

**ILLINOIS VALLEY PUBLIC
TELECOMMUNICATIONS CORPORATION**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



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ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2024 AND 2023

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	5
STATEMENTS OF FUNCTIONAL EXPENSES	7
STATEMENTS OF CASH FLOWS	9
NOTES TO FINANCIAL STATEMENTS	10



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Illinois Valley Public Telecommunications Corporation
Peoria, Illinois

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Illinois Valley Public Telecommunications Corporation, which comprise the statements of financial position as of June 30, 2024 and 2023, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Illinois Valley Public Telecommunications Corporation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Illinois Valley Public Telecommunications Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a Matter – Restatement

As described in Note 12 to the financial statements, a prior period adjustment was required to properly record the grant revenue from the Corporation from Public Broadcasting and corresponding deferred revenues in the proper period. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 Illinois Valley Public Telecommunications Corporation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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



CliftonLarsonAllen LLP

Peoria, Illinois
April 30, 2025

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 222,676	\$ 160,093
Pledges Receivable, Net Allowance of \$39,920 for 2024 and \$46,186 for 2023	134,161	129,431
Accounts Receivable	14,564	229,514
Grants Receivable	930,851	-
Net Receivables	<u>1,079,576</u>	<u>358,945</u>
Inventory	-	1,022
Prepaid Expenses	21,911	67,231
Total Current Assets	<u>1,324,163</u>	<u>587,291</u>
INVESTMENTS	1,267,632	1,664,762
PROPERTY AND EQUIPMENT		
Land	478,035	478,035
Transmitter Building and Improvements	457,820	457,820
Building and Improvements	5,284,390	5,284,390
Furniture, Fixtures, and Equipment	2,664,896	2,664,896
Total Property and Equipment	<u>8,885,141</u>	<u>8,885,141</u>
Less: Accumulated Depreciation and Amortization	<u>4,183,130</u>	<u>3,861,004</u>
Net Property and Equipment	<u>4,702,011</u>	<u>5,024,137</u>
 Total Assets	 <u><u>\$ 7,293,806</u></u>	 <u><u>\$ 7,276,190</u></u>

See accompanying Notes to Financial Statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 362,057	\$ 57,608
Consideration Payable	-	25,000
Current Maturities of Long-Term Debt	237,684	234,272
Deferred Revenue	-	328,054
Accrued Expenses	27,006	80,269
Total Current Liabilities	<u>626,747</u>	<u>725,203</u>
LONG-TERM LIABILITIES		
Long-Term Debt, Less Current Maturities	<u>323,552</u>	<u>643,120</u>
Total Liabilities	950,299	1,368,323
NET ASSETS		
Without Donor Restrictions		
Undesignated	5,008,425	4,212,955
Board-Designated Endowment	1,267,632	1,664,762
Total Net Assets, Without Donor Restrictions	<u>6,276,057</u>	<u>5,877,717</u>
With Donor Restrictions	67,450	30,150
Total Net Assets	<u>6,343,507</u>	<u>5,907,867</u>
Total Liabilities and Net Assets	<u>\$ 7,293,806</u>	<u>\$ 7,276,190</u>

See accompanying Notes to Financial Statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE, GAINS, AND OTHER SUPPORT			
Contributions	\$ 1,471,733	\$ 67,450	\$ 1,539,183
Matching Contributions	109,705	-	109,705
In-Kind Contributions and Donated Services	59,245	-	59,245
Grants from Corporation for Public Broadcasting	1,251,503	-	1,251,503
State Grants	46,625	-	46,625
Other Grants	597,135	-	597,135
Underwriting Income	123,390	-	123,390
Contract Services	30,713	-	30,713
Interest Income	6,639	-	6,639
Net Investment Income	56,090	-	56,090
Lease Income	219,007	-	219,007
Special Events	138,819	-	138,819
Magazine Advertising	111,851	-	111,851
Miscellaneous	12,730	-	12,730
Net Assets Released from Restrictions	30,150	(30,150)	-
Total Revenue, Gains, and Other Support	4,265,335	37,300	4,302,635
OPERATING EXPENDITURES			
Program Services			
Programming	863,819	-	863,819
Production	564,156	-	564,156
Broadcast Operations	412,109	-	412,109
Magazine	429,602	-	429,602
Total Program Services	2,269,686	-	2,269,686
Supporting Services			
Fundraising and Development	581,406	-	581,406
Promotion	111,061	-	111,061
Management and General	1,133,540	-	1,133,540
Total Supporting Services	1,826,007	-	1,826,007
Total Expenditures	4,095,693	-	4,095,693
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	169,642	37,300	206,942
NONOPERATING REVENUES (EXPENSES)			
Insurance Recovery	250,000	-	250,000
Nonoperational Expenses - Other	(21,302)	-	(21,302)
Total Nonoperating Revenues	228,698	-	228,698
CHANGE IN NET ASSETS FROM NONOPERATING ACTIVITIES	228,698	-	228,698
CHANGE IN NET ASSETS	398,340	37,300	435,640
Net Assets - Beginning of Year	5,877,717	30,150	5,907,867
NET ASSETS - END OF YEAR	<u>\$ 6,276,057</u>	<u>\$ 67,450</u>	<u>\$ 6,343,507</u>

See accompanying Notes to Financial Statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE, GAINS, AND OTHER SUPPORT			
Contributions	\$ 1,647,989	\$ 30,150	\$ 1,678,139
Matching Contributions	118,204	-	118,204
In-Kind Contributions and Donated Services	10,400	-	10,400
Grants from Corporation for Public Broadcasting	824,897	-	824,897
State Grants	178,990	-	178,990
Other Grants	117,500	-	117,500
Auction Income	88,170	-	88,170
Underwriting Income	210,645	-	210,645
Contract Services	24,382	-	24,382
Interest Income	7,049	-	7,049
Net Investment Income	98,238	-	98,238
Lease Income	230,274	-	230,274
Special Events	576,574	-	576,574
Magazine Advertising	502,660	-	502,660
Loss on Impairment	(80,000)	-	(80,000)
Miscellaneous	39,836	-	39,836
Net Assets Released from Restrictions	22,500	(22,500)	-
Total Revenue, Gains, and Other Support	4,618,308	7,650	4,625,958
OPERATING EXPENDITURES			
Program Services			
Programming	832,328	-	832,328
Production	590,549	-	590,549
Broadcast Operations	532,698	-	532,698
Magazine	1,210,027	-	1,210,027
Total Program Services	3,165,602	-	3,165,602
Supporting Services			
Fundraising and Development	698,165	-	698,165
Promotion	397,351	-	397,351
Management and General	965,123	-	965,123
Total Supporting Services	2,060,639	-	2,060,639
Total Expenditures	5,226,241	-	5,226,241
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(607,933)	7,650	(600,283)
NONOPERATING EXPENSE			
Nonoperational Expenses - Other	372,649	-	372,649
CHANGE IN NET ASSETS FROM NONOPERATING ACTIVITIES	(372,649)	-	(372,649)
CHANGE IN NET ASSETS	(980,582)	7,650	(972,932)
Net Assets - Beginning of Year, as Previously Reported	7,075,663	22,500	7,098,163
Restatement of Net Assets	(217,364)	-	(217,364)
Net Assets - Beginning of Year, as Restated	6,858,299	22,500	6,880,799
NET ASSETS - END OF YEAR	<u>\$ 5,877,717</u>	<u>\$ 30,150</u>	<u>\$ 5,907,867</u>

See accompanying Notes to Financial Statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services					Supporting Services				
	Programming	Production	Broadcast Operations	Magazine	Total Program Services	Fundraising and Development	Promotion	Management and General	Total Supporting Services	Total
Salaries and Payroll Taxes	\$ 92,348	\$ 403,291	\$ 121,034	\$ 164,191	\$ 780,864	\$ 199,587	\$ 74,244	\$ 168,873	\$ 442,704	\$ 1,223,568
Employee Benefits	51,196	27,872	70,635	10,491	160,194	21,761	8,678	16,461	46,900	207,094
Professional Services - Excluding In-Kind Contributions	-	40,068	80,318	63,934	184,320	87,544	395	299,846	387,785	572,105
Professional Services - In-Kind Contributions	-	-	9,600	-	9,600	2,520	-	47,125	49,645	59,245
Office Support	2,354	8,539	3,449	-	14,342	7,732	66	7,073	14,871	29,213
Communications	5,475	3,576	4,977	2,723	16,751	3,254	704	5,524	9,482	26,233
Postage and Shipping	23	31	-	34,688	34,742	34,787	-	774	35,561	70,303
Utilities and Occupancy	25,474	18,704	22,077	12,669	78,924	15,138	3,275	196,849	215,262	294,186
Maintenance	-	-	67,245	-	67,245	-	-	63,422	63,422	130,667
Printing and Publications	-	-	-	77,284	77,284	62,703	-	4,905	67,608	144,892
Conferences, Meetings, and Travel	-	4,020	64	436	4,520	2,281	277	8,282	10,840	15,360
Marketing	-	(18)	-	-	(18)	22,509	10,153	-	32,662	32,644
Special Events	-	-	-	23,956	23,956	73,847	-	-	73,847	97,803
Dues and Program Rights	-	7,878	298	-	8,176	-	-	34,436	34,436	42,612
Program Acquisition	619,010	-	-	-	619,010	-	-	-	-	619,010
Interest	-	-	-	-	-	-	-	40,711	40,711	40,711
Provision for Uncollectible Pledges Receivables	-	-	-	-	-	-	-	36,839	36,839	36,839
Miscellaneous	-	5,824	-	5,442	11,266	2,015	4,534	113,267	119,816	131,082
Total Expenditures from Operating Activities	795,880	519,785	379,697	395,814	2,091,176	535,678	102,326	1,044,387	1,682,391	3,773,567
Nonoperational Expenses - Other	-	-	-	-	-	-	-	21,302	21,302	21,302
Depreciation	67,939	44,371	32,412	33,788	178,510	45,728	8,735	89,153	143,616	322,126
Total Expenditures	\$ 863,819	\$ 564,156	\$ 412,109	\$ 429,602	\$ 2,269,686	\$ 581,406	\$ 111,061	\$ 1,154,842	\$ 1,847,309	\$ 4,116,995

See accompanying Notes to Financial Statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services					Supporting Services				
	Programming	Production	Broadcast Operations	Magazine	Total Program Services	Fundraising and Development	Promotion	Management and General	Total Supporting Services	Total
Salaries and Payroll Taxes	\$ 92,230	\$ 335,236	\$ 134,785	\$ 467,185	\$ 1,029,436	\$ 211,462	\$ 257,644	\$ 289,085	\$ 758,191	\$ 1,787,627
Employee Benefits	34,503	18,231	55,931	64,503	173,168	14,932	19,641	21,005	55,578	228,746
Professional Services - Excluding In-Kind Contributions	-	106,816	84,464	159,638	350,918	84,027	13,096	164,930	262,053	612,971
Professional Services - In-Kind Contributions	1,522	1,257	1,617	2,208	6,604	1,300	804	1,692	3,796	10,400
Office Support	8,466	38,177	7,405	-	54,048	2,898	3,971	23,554	30,423	84,471
Communications	4,688	3,871	4,982	6,799	20,340	4,004	2,475	5,213	11,692	32,032
Postage and Shipping	-	791	-	86,030	86,821	36,499	709	836	38,044	124,865
Utilities and Occupancy	18,734	26,752	101,364	27,169	174,019	16,000	9,891	90,511	116,402	290,421
Maintenance	13,978	-	94,068	-	108,046	-	-	44,781	44,781	152,827
Printing and Publications	-	-	-	261,185	261,185	57,753	-	16,443	74,196	335,381
Conferences, Meetings, and Travel	233	6,090	-	410	6,733	2,219	3,552	755	6,526	13,259
Marketing	-	1,709	450	4,094	6,253	32,152	48,577	901	81,630	87,883
Special Events	-	416	375	43,961	44,752	185,684	1,419	373	187,476	232,228
Dues and Program Rights	-	853	-	-	853	3,318	-	14,859	18,177	19,030
Program Acquisition	600,444	-	-	-	600,444	-	-	-	-	600,444
Interest	-	-	-	-	-	-	-	61,116	61,116	61,116
Provision for Uncollectible Pledge Receivables	-	-	-	-	-	-	-	129,461	129,461	129,461
Miscellaneous	-	9,531	1,053	3,208	13,792	1,652	8,107	38,291	48,050	61,842
Total Expenditures from Operating Activities	774,798	549,730	486,494	1,126,390	2,937,412	653,900	369,886	903,806	1,927,592	4,865,004
Nonoperational Expenses - Other	-	-	-	-	-	-	-	372,649	372,649	372,649
Depreciation and Amortization	57,530	40,819	46,204	83,637	228,190	44,265	27,465	61,317	133,047	361,237
Total Expenditures	\$ 832,328	\$ 590,549	\$ 532,698	\$ 1,210,027	\$ 3,165,602	\$ 698,165	\$ 397,351	\$ 1,337,772	\$ 2,433,288	\$ 5,598,890

See accompanying Notes to Financial Statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 435,640	\$ (972,932)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Used by Operating Activities:		
Depreciation and Amortization	322,126	361,237
Net Realized and Unrealized Gain on Investments	(38,413)	(76,064)
Loss from Impairment of Goodwill	-	80,000
Gain on Sale of Assets	-	(33,478)
Provision for Uncollectible Pledges	36,839	129,461
Effects of Changes in Operating Assets and Liabilities:		
Net Receivables	(757,470)	(164,802)
Inventory	1,022	2,542
Prepaid Expenses	45,320	(3,556)
Accounts Payable	279,449	16,696
Accrued Expenses	(53,263)	29,806
Deferred Revenue	(328,054)	110,690
Net Cash Used by Operating Activities	<u>(56,804)</u>	<u>(520,400)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	-	(55,551)
Proceeds from Sale of Investments	1,849,930	441,795
Purchase of Investments, Including Reinvested Income	(1,414,387)	(291,969)
Net Cash Provided by Investing Activities	<u>435,543</u>	<u>94,275</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	<u>(316,156)</u>	<u>(259,808)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	62,583	(685,933)
Cash and Cash Equivalents - Beginning of Year	<u>160,093</u>	<u>846,026</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 222,676</u></u>	<u><u>\$ 160,093</u></u>
NONCASH TRANSACTIONS		
Proceeds Receivable from Sale of Land	<u><u>\$ -</u></u>	<u><u>\$ 80,000</u></u>

See accompanying Notes to Financial Statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Illinois Valley Public Telecommunications Corporation (the Corporation) is an Illinois nonprofit corporation which operates a public television broadcasting facility (WTVP Channel 47) under a license granted by the Federal Communications Commission in Peoria, Illinois. Revenues are substantially generated as a result of contributions and grants. WTVP is a noncommercial television station whose mission statement is to be an institution of education, culture, and citizenship that uses television as its distribution medium.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, gains, and other support, expenditures, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Net Assets

Net assets are classified into two classes based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported in the statements of activities as net assets released from restrictions.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Revenue Recognition (Continued)

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions received with donor-imposed restrictions and the related gains and investment income that are met in the same year as received are reported as revenues without donor restrictions. Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues without donor restrictions. Contributions of cash or other assets to be used to acquire property and equipment with such donor stipulations are reported as revenues with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Contributions of donated noncash assets are recorded at their fair value in the period received.

The Corporation considers membership dues as contributions as the exchange portion of membership dues is negligible. The Corporation recognizes revenue for membership fees for individual and visionary membership categories when received.

Cash Equivalents

For purposes of the statements of cash flows, the Corporation considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents at June 30, 2024 and 2023 consist of money market funds and interest-bearing checking accounts. At times, the Corporation may have cash balances in excess of insured limits by the Federal Deposit Insurance Corporation.

Receivables

Pledges, accounts, and grants receivable are uncollateralized obligations to the Corporation. The carrying amount of pledges and accounts receivable is reduced by a valuation allowance.

Management determines the allowance for uncollectible contributions receivable by identifying troubled or delinquent accounts. Pledged receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Interest is not charged on receivables. Management has determined that the allowance for uncollectible contributions receivable is \$39,920 at June 30, 2024 and \$46,186 at June 30, 2023.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Investments

Investments from time to time may consist of certificates of deposit, municipal bonds, mutual funds, and money market funds. Certificates of deposit are stated at cost, which approximates their fair value. The fair values of municipal bonds, mutual funds, and money market funds are estimated based on quoted market prices for those of similar investments with unrealized holding gains and losses included in the statements of activities.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at their estimated fair market value at date of gift. The Corporation has adopted a policy of capitalizing assets with values of \$2,500 or greater. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from 3 to 50 years. Expenditures for repairs and maintenance are charged to operating expense as incurred. In addition, certain property and equipment serves as underlying assets for operating leases related to lease income.

Impairment of Long-Lived Assets

The Corporation reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Deferred Revenue

Revenue from grants and magazine advertising are classified as exchange transactions and such amounts are reported as deferred revenue until expended in accordance with the terms of the agreement.

In-Kind Contributions and Donated Services

In-kind contributions and donated services are recorded as revenue and expense in the accompanying statements of activities. In-kind contributions consist of donated equipment, inventory, equipment rental and use, and legal and other professional services. These donations are recorded at their approximate fair market value.

Income Taxes

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program and supporting services benefited based on total personnel costs or other systematic bases.

Advertising Costs

Advertising costs are expensed as incurred.

Change in Accounting Principle

The Corporation has adopted the current expected credit losses (CECL) methodology for estimating credit losses on financial assets, effective July 1, 2023, utilizing the modified retrospective transition method. The adoption of CECL resulted in changes to the Corporation's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The Corporation also updated its accounting policies for determining the recoverability of trade receivables, loans, and other financial assets. The adoption of this standard did not have a material impact on the Corporation's financial statements.

Leases

Revenue from lease payments is recognized under the accrual method. Lease payments are included in income as rents become due. Lease payments received in advance are deferred until earned. At the commencement of an operating lease, no revenue is recognized; subsequently, lease payments received are recognized in revenue on the straight-line basis.

Lessor costs such as property taxes, insurance and maintenance paid directly by a lessee to third parties on the lessor's behalf are excluded from variable lease payments.

Reimbursements paid by lessees to the Corporation are included in variable lease payments.

The Corporation has elected to apply the practical expedient to combine lease and non-lease components identified in lease contracts. Revenue from lease payments includes consideration received from tower and facility rental services provided by the Corporation.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Corporation evaluated subsequent events through April 30, 2025, the date the financial statements were available to be issued.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure and other commitments, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following at June 30:

	2024	2023
Cash and Cash Equivalents	\$ 155,226	\$ 129,943
Investments	1,267,632	1,664,762
Accounts and Pledge Receivables, Net	1,079,576	358,945
Total	<u>\$ 2,502,434</u>	<u>\$ 2,153,650</u>

The net assets with donor restrictions are not included above as they are not considered available for general expenditure. The Corporation's investments at June 30, 2024 and 2023 are included in Note 4. Although the Corporation does not intend to spend from the investment portfolio, these amounts could be made available if necessary. Additionally, as part of the liquidity management plan, if necessary, the Corporation would invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

NOTE 3 PLEDGES RECEIVABLE

Included in pledges receivable at June 30, 2024 and 2023 are the following promises to give:

	2024	2023
Program Underwriting	\$ 26,852	\$ 32,150
Membership	131,423	126,184
Matching	15,806	17,283
Gross Promises to Give	174,081	175,617
Less: Allowance for Uncollectible Receivables	39,920	46,186
Net Promises to Give	<u>\$ 134,161</u>	<u>\$ 129,431</u>

NOTE 4 INVESTMENTS

Investments as of June 30, 2024 and 2023 are summarized as follows:

	2024	2023
Corporate Bonds	\$ -	\$ 628,345
Mutual Funds	-	1,024,657
Money Market Funds	1,267,632	11,760
Total Investments	<u>\$ 1,267,632</u>	<u>\$ 1,664,762</u>

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 INVESTMENTS (CONTINUED)

Components of net investment income are as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Dividend and Interest Income	\$ 17,677	\$ 22,174
Net Realized and Unrealized Gain	38,413	76,064
Net Investment Income	<u>\$ 56,090</u>	<u>\$ 98,238</u>

NOTE 5 DEBT

At June 30, long-term debt consisted of the following:

<u>Description</u>	<u>2024</u>	<u>2023</u>
Note payable to PNC Bank, bearing fixed interest at 4.50%. Monthly payments of principal and interest are \$7,751 with final balloon payment due December 1, 2028. Note is secured by a first mortgage and substantially all business assets.	\$ 294,569	\$ 450,725
Note payable to PNC Bank, due February 2026. The note bears interest at the daily SOFR rate plus 3% with monthly payments of principal and interest of \$13,333. Note is secured by substantially all business assets.	<u>266,667</u>	<u>426,667</u>
Total	561,236	877,392
Less: Current Portion	<u>(237,684)</u>	<u>(234,272)</u>
Total	<u>\$ 323,552</u>	<u>\$ 643,120</u>

Future maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 237,684
2026	191,505
2027	88,736
2028	<u>43,311</u>
Total	<u>\$ 561,236</u>

The Corporation also had a \$200,000 revolving secured line of credit from PNC Bank for operating activities. Interest is based on PNC Bank's prime interest rate with interest payable monthly and maturity on September 30, 2025. This line of credit is secured by a second mortgage and a blanket lien on substantially all assets. No amounts were outstanding on this note at June 30, 2024.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 LEASE INCOME

The Corporation is the lessor of a communications tower under an operating lease which expired November 5, 2022, with Verizon Wireless. The lease agreement provided monthly lease income of \$1,542 per month. During 2023 an option was exercised to extend this lease through November 5, 2027, requiring monthly lease income of \$1,794 per month.

The Corporation is the lessor of a communications tower under a 13-year operating lease expiring on September 30, 2024, with the United States of America National Oceanic and Atmospheric Administration (NOAA). The lease agreement provides monthly lease income of \$540 per month for antenna space.

The Corporation is the lessor of a communications tower under a five-year operating lease which expired August 2022, with T-Mobile. The agreement provided monthly lease income of \$5,432 per month for antenna space. During 2023, an option was exercised to extend this lease through August 2027, requiring monthly lease income of \$2,835 per month for antenna space.

The Corporation is the lessor of a communications tower under a five-year operating lease that expired September 2023 with U.S. Cellular. The agreement provided monthly lease income of \$2,585 per month.

The Corporation is the lessor of a communications tower under a month-to-month operating lease with WCBU-FM. The lease agreement provides monthly lease income of \$2,500 per month, plus an additional charge for estimated electrical usage of approximately \$1,879 per month.

The Corporation is the lessor of a communications tower under a five-year operating lease which expired October 2022, with New Cingular Wireless PCS, LLC. The lease agreement provided monthly lease income of \$1,944 per month. During 2023, an option was exercised to extend this lease through October 2027, requiring monthly lease income of \$2,100 per month.

The Corporation is the lessor of commercial space at the main WTVF facility under a five-year lease expiring December 31, 2026, with Peoria Symphony Orchestra. The lease agreement provides monthly lease income of \$2,004, plus the tenant will also reimburse the Corporation monthly for 15.6% of utilities (water, sewer, gas, and electricity).

The Corporation is the lessor of a communications tower under a ten-year operating lease which expired August 2022, with Peoria County ETSB. The lease agreement provided monthly lease income of \$495 per month. The lease was not renewed as of June 30, 2023.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 LEASE INCOME (CONTINUED)

Future minimum lease payments to be received under the operating leases and professional services agreement are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 104,859
2026	104,789
2027	92,765
2028	49,591
Total	<u>\$ 352,004</u>

NOTE 7 FAIR VALUE MEASUREMENTS

U.S. GAAP established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under U.S. GAAP are described as follows:

Basis of Fair Value Measurement

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option-pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

For the fiscal years ended June 30, 2024 and 2023, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Investment Securities

The fair value of mutual funds and corporate bonds is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use observable and/or unobservable inputs.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value on a Recurring Basis

The table below presents the balances of investments measured at fair value on a recurring basis as of June 30, 2023:

	2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Corporate Bonds	\$ -	\$ 628,345	\$ -	\$ 628,345
Mutual Funds	1,024,657	-	-	1,024,657
Total Investments	<u>\$ 1,024,657</u>	<u>\$ 628,345</u>	<u>\$ -</u>	<u>\$ 1,653,002</u>

All investments at June 30, 2024 were measured at cost.

NOTE 8 ACQUISITION OF ASSETS

In December 2021, the Corporation acquired the assets of Central Illinois Business Publishers, Inc. The purchase price of \$100,000, required payment of \$25,000 at closing with three \$25,000 annual payments beginning on February 2022.

The acquisition generated \$100,000 of goodwill which is attributable mainly to synergies expected to be achieved from integrating the acquisition into the Corporation's existing business and expanded content of publications and intellectual property.

At June 30, 2023, \$25,000 is included in a consideration payable on the statement of financial position reflecting the remaining installment. This installment was paid in full during 2024.

The Corporation amortizes goodwill on a straight-line basis over 10 years and only evaluates goodwill for impairment when a triggering event occurs. When impairment is likely, the Corporation calculates goodwill impairment as the amount that the Corporation's carrying value of goodwill exceeds its fair value. During fiscal year 2024, the Corporation made the decision to cease operations on the Magazine due to months of sustained losses. As part of this decision, it was determined that the goodwill was impaired and a loss of \$80,000 was recognized during the year ended June 30, 2023.

A reconciliation of the change in the carrying value of goodwill for the fiscal years ended June 30, is as follows:

	2024	2023
Beginning Balance	\$ -	\$ 90,000
Amortization	-	(10,000)
Loss on Impairment	-	(80,000)
Total	<u>\$ -</u>	<u>\$ -</u>

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 9 RELATED PARTY TRANSACTIONS

During the years ended June 30, 2024 and 2023, the Corporation received \$516,880 and \$16,604, respectively, from members of the board of directors or from entities directly related to members of the board of directors.

NOTE 10 BOARD-DESIGNATED ENDOWMENT

The Corporation's board of trustees established an endowment fund whereby certain contributions and their earnings would remain intact. There is no legal restriction on the endowment since the donors did not specify contributions to be treated as such. At June 30, 2024 and 2023, the designated endowment funds totaled \$1,267,632 and \$1,664,762, respectively. Since the amount resulted from an internal designation and is not donor-restricted, it is classified and reported as without donor-restricted net assets.

The Corporation has a spending policy of appropriating for distribution each year up to 7% of its board-designated endowment principal balance valued at the date of distribution. In the event of a hardship, the Corporation can withdraw up to 20% of the restricted balance at the time of distribution. During the year ended June 30, 2024, the board voted to move all investment assets held into money market investment accounts.

The Corporation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets may be invested in a diversified asset mix, which may include certificates of deposit, checking account, municipal bonds, mutual funds, and money market funds.

Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed not to expose the fund to unacceptable levels of risk.

Composition of and changes in endowment net assets for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Board-Designated Endowment Net Assets -		
Beginning of Year	\$ 1,664,762	\$ 1,738,524
Investment Income, Net of Fees	34,557	22,174
Deposits	250,000	-
Withdrawals	(720,100)	(172,000)
Net Appreciation	38,413	76,064
Board-Designated Endowment Net Assets -		
End of Year	<u>\$ 1,267,632</u>	<u>\$ 1,664,762</u>

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 11 RESTATEMENT

During the year ended June 30, 2024, the Corporation restated its beginning of the year net assets for the year ended June 30, 2023, as well as its grants from the Corporation of Public Broadcasting and deferred revenues as of June 30, 2023. The Corporation determined that a portion of grant funding received should have been deferred in previous years. For the year ended June 30, 2023, the following amounts were restated in the statement of financial position and the statement of activities:

Net Assets - Beginning of Year, as Previously Reported	\$ 7,098,163
Adjustment	<u>(217,364)</u>
Net Assets - Beginning of Year, as Restated	<u><u>\$ 6,880,799</u></u>
Grants from Corporation for Public Broadcasting, as Previously Reported	\$ 928,185
Adjustment	<u>(103,288)</u>
Grants from Corporation for Public Broadcasting, as Restated	<u><u>\$ 824,897</u></u>
Deferred Revenues, as Previously Reported	\$ 7,402
Adjustment	<u>320,652</u>
Deferred Revenues, as Restated	<u><u>\$ 328,054</u></u>



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