digital television	1,776,252	2,601,106
Unrestricted	8,383,689	7,252,530
Total net assets	<u>\$ 48,914,681</u>	<u>52,172,035</u>

See notes to financial statements.

Iowa Public Television

Statement of Activities

Year ended June 30, 2010
with partial financial information for the year ended June 30, 2009

	Program Revenues		
	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
<u>Expenses</u>			
<u>Functions</u>			
Governmental activities:			
Administration	\$ 2,287,867	23,610	96,250
Engineering and technical support	5,850,936	290,810	-
Educational telecommunications	1,488,098	65,570	545,453
Programming and production	11,797,528	537,239	10,860,924
Communications	629,557	-	-
Digital television	3,746,602	-	328,333
Total	<u>\$ 25,800,588</u>	<u>917,229</u>	<u>11,502,627</u>

General revenues:

State appropriation

Unrestricted investment gain

Gain on sale of capital assets

Total general revenues

Change in net assets

Net assets beginning of year

Net assets end of year

See notes to financial statements.

Net (Expense) Revenue and Change in Net Assets 2010	Net (Expense) Revenue and Change in Net Assets 2009
(2,168,007)	(1,894,102)
(5,560,126)	(6,189,304)
(877,075)	(855,698)
(399,365)	(1,026,895)
(629,557)	(369,063)
<u>(3,418,269)</u>	<u>(3,533,664)</u>
<u>(13,052,399)</u>	<u>(13,868,726)</u>
9,079,979	12,386,319
706,227	(1,591,895)
8,839	30,350
<u>9,795,045</u>	<u>10,824,774</u>
(3,257,354)	(3,043,952)
<u>52,172,035</u>	<u>55,215,987</u>
<u>\$ 48,914,681</u>	<u>52,172,035</u>

Iowa Public Television

Balance Sheet
Governmental Funds

June 30, 2010
with partial financial information for June 30, 2009

	<u>General</u>
Assets	
Assets:	
Cash	\$ 5,877,193
Investments	-
Unexpended appropriation	2,157,018
Accounts receivable	565,358
Pledges receivable, net of allowance for uncollectible accounts of \$165,600 for 2010	-
Due from:	
Other funds	1,005,737
Other state agencies	97,789
Federal government	-
Restricted assets-cash	4
Inventory	-
Prepaid expenditures	<u>196,875</u>
Total assets	<u><u>\$ 9,899,974</u></u>
Liabilities and Fund Balances	
Liabilities:	
Accounts payable	\$ 788,824
Due to:	
Other funds	1,430,630
Other state agencies	122,446
Deferred revenue	<u>3,135,331</u>
Total liabilities	<u><u>5,477,231</u></u>
Fund balances:	
Reserved for:	
Prepaid expenditures and inventory	196,875
Subsequent years' expenditures	4
Noncurrent receivables	-
Specific purposes	1,308,510
Unreserved	<u>2,917,354</u>
Total fund balances	<u><u>4,422,743</u></u>
Total liabilities and fund balances	<u><u>\$ 9,899,974</u></u>

See notes to financial statements.

Special Revenue				
Iowa Public Television Foundation	Friends Contribution Account	Permanent Foundation Endowment	Total 2010	Total 2009
609,837	3,433,995	-	9,921,025	7,507,875
5,162,163	-	1,547,985	6,710,148	5,808,471
-	-	-	2,157,018	4,710,670
2,809	6	-	568,173	580,060
2,018,652	-	-	2,018,652	1,550,422
-	1,077,782	-	2,083,519	2,238,852
-	4,657	-	102,446	91,779
-	-	-	-	29,580
-	-	-	4	82,254
37,368	-	-	37,368	40,923
29,359	-	-	226,234	357,632
7,860,188	4,516,440	1,547,985	23,824,587	22,998,518
407,830	3,626	-	1,200,280	785,976
638,424	14,465	-	2,083,519	2,238,852
-	736	-	123,182	239,034
1,797,195	-	-	4,932,526	4,147,373
2,843,449	18,827	-	8,339,507	7,411,235
66,727	-	-	263,602	398,555
-	-	-	4	82,254
229,600	-	-	229,600	321,520
2,944,160	-	1,547,985	5,800,655	5,607,171
1,776,252	4,497,613	-	9,191,219	9,177,783
5,016,739	4,497,613	1,547,985	15,485,080	15,587,283
7,860,188	4,516,440	1,547,985	23,824,587	22,998,518

Exhibit D

Iowa Public Television

Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net AssetsJune 30, 2010
with partial financial information for June 30, 2009

	<u>2010</u>		<u>2009</u>	
Total governmental fund balances (page 21)	\$ 15,485,080		15,587,283	
Amounts reported for governmental activities in the Statement of Net Assets 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 Public Television	\$ 33,989,134		37,269,663	
Iowa Public Television Foundation	<u>43,857</u>	34,032,991	<u>8,658</u>	37,278,321
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds, as follows:				
Iowa Public Television Foundation deferred revenue	1,797,195		1,265,019	
Iowa Public Television deferred revenue	<u>372,197</u>	2,169,392	<u>346,435</u>	1,611,454
Long term liabilities, including capital lease purchase agreements, compensated absences and other postemployment benefits payable, are not due and payable in the current period, and, therefore, are not reported in the governmental funds, as follows:				
Capital lease purchase agreements	(34,753)		-	
Current compensated absences	(803,659)		(849,387)	
Non-current compensated absences	(1,188,423)		(1,317,178)	
Termination benefits payable, included in accounts payable	(532,961)		-	
Other postemployment benefits payable	<u>(212,986)</u>	<u>(2,772,782)</u>	<u>(138,458)</u>	<u>(2,305,023)</u>
Net assets of governmental activities (page 17)	<u>\$ 48,914,681</u>		<u>52,172,035</u>	

See notes to financial statements.

Iowa Public Television

Iowa Public Television

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

Year ended June 30, 2010
with partial financial information for the year ended June 30, 2009

	<u>General</u>
Revenues:	
State appropriation	\$ 9,079,979
Federal assistance	102,648
Receipts from other entities	23,680
Fees and licenses	67,587
Gifts and grants	2,679,875
In-kind and indirect support	428,274
Memberships	-
Charges for service	994,170
Interest on investments	45,377
Settlement and collection	31,870
Total revenues	<u>13,453,460</u>
Expenditures:	
Administration	1,169,739
Engineering and technical support	5,437,048
Educational telecommunications	1,324,677
Programming and production	8,773,811
Communications	534,745
Digital television	1,731,746
Total expenditures	<u>18,971,766</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,518,306)</u>
Other financing sources (uses):	
Operating transfers in	5,195,122
Operating transfers out	(2,078,688)
Reversion	-
Total other financing sources (uses)	<u>3,116,434</u>
Net change in fund balances	(2,401,872)
Fund balances beginning of year	<u>6,824,615</u>
Fund balances end of year	<u>\$ 4,422,743</u>

See notes to financial statements.

Special Revenue				
Iowa Public Television Foundation	Friends Contribution Account	Permanent Foundation Endowment	Total 2010	Total 2009
-	-	-	9,079,979	12,386,381
-	-	-	102,648	213,350
-	-	-	23,680	109,044
-	-	-	67,587	100,297
2,787,153	-	-	5,467,028	5,254,144
-	-	-	428,274	92,909
5,090,269	-	-	5,090,269	5,172,425
-	-	-	994,170	722,552
450,798	12,235	197,817	706,227	(1,591,895)
-	-	-	31,870	-
8,328,220	12,235	197,817	21,991,732	22,459,207
576,842	-	-	1,746,581	1,726,579
-	-	-	5,437,048	6,191,274
-	-	-	1,324,677	1,592,113
2,481,697	63,630	-	11,319,138	12,439,394
-	-	-	534,745	352,439
-	-	-	1,731,746	9,034,884
3,058,539	63,630	-	22,093,935	31,336,683
5,269,681	(51,395)	197,817	(102,203)	(8,877,476)
-	3,785,660	-	8,980,782	8,794,910
(4,720,128)	(1,984,149)	(197,817)	(8,980,782)	(8,794,910)
-	-	-	-	(62)
(4,720,128)	1,801,511	(197,817)	-	(62)
549,553	1,750,116	-	(102,203)	(8,877,538)
4,467,186	2,747,497	1,547,985	15,587,283	24,464,821
5,016,739	4,497,613	1,547,985	15,485,080	15,587,283

Exhibit F

Iowa Public Television

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds to the Statement of ActivitiesYear ended June 30, 2010
with partial financial information for the year ended June 30, 2009

	<u>2010</u>	<u>2009</u>
Net change in fund balances - Total governmental funds (page 25)	\$ (102,203)	(8,877,538)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Contributions which will not be collected for several months after year end are not considered available revenues and, therefore, are deferred in the governmental funds.	2,169,392	1,611,454
Governmental funds report revenue in the current period for amounts deferred in prior years because they were not considered available at that time.	(1,611,454)	(1,099,511)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. In the current period, these amounts are:		
Iowa Public Television:		
Expenditures for capital assets	\$ 934,416	8,625,101
Depreciation expense	(4,187,629)	(3,139,447)
Iowa Public Television Foundation:		
Expenditures for capital assets	52,766	
Depreciation expense	<u>(17,567)</u>	<u>(8,120)</u>
	(3,218,014)	5,477,534
In the governmental funds, the proceeds from the sale of capital assets increase financial resources, whereas the Statement of Activities only reports the gain on the sale.	(27,316)	(52,003)
Only expenses which require current financial resources are reported in governmental funds, whereas the Statement of Activities reports expenses for capital lease purchase agreements, compensated absences, termination benefits and other postemployment benefits not requiring the use of current financial resources.	<u>(467,759)</u>	<u>(103,888)</u>
Change in net assets of governmental activities (page 19)	<u>\$ (3,257,354)</u>	<u>(3,043,952)</u>

See notes to financial statements.

Iowa Public Television
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2010
with partial financial information for June 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
Accounts receivable	\$ 4,122	712
	<u> </u>	<u> </u>
Liabilities		
Due to other state agencies	\$ 4,122	712
	<u> </u>	<u> </u>

See notes to financial statements.

Iowa Public Television

Notes to Financial Statements

June 30, 2010

(1) Summary of Significant Accounting Policies

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

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

<u>Digital Transmitters</u>	<u>Translators</u>
KDIN-DT Channel 11, Des Moines	K14AF-TV Channel 28, Decorah
KIIN-DT Channel 12, Iowa City	K25AA-TV Channel 43, Rock Rapids
KTIN-DT, Channel 25, Fort Dodge	K18GU-TV Channel 18, Ottumwa
KYIN-DT Channel 18, Mason City	K33AB-TV Channel 26, Sibley
KSIN-DT Channel 28, Sioux City	K28JD-TV Channel 28, Fort Madison
KBIN-DT Channel 33, Council Bluffs	K41AD-TV Channel 38, Lansing
KRIN-DT Channel 35, Waterloo	K44AB-TV Channel 44, Keokuk
KHIN-DT Channel 35, Red Oak	K24IM-TV Channel 24, Keosauqua
KQIN-DT Channel 34, Davenport	

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

A. Reporting Entity

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

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

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

Iowa Public Television and is blended into the Special Revenue and Permanent Funds.

Iowa Public Television Foundation (Foundation) is a non-profit corporation which was incorporated in December 1991 for the purpose of soliciting and managing gifts of money and property for the exclusive purpose of granting gifts of money and/or property to Iowa Public Television. Services provided by the Foundation include the promotion of the public television network, acquisition of new members and the annual renewal of existing members. The funds received by the Foundation, less expenses, are to be transferred monthly to Iowa Public Television for programs and program expenses. Although the Foundation is legally separate from Iowa Public Television, the Iowa Public Television Broadcasting Board has oversight responsibility.

B. Basis of Presentation

The basic financial statements include partial prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Iowa Public Television's financial statements for the year ended June 30, 2009, from which the summarized information was derived.

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

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

Invested in capital assets consists of capital assets, net of accumulated depreciation.

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

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

Unrestricted net assets consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

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

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

Iowa Public Television reports the following major governmental funds:

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

Special Revenue:

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

The Friends Contribution Account Fund is used to hold funds transferred from the Iowa Public Television Foundation. These funds are then transferred to the General Fund for program expenditures.

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

Iowa Public Television also reports the following fiduciary fund:

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

C. Measurement Focus and Basis of Accounting

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

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

Contributions, pledges, intergovernmental revenues and interest associated with the current fiscal year are all considered to be susceptible to accrual and have

been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received.

D. Assets, Liabilities and Fund Equity

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

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

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

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

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

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

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

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

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

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents 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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, as well as pledges and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Assets consists of gifts and grants restricted by outside parties for specified purposes which are deemed to be earned and reported as revenues when Iowa Public Television has incurred expenditures in compliance with the specific restrictions.

Compensated Absences – Iowa Public Television employees accrue vacation, sick leave and compensatory leave at rates specified in the Code of Iowa and/or collective bargaining agreements. Accumulated unused vacation leave is generally payable upon termination of employment. Accumulated unused sick leave is payable only upon retirement and only to limits specified in the Code of Iowa and/or collective bargaining agreements. The liabilities for compensated absences are based on rates of pay in effect at June 30, 2010 and 2009.

State Appropriations and Reversions – 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. Unobligated balances of operational appropriations at the end of the fiscal year 2010, if any, were deposited in the General Fund of the state.

Fund Balance – In the fund financial statements, governmental funds report reservations of fund balance for amounts legally restricted by outside parties for use for a specific purpose, including the corpus of the gift recorded in the Permanent Fund that is not available for future spending.

(2) Deposits and Investments

Iowa Public Television's deposits with the Treasurer of State throughout the period and at June 30, 2010 and 2009 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. All interest income on money invested in the investment pool is retained in the fund holding the cash balance.

At June 30, 2010 and 2009, the carrying amount of cash not held by the Treasurer of State was \$612,237 and \$343,748, respectively, and the bank balances were \$624,715 and \$386,121, respectively. Deposits of \$420,972 and \$323,512, 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, 2010 and 2009. The remaining deposits of \$203,743 and \$62,609, 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, 2010 and 2009, the Foundation's investments had fair values of \$6,710,148 and \$5,808,471, respectively.

(3) Due From and Due To Other Funds

The detail of interfund receivables and payables at June 30, 2010 and 2009 is as follows:

Fund	2010		2009	
	Receivables	Payables	Receivables	Payables
General	\$1,005,737	1,430,630	\$1,267,842	1,961,126
Special Revenue:				
Iowa Public Television Foundation	-	638,424	-	236,092
Friends Contribution Account	1,077,782	14,465	971,010	41,634
Total	<u>\$2,083,519</u>	<u>2,083,519</u>	<u>\$2,238,852</u>	<u>2,238,852</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.

(4) Capital Assets

Capital asset activity for the year ended June 30, 2010 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Iowa Public Television:				
Capital assets:				
Land, not being depreciated	\$ 1,340,220	-	-	1,340,220
Buildings	7,901,431	-	-	7,901,431
Transmitters	34,110,888	589,203	(289,860)	34,410,231
Leasehold improvements	60,091	-	-	60,091
Machinery, equipment and vehicles	17,168,702	982,321	(937,942)	17,213,081
Construction in progress	743,315	106,207	(743,315)	106,207
Total capital assets	<u>61,324,647</u>	<u>1,677,731</u>	<u>(1,971,117)</u>	<u>61,031,261</u>
Less accumulated depreciation for:				
Buildings	3,717,420	332,506	-	4,049,926
Transmitters	12,461,961	1,968,360	(285,239)	14,145,082
Leasehold improvements	49,188	2,469	-	51,657
Machinery, equipment and vehicles	7,826,415	1,884,294	(915,247)	8,795,462
Total accumulated depreciation	<u>24,054,984</u>	<u>4,187,629</u>	<u>(1,200,486)</u>	<u>27,042,127</u>
Total capital assets, net	<u>37,269,663</u>	<u>(2,509,898)</u>	<u>(770,631)</u>	<u>33,989,134</u>
Iowa Public Television Foundation:				
Capital assets:				
Leasehold improvements	\$ 46,237	-	-	46,237
Machinery, equipment and vehicles	389,616	52,766	-	442,382
Total capital assets	<u>435,853</u>	<u>52,766</u>	<u>-</u>	<u>488,619</u>
Less accumulated depreciation for:				
Leasehold improvements	37,579	2,761	-	40,340
Machinery, equipment and vehicles	389,616	14,806	-	404,422
Total accumulated depreciation	<u>427,195</u>	<u>17,567</u>	<u>-</u>	<u>444,762</u>
Total capital assets, net	<u>\$ 8,658</u>	<u>35,199</u>	<u>-</u>	<u>43,857</u>

Capital asset activity for the year ended June 30, 2009 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Iowa Public Television:				
Capital assets:				
Land, not being depreciated	\$ 1,339,242	978	-	1,340,220
Buildings	6,470,689	1,430,742	-	7,901,431
Transmitters	29,601,575	5,113,375	(604,062)	34,110,888
Leasehold improvements	60,091	-	-	60,091
Machinery, equipment and vehicles	10,230,341	7,334,647	(396,286)	17,168,702
Construction in progress	5,997,955	683,690	(5,938,330)	743,315
Total capital assets	53,699,893	14,563,432	(6,938,678)	61,324,647
Less accumulated depreciation for:				
Buildings	3,458,542	258,878	-	3,717,420
Transmitters	11,326,283	1,736,697	(601,019)	12,461,961
Leasehold improvements	46,719	2,469	-	49,188
Machinery, equipment and vehicles	7,032,337	1,141,403	(347,325)	7,826,415
Total accumulated depreciation	21,863,881	3,139,447	(948,344)	24,054,984
Total capital assets, net	\$ 31,836,012	11,423,985	(5,990,334)	37,269,663
Iowa Public Television Foundation:				
Capital assets:				
Leasehold improvements	\$ 46,237	-	-	46,237
Machinery, equipment and vehicles	389,616	-	-	389,616
Total capital assets	435,853	-	-	435,853
Less accumulated depreciation for:				
Leasehold improvements	34,818	2,761	-	37,579
Machinery, equipment and vehicles	384,257	5,359	-	389,616
Total accumulated depreciation	419,075	8,120	-	427,195
Total capital assets, net	\$ 16,778	(8,120)	-	8,658

Depreciation expense for the year ended June 30, 2010 was charged to the following functions:

	Iowa Public Television	Iowa Public Television Foundation	Total 2010	Total 2009
Governmental activities:				
Administration	\$ 447,998	17,567	465,565	260,387
Engineering and technical support	707,882	-	707,882	185,981
Educational telecommunications	-	-	-	-
Programming and production	117,201	-	117,201	103,486
Digital television	2,914,548	-	2,914,548	2,597,713
Total depreciation expense	\$ 4,187,629	17,567	4,205,196	3,147,567

(5) Pension and Retirement Benefits

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

For the year ended June 30, 2010, plan members are required to contribute 4.30% of their annual covered salary and Iowa Public Television is required to contribute 6.65% of annual covered payroll. For the year ended June 30, 2009, plan members were required to contribute 4.10% of their annual covered salary and Iowa Public Television was required to contribute 6.35% of annual covered payroll. Contribution requirements are established by state statute. Iowa Public Television's contributions to IPERS for the years ended June 30, 2010, 2009 and 2008 were \$428,684, \$435,938 and \$412,956, respectively, equal to the required contributions for each year.

(6) Operating Leases

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

The following is a schedule by year of future minimum rental payments required under operating leases which have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2010:

Year Ending June 30,	Minimum Rental Payments
2011	\$ 460,834
2012	141,223
2013	82,880
2014	73,629
2015	39,476
2016-2020	120,619
2021-2025	69,460
2026-2030	72,930
2031-2035	76,575
2036-2040	80,405
Total	\$ 1,218,031

Rental expense for the years ended June 30, 2010 and 2009 for all operating leases, except those with terms of a month or less that were not renewed, totaled \$532,387 and \$511,071, respectively.

(7) 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, 2010 and 2009 include the following:

	<u>2010</u>	<u>2009</u>
Contributed support and in-kind	<u>\$ 428,274</u>	<u>92,909</u>

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

(8) Lessor Operating Leases

Iowa Public Television owns several transmitters which are located throughout the State of Iowa. Iowa Public Television leases a portion of the tower space, but currently no value has been assigned to the leased portion. The following is a schedule by year of minimum future rentals on operating leases as of June 30, 2010:

Year Ending June 30,	Minimum Future Rentals
2011	\$ 243,576
2012	173,661
2013	170,911
2014	149,726
2015	154,425
2016-2020	507,735
Total	<u>\$ 1,400,034</u>

(9) Capital Lease Purchase Agreements

The Foundation leases its server and a software program under capital lease purchase agreements with historical costs of \$29,814 and \$22,952, respectively. The following is a schedule of the future minimum lease payments, including interest at rates ranging from 6.675% to 8.58% per annum, and the present value of net minimum lease payments under the agreements in effect at June 30, 2010:

Year ending June 30,	Total
2011	\$ 22,137
2012	14,729
2013	453
Total minimum lease payments	37,319
Less amount representing interest	<u>(2,566)</u>
Present value of net minimum lease payments	<u>\$ 34,753</u>

Payments under capital lease purchase agreements totaled \$18,013 for the year ended June 30, 2010

(10) Interfund Transfers

The detail of interfund transfers for the years ended June 30, 2010 and 2009 is as follows:

Fund	2010		2009	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General	\$ 5,195,122	2,078,688	4,999,501	1,267,144
Special Revenue:				
Iowa Public Television Foundation	-	4,720,128	-	4,401,767
Friends Contribution Account	3,785,660	1,984,149	3,297,976	3,125,999
Permanent:				
Foundation Endowment	-	197,817	497,433	-
Total	\$ 8,980,782	8,980,782	8,794,910	8,794,910

Transfers move gifts and grants from the Special Revenue, Iowa Public Television Foundation Fund to the Special Revenue, Friends Contribution Account Fund, which is Iowa Public Television's holding account. As funds are needed to meet programming and production obligations, transfers are made from the Special Revenue, Friends Contribution Account Fund to the General Fund. Transfers from the General Fund represent payment of obligations to other funds.

(11) Risk Management

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

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

(12) Construction Commitments

Iowa Public Television has entered into contracts for planned capital improvement projects totaling approximately \$125,000 and has spent approximately \$106,000 under these contracts as of June 30, 2010. The remaining contractual obligation as of June 30, 2010 for these projects totals approximately \$19,000.

(13) Compensated Absences and Other Postemployment Benefits

Changes in compensated absences and other postemployment benefit obligations for the years ended June 30, 2010 and 2009 are summarized as follows:

Year ended June 30, 2010	Balance	Increases	Decreases	Balance	Due
	Beginning			End	Within
	of Year			of Year	One Year
Compensated absences	\$ 2,166,565	1,057,502	1,231,985	1,992,082	803,659
Net OPEB liability	138,458	74,528	-	212,986	-
Total	\$ 2,305,023	1,132,030	1,231,985	2,205,068	803,659

Year ended June 30, 2009	Balance	Additions	Decreases	Balance	Due
	Beginning			End	Within
	of Year			of Year	One Year
Compensated absences	\$ 2,115,763	132,341	81,539	2,166,565	849,387
Net OPEB liability	85,372	53,086	-	138,458	-
Total	\$ 2,201,135	185,427	81,539	2,305,023	849,387

Sick Leave Insurance Program (SLIP)

A voluntary termination benefit 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 share of the monthly premium of the State's group health insurance plan after their retirement.

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

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

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

Iowa Public Television will continue to pay the employer's share of the health insurance premium each month until the converted value of the employee's sick leave balance is exhausted, until the employee is eligible for Medicare, until the employee waives the benefit or until the employee dies, whichever comes first. The retired employees may stay with the same health insurance program as when employed or switch down at any time without underwriting. The converted value of the sick leave can only be applied to the employer's share of health insurance premium payments. It has no cash value and it is not transferable to another use or to an heir. If a retired employee who has utilized this benefit returns to permanent state employment, all remaining balances in the SLIP account will be forfeited. All SLIP program benefits are financed on a pay-as-you-go basis by Iowa Public Television. Amounts calculated for this program are included in the compensated absences liability for current employees and \$116,004 is included in accounts payable for retirees.

For the year ended June 30, 2010, two employees received benefits totaling \$15,972 under SLIP.

State Employee Retirement Incentive Program (SERIP)

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

Participants in SERIP will receive the following incentives:

- 1) Unused sick leave – A cash payment of the monetary value of the participant's accrued sick leave balance, not to exceed \$2,000. The payment is calculated by multiplying the number of hours of accrued sick leave by the participant's regular hourly rate of pay at the time of retirement. This payment was made in fiscal year 2010 on the participant's last pay check.

- 2) Health insurance – A minimum of five years of state contributions toward the premiums of a state-sponsored health insurance plan either through the Sick Leave Insurance Program (SLIP), SERIP or a combination of both programs.
- 3) Unused vacation leave and years of service incentive – Cash payments, including the entire value of the participant’s accrued but unused vacation leave and, for participants with at least ten years of state employment, \$1,000 for each year of state employment, up to 25 years of employment. The total unused vacation leave and years of service incentive shall be paid in five equal installments beginning in September 2010 and ending in 2014.

SERIP is financed on a pay-as-you-go basis by Iowa Public Television. Five employees retired under this program and the amounts due have been recorded as accounts payable. The liability for the expected future health insurance benefits at June 30, 2010 is \$249,210 and the liability for the unused vacation leave and years of service incentive payments at June 30, 2010 is \$167,747.

Other Postemployment Benefits

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

The annual valuation of liabilities under the OPEB Plan is calculated using the entry age normal cost method. This method requires the calculation of an unfunded actuarial accrued liability, which was approximately \$293,000,000 for the State of Iowa at June 30, 2010. Iowa Public Television’s portion of the unfunded actuarial accrued liability is not separately determinable.

Details of the OPEB Plan are provided on a state-wide basis and are available in the State of Iowa’s Comprehensive Annual Financial Report for the year ended June 30, 2010. The report may be obtained by writing to the Iowa Department of Administrative Services, Hoover State Office Building, Des Moines, Iowa 50319.

Iowa Public Television recognized a net OPEB liability of \$212,986 for other postemployment benefits, which represents Iowa Public Television’s portion of the State’s net OPEB liability. Iowa Public Television’s portion of the net OPEB liability was calculated using the ratio of full time equivalent Iowa Public Television employees compared to all full time equivalent employees of the State of Iowa.

Iowa Public Television

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

Required Supplementary Information

Year ended June 30, 2010

	General Fund Actual	Less Funds not Required to be Budgeted	Net
Revenues:			
State appropriations	\$ 9,079,979	-	9,079,979
Federal assistance	102,648	102,648	-
Receipts from other entities	23,680	-	23,680
Fees and licenses	67,587	67,587	-
Gifts and grants	2,679,875	2,679,875	-
In-kind and indirect support	428,274	87,362	340,912
Charges for service	994,170	627,510	366,660
Interest on investments	45,377	45,377	-
Settlement and collection	31,870	31,870	-
Total revenues	<u>13,453,460</u>	<u>3,642,229</u>	<u>9,811,231</u>
Expenditures:			
Administration	1,169,739	-	1,169,739
Engineering and technical support	5,437,048	-	5,437,048
Educational telecommunications	1,324,677	503,183	821,494
Programming and production	8,773,811	6,079,079	2,694,732
Communications	534,745	-	534,745
Digital television	1,731,746	134,079	1,597,667
Generators and digital translators	-	-	-
Total expenditures	<u>18,971,766</u>	<u>6,716,341</u>	<u>12,255,425</u>
Excess (deficiency) of revenues over (under) expenditures	(5,518,306)	(3,074,112)	(2,444,194)
Other financing sources, net	<u>3,116,434</u>	<u>3,099,087</u>	<u>17,347</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,401,872)	24,975	(2,426,847)
Balance beginning of year	<u>6,824,615</u>	<u>2,485,874</u>	<u>4,338,741</u>
Balance end of year	<u>\$ 4,422,743</u>	<u>2,510,849</u>	<u>1,911,894</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
10,203,753	9,079,979	-
-	-	-
-	23,680	-
-	-	-
500	500	(500)
-	-	340,912
330,750	330,750	35,910
-	-	-
-	-	-
<u>10,535,003</u>	<u>9,434,909</u>	<u>376,322</u>
1,148,830	1,094,659	(75,080)
6,049,749	5,514,259	77,211
1,191,915	843,310	21,816
2,742,948	2,606,250	(88,482)
584,347	559,217	24,472
2,000,100	2,661,439	1,063,772
390,000	411,479	411,479
<u>14,107,889</u>	<u>13,690,613</u>	<u>1,435,188</u>
(3,572,886)	(4,255,704)	1,811,510
<u>182,886</u>	<u>325,373</u>	<u>(308,026)</u>
(3,390,000)	(3,930,331)	1,503,484
<u>3,390,000</u>	<u>3,930,331</u>	<u>408,410</u>
<u>-</u>	<u>-</u>	<u>1,911,894</u>

Iowa Public Television

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2010

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

The budgetary process described above does not apply to the non-appropriated accounts, indirect cost associated with in-kind and indirect support revenue nor to the Special Revenue Funds of Iowa Public Television or to 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. Actual expenditures exceeded budgeted expenditures, primarily due to in-kind and indirect support not budgeted.

Other Supplementary Information

Iowa Public Television

Combining Balance Sheet
General Fund Accounts

June 30, 2010

with partial financial information for June 30, 2009

	State Appropriations #001	CPB Community Service Grant 2007-2009 #004	Iowa Infra- structure #017	CPB Community Service Grant 2008-2010 #033	Public Telecomm- unications Facilities Program #059	Market to Market #069
Assets						
Cash	\$ 2,406	2,132,926	-	655,051	-	51,488
Unexpended appropriation	346,868	-	1,405,835	-	-	-
Accounts receivable	13,465	-	-	-	271,066	4,868
Due from:						
Other funds	84,151	-	135,182	1,705	134,079	53,874
Other state agencies	-	3,784	-	1,937	-	122
Federal government	-	-	-	-	-	-
Restricted assets-cash	4	-	-	-	-	-
Prepaid expenditures	-	-	196,875	-	-	-
Total assets	\$ 446,894	2,136,710	1,737,892	658,693	405,145	110,352
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ 140,098	-	73,332	65,590	-	1,712
Due to:						
Other funds	186,172	3,784	157,400	122,173	134,079	533
Other state agencies	113,289	-	1,775	43	-	-
Deferred revenue	4,925	2,132,926	-	470,887	271,066	19,162
Total liabilities	444,484	2,136,710	232,507	658,693	405,145	21,407
Fund equity:						
Fund balance:						
Reserved for:						
Prepaid expenditures	-	-	196,875	-	-	-
Subsequent years' expenditures	4	-	-	-	-	-
Specific purposes	-	-	1,308,510	-	-	-
Unreserved	2,406	-	-	-	-	88,945
Total fund equity	2,410	-	1,505,385	-	-	88,945
Total liabilities and fund equity	\$ 446,894	2,136,710	1,737,892	658,693	405,145	110,352

See accompanying independent auditor's report.

Schedule 1

IPTV Miscel- laneous #085	Digital TV Conversion #198/217	Friends Funded Program- ming #303	Education Telecomm- unications Projects #304	Marketing and Distribution #308	Educational and Contractual Services #311	Capital Equipment Replacement #316	Technology Reinvestment #943	Total 2010	Total 2009
469,225	-	885,750	358,044	25,275	1,102,336	194,692	-	5,877,193	5,349,383
-	-	-	-	-	-	-	404,315	2,157,018	4,710,670
19,673	-	-	58,569	1,521	194,547	1,649	-	565,358	577,898
14,851	-	311,785	46,511	742	211,685	10,069	1,103	1,005,737	1,267,842
878	-	1,684	64,904	45	24,146	289	-	97,789	90,041
-	-	-	-	-	-	-	-	-	29,580
-	-	-	-	-	-	-	-	4	82,254
-	-	-	-	-	-	-	-	196,875	323,750
504,627	-	1,199,219	528,028	27,583	1,532,714	206,699	405,418	9,899,974	12,431,418
15,944	-	23,460	16,300	50	452,338	-	-	788,824	525,050
-	-	558,219	60,017	7	206,927	-	1,319	1,430,630	1,961,126
774	-	1,437	4,669	-	459	-	-	122,446	238,273
-	-	-	70,701	1,300	164,326	38	-	3,135,331	2,882,354
16,718	-	583,116	151,687	1,357	824,050	38	1,319	5,477,231	5,606,803
-	-	-	-	-	-	-	-	196,875	323,750
-	-	-	-	-	-	-	-	4	82,254
-	-	-	-	-	-	-	-	1,308,510	2,518,852
487,909	-	616,103	376,341	26,226	708,664	206,661	404,099	2,917,354	3,899,759
487,909	-	616,103	376,341	26,226	708,664	206,661	404,099	4,422,743	6,824,615
504,627	-	1,199,219	528,028	27,583	1,532,714	206,699	405,418	9,899,974	12,431,418

Iowa Public Television

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

Year ended June 30, 2010
with partial financial information for the year ended June 30, 2009

	State Appropriations #001	CPB Community Service Grant 2007-2009 #004	Iowa Infra- structure #017	CPB Community Service Grant 2008-2010 #033	Public Telecomm- unications Facilities Program #059	Market to Market #069	IPTV Miscel- laneous #085
Revenues:							
State appropriation	\$ 9,079,979	-	-	-	-	-	-
Federal assistance	-	-	-	-	-	-	-
Receipts from other entities	23,680	-	-	-	-	-	-
Fees and licenses	-	-	-	-	-	66,174	1,413
Gifts and grants	-	443,637	-	1,859,130	142,487	-	20,307
In-kind and indirect support	96,250	-	244,662	-	-	7,423	-
Charges for service	366,660	-	-	-	-	-	13,065
Interest on investments	-	8,260	-	13,717	-	567	4,539
Settlement and collection	-	12,152	-	19,718	-	-	-
Total revenues	<u>9,566,569</u>	<u>464,049</u>	<u>244,662</u>	<u>1,892,565</u>	<u>142,487</u>	<u>74,164</u>	<u>39,324</u>
Expenditures:							
Administration	1,169,739	-	-	-	-	-	-
Engineering and technical support	5,437,048	-	-	-	-	-	-
Educational telecommunications	821,494	-	-	-	-	-	-
Programming and production	2,694,732	413,490	-	1,878,848	-	140,734	375,732
Communications	534,745	-	-	-	-	-	-
Digital television	-	-	1,500,912	-	134,079	-	-
Total expenditures	<u>10,657,758</u>	<u>413,490</u>	<u>1,500,912</u>	<u>1,878,848</u>	<u>134,079</u>	<u>140,734</u>	<u>375,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,091,189)</u>	<u>50,559</u>	<u>(1,256,250)</u>	<u>13,717</u>	<u>8,408</u>	<u>(66,570)</u>	<u>(336,408)</u>
Other financing sources (uses):							
Operating transfers in	1,008,939	-	142,487	-	134,079	97,360	111,112
Operating transfers out	-	(50,559)	(134,079)	(13,717)	(142,487)	-	-
Reversion	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,008,939</u>	<u>(50,559)</u>	<u>8,408</u>	<u>(13,717)</u>	<u>(8,408)</u>	<u>97,360</u>	<u>111,112</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(82,250)</u>	<u>-</u>	<u>(1,247,842)</u>	<u>-</u>	<u>-</u>	<u>30,790</u>	<u>(225,296)</u>
Fund balance beginning of year	<u>84,660</u>	<u>-</u>	<u>2,753,227</u>	<u>-</u>	<u>-</u>	<u>58,155</u>	<u>713,205</u>
Fund balance end of year	<u>\$ 2,410</u>	<u>-</u>	<u>1,505,385</u>	<u>-</u>	<u>-</u>	<u>88,945</u>	<u>487,909</u>

See accompanying independent auditor's report.

Digital TV Conversion #198/217	Friends Funded Program- ming #303	Education Telecomm- unications Projects #304	Marketing and Distri- bution #308	Educational and Contractual Services #311	Capital Equipment Replacement #316	Technology Reinvestment #943	Total 2010	Total 2009
-	-	-	-	-	-	-	9,079,979	12,386,381
-	-	102,648	-	-	-	-	102,648	213,350
-	-	-	-	-	-	-	23,680	109,044
-	-	-	-	-	-	-	67,587	100,297
-	-	25,770	7,412	181,132	-	-	2,679,875	3,094,289
-	-	79,939	-	-	-	-	428,274	92,909
-	-	286,238	2,025	306,018	20,164	-	994,170	722,552
-	9,393	3,108	148	4,550	1,095	-	45,377	128,994
-	-	-	-	-	-	-	31,870	-
-	9,393	497,703	9,585	491,700	21,259	-	13,453,460	16,847,816
-	-	-	-	-	-	-	1,169,739	1,191,257
-	-	-	-	-	-	-	5,437,048	6,191,274
-	-	503,183	-	-	-	-	1,324,677	1,592,113
-	1,810,156	-	2,735	1,457,384	-	-	8,773,811	9,792,835
-	-	-	-	-	-	-	534,745	352,439
89,375	-	-	-	-	-	7,380	1,731,746	9,034,884
89,375	1,810,156	503,183	2,735	1,457,384	-	7,380	18,971,766	28,154,802
(89,375)	(1,800,763)	(5,480)	6,850	(965,684)	21,259	(7,380)	(5,518,306)	(11,306,986)
-	1,887,223	89,668	2,098	1,661,093	61,063	-	5,195,122	4,999,501
-	(108,038)	(120,345)	-	(509,463)	-	(1,000,000)	(2,078,688)	(1,267,144)
-	-	-	-	-	-	-	-	(62)
-	1,779,185	(30,677)	2,098	1,151,630	61,063	(1,000,000)	3,116,434	3,732,295
(89,375)	(21,578)	(36,157)	8,948	185,946	82,322	(1,007,380)	(2,401,872)	(7,574,691)
89,375	637,681	412,498	17,278	522,718	124,339	1,411,479	6,824,615	14,399,306
-	616,103	376,341	26,226	708,664	206,661	404,099	4,422,743	6,824,615

Schedule 3

Iowa Public Television

Schedule of Expenditures by Object
General Fund

Year ended June 30, 2010
with partial financial information for the year ended June 30, 2009

	<u>2010</u>	<u>2009</u>
Personal services	\$ 8,706,451	9,189,424
Travel	101,235	171,924
Supplies and materials	2,885,473	2,917,747
Contractual services	6,146,681	6,403,547
Equipment and repair	1,087,560	7,926,683
Claims and miscellaneous	10,000	5,244
Licenses, permits, and refunds	657	-
Plant improvements	32,237	-
State aid and credits	1,472	1,540,233
	<u> </u>	<u> </u>
Total	<u>\$ 18,971,766</u>	<u>28,154,802</u>

See accompanying independent auditor's report.

Iowa Public Television

Schedule of Changes in Fiduciary Assets and Liabilities
Agency Fund

Year ended June 30, 2010

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash	\$ -	23,620	23,620	-
Accounts receivable	712	4,122	712	4,122
Total assets	\$ 712	27,742	24,332	4,122
Liabilities				
Due to other state agencies	\$ 712	4,122	712	4,122

See accompanying independent auditor's report.

Iowa Public Television



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board Members of Iowa Public Television:

We have audited the accompanying financial statements of the governmental activities and each major fund of Iowa Public Television as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements listed in the table of contents, and have issued our report thereon dated November 8, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of the Iowa Public Television Foundation were not audited in accordance with Government Auditing Standards. This report on internal control over financial reporting and compliance and other matters does not include the results of the Iowa Public Television Foundation audit performed by another auditor.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Iowa Public Television's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iowa Public Television's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Iowa Public Television's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of Iowa Public Television's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting we consider to be material weaknesses, as defined above.

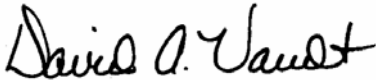
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Public Television's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our

tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

This report, a public record by law, is intended solely for the information and use of the officials and employees of Iowa Public Television and other parties to whom Iowa Public Television may report. This report is not intended to be and should not be used by anyone other than these specified parties.

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



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

November 8, 2010

Iowa Public Television

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager
Jennifer L. Wall, CPA, Senior Auditor
Tiffany M. Ainger, Staff Auditor
James R. Wittenwyler, Staff Auditor
Christina M. Renze, CPA, Assistant Auditor
Reza Sepehri, Assistant Auditor
Stephanie A. Sissel, Assistant Auditor
Nicole R. Williams, Assistant Auditor



Andrew E. Nielsen, CPA
Deputy Auditor of State

Statistical Information

Iowa Public Television
Statistical Information
Members and Contributors
(Unaudited)
Year ended June 30, 2010

The number of individuals making contributions to Iowa Public Television Foundation during the year ended June 30, 2010 was as follows:

Contributors	6,616
Active members	48,121
Leadership Circle members	<u>877</u>
Total	<u><u>55,614</u></u>

See accompanying independent auditor's report.