Impactful interactions for success

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
Peoria, Illinois

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
June 30, 2015 and 2014

Wealth Advisory

Outsourcing

Audit, Tax, and Consulting

CliftonLarsonAllen

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Illinois Valley Public Telecommunications Corporation
Peoria, Illinois

We have audited the accompanying financial statements of Illinois Valley Public Telecommunications Corporation, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, 2015 and 2014, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 20 to 22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Peoria, Illinois
October 19, 2015

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

ASSETS

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	$ 523,204	$ 468,401
Current portion of receivables:		
Pledges, net	106,332	91,463
Accounts	45,062	94,433
Grants	-	54,850
Net receivables	151,394	240,746
Inventory, at cost or market value (for donations)	2,069	3,419
Prepaid expenses	123,978	65,172
Refundable income taxes	940	940
Total current assets	801,585	778,678
PLEDGES RECEIVABLE, net of current portion	118,548	155,229
INVESTMENTS	1,362,787	1,249,715
PROPERTY AND EQUIPMENT		
Land	524,557	524,557
Transmitter building and improvements	1,126,915	1,126,915
Building and improvements	5,686,238	5,655,468
Furniture, fixtures, and equipment	5,745,587	6,134,935
	13,083,297	13,441,875
Less accumulated depreciation and amortization	8,115,681	7,974,163
Net property and equipment	4,967,616	5,467,712
TOTAL ASSETS	$ 7,250,536	$ 7,651,334

LIABILITIES AND NET ASSETS

	2015	2014
CURRENT LIABILITIES		
Accounts payable	$ 133,188	$ 180,599
Current maturities of long-term debt	160,362	143,565
Accrued expenses	12,165	20,464
Deferred revenue	125,854	242,336
Total current liabilities	431,569	586,964
LONG-TERM LIABILITIES		
Long-term debt less current maturities	1,186,567	1,231,061
Total liabilities	1,618,136	1,818,025
NET ASSETS		
Unrestricted:		
Undesignated	4,152,477	4,532,152
Board designated endowment	1,456,137	1,268,038
Total unrestricted	5,608,614	5,800,190
Temporarily restricted	23,786	33,119
Total net assets	5,632,400	5,833,309
TOTAL LIABILITIES AND NET ASSETS	$ 7,250,536	$ 7,651,334

The accompanying notes are an integral part of the financial statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2015 and 2014

	Unrestricted
REVENUE, GAINS, AND OTHER SUPPORT	
Contributions	$ 1,008,266
Matching contributions	97,759
In-kind contributions and donated services	27,879
Grants from Corporation for Public Broadcasting	930,589
State grants	68,520
Other grants	18,712
Auction income	86,367
Underwriting income	217,499
Contract services	73,081
Satellite services	70,836
Interest income	623
Net investment income	11,827
Lease income	445,631
Special events	140
WTVP Travels Tour	311,185
Miscellaneous	43,298
Net assets released from restrictions	9,550
Total revenue, gains, and other support	3,421,762
EXPENDITURES	
Program services:	
Programming	747,108
Production	259,830
Engineering	989,755
Broadcast operations	175,037
Total program services	2,171,730
Supporting services:	
Fundraising and development	460,440
WTVP Travels Tour	296,543
Promotion	69,544
Management and general	503,935
Unrelated business services	111,146
Total supporting services	1,441,608
Total expenditures	3,613,338
CHANGE IN NET ASSETS	(191,576)
NET ASSETS, BEGINNING OF YEAR	5,800,190
NET ASSETS, END OF YEAR	$ 5,608,614

2015		2014		
Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
$ 217	$ 1,008,483	$ 1,189,221	$ 1,472	$ 1,190,693
-	97,759	102,432	-	102,432
-	27,879	34,936	-	34,936
-	930,589	729,358	-	729,358
-	68,520	105,150	-	105,150
-	18,712	9,954	-	9,954
-	86,367	91,917	-	91,917
-	217,499	174,486	-	174,486
-	73,081	63,462	-	63,462
-	70,836	139,390	-	139,390
-	623	481	-	481
-	11,827	111,853	-	111,853
-	445,631	287,650	-	287,650
-	140	9,284	-	9,284
-	311,185	528,115	-	528,115
-	43,298	59,654	-	59,654
(9,550)	-	28,375	(28,375)	-
(9,333)	3,412,429	3,665,718	(26,903)	3,638,815
-	747,108	623,327	-	623,327
-	259,830	265,126	-	265,126
-	989,755	985,126	-	985,126
-	175,037	124,220	-	124,220
-	2,171,730	1,997,799	-	1,997,799
-	460,440	446,209	-	446,209
-	296,543	501,685	-	501,685
-	69,544	72,252	-	72,252
-	503,935	450,290	-	450,290
-	111,146	152,406	-	152,406
-	1,441,608	1,622,842	-	1,622,842
-	3,613,338	3,620,641	-	3,620,641
(9,333)	(200,909)	45,077	(26,903)	18,174
33,119	5,833,309	5,755,113	60,022	5,815,135
$ 23,786	$ 5,632,400	$ 5,800,190	$ 33,119	$ 5,833,309

The accompanying notes are an integral part of the financial statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (200,909)	$ 18,174
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	540,000	565,229
Net realized and unrealized (gains) losses on investments	19,313	(80,962)
Cash receipts from Save Our Station campaign contributions restricted for purposes of debt service	(1,612)	(4,622)
Effects of changes in operating assets and liabilities:		
Net receivables	126,033	(135,205)
Inventory	1,350	(242)
Prepaid expenses	(58,806)	178,731
Accounts payable	(47,411)	61,471
Accrued expenses	(8,299)	5,637
Deferred revenue	(116,482)	(4,799)
Net cash provided by operating activities	253,177	603,412
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(39,904)	(99,730)
Proceeds from sale of investments	8,788	7,416
Purchase of investments, including reinvested income	(141,173)	(219,459)
Net cash used in investing activities	(172,289)	(311,773)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(191,068)	(139,640)
Proceeds from issuance of long-term debt	163,371	-
Cash receipts from Save Our Station campaign contributions restricted for purposes of debt service	1,612	4,622
Net cash used in financing activities	(26,085)	(135,018)
NET INCREASE IN CASH AND CASH EQUIVALENTS	54,803	156,621
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	468,401	311,780
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 523,204	$ 468,401
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 50,800	$ 56,322
NONCASH ACTIVITIES		
Purchases of property and equipment included in accounts payable	$ -	$ 82,858

The accompanying notes are an integral part of the financial statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Illinois Valley Public Telecommunications Corporation (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 generally accepted accounting principles in the United States of America 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 one of three classes of net assets based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Unrestricted net assets are those currently available for the support of Corporation operations, and those resources invested in property and equipment.

Temporarily restricted net assets include donor restricted contributions for specific operating activities.

Permanently restricted net assets include contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

The Corporation had only unrestricted and temporarily restricted net assets as of June 30, 2015 and 2014.

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

Revenue Recognition

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (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.

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 unrestricted revenues. Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as unrestricted revenues. Contributions of cash or other assets to be used to acquire property and equipment with such donor stipulations are reported as temporarily restricted revenues; 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.

Cash Equivalents

For purposes of the cash flows statements, the Corporation considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents of $115,685 and $37,199 at June 30, 2015 and 2014, respectively, 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.

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

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 that reflects management's best estimate of probable losses determined principally on the basis of historical experience.

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 statement 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.

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 is deferred to the extent of unexpended grant monies and for program underwriting and WTVP Travels Tour revenue which is recognized on a pro rata basis for the period covered.

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

In-kind Contributions and Donated Services

In-kind contributions and donated services are recorded as revenue and expense in the accompanying statement 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.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement 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. Total advertising expense was $3,540 and $3,310 for the years ended June 30, 2015 and 2014, respectively.

WTVP Travels Tour

WTVP Travels Tour is a fundraising event generally consisting of two trips per year designed for the WTVP audience. Revenue and expenses are deferred and recognized for the period covered by the trip. At June 30, 2015 and 2014, prepaid expenses included $89,856 and $30,000, respectively, related to WTVP Travels Tour. At June 30, 2015 and 2014, deferred revenue included $101,605 and $209,988, respectively, related to WTVP Travels Tour.

NOTE 2 - PLEDGES RECEIVABLE

Included in pledges receivable at June 30, 2015 and 2014 are the following promises to give:

	2015	2014
Program underwriting	$ 9,052	$ 5,841
Membership	76,678	55,394
Matching	30,271	44,930
Unrestricted campaigns	132,441	157,635
Save Our Station	6,810	19,030
Gross promises to give	255,252	282,830
Less allowance for uncollectible pledges	25,000	22,000
Less discount to the present value of the future cash flows	5,372	14,138
Net promises to give	$ 224,880	$ 246,692

Pledges for Save Our Station have been discounted at a 3.625 percent annual rate of interest. Membership and unrestricted campaign pledges have been discounted at a 3.77 percent annual rate of interest. Save Our Station pledges receivable represent temporarily restricted promises for specific debt service purposes. The following represents gross pledges receivable at June 30, 2015 that are expected to be collected in the following fiscal years:

2016	$ 152,435
2017	76,402
2018	26,415
	$ 255,252

Pledges receivable at June 30, 2015 and 2014 include amounts due from Board members and management of approximately $4,660 and $3,250, respectively.

NOTE 3 - INVESTMENTS

Investments as of June 30, 2015 and 2014 are summarized as follows:

	2015	2014
Certificates of deposits	$ 492,581	$ 543,515
Municipal bonds	169,805	170,045
Mutual funds	507,407	500,980
Money market funds	192,994	35,175
	$ 1,362,787	$ 1,249,715

Components of net investment income are as follows for the years ended June 30, 2015 and 2014:

	2015	2014
Dividend and interest income	$ 31,140	$ 30,891
Realized gains	23	8,689
Unrealized gains (losses)	(19,336)	72,273
Total	$ 11,827	$ 111,853

NOTE 4 - DEBT

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

	2015	2014
Note payable to PNC Bank, bearing fixed interest at 4.25 percent. Monthly payments of principal and interest are $8,018 with final balloon payment due November 30, 2015. Note is secured by a first mortgage and substantially all business assets. See Note 10.	$ 937,408	$ 991,946

NOTE 4 - DEBT (CONTINUED)

	2015	2014
Note payable to IFF, due February 2023. The note bears interest at 3.12 percent effective March 1, 2013 with monthly payments of principal and interest of $3,374. Prior to March 1, 2013, the interest rate was 5.75 percent and monthly payments of principal and interest were $6,228. Note is secured by a third mortgage and substantially all business assets. The note is subordinate to the lien of the PNC Bank senior mortgages originally totaling $1,550,000 in principal.	$ 275,320	$ 306,680
Mechanical system upgrade agreement with ENTEC Services, Inc., due October 2015. The agreement bears no interest. Monthly payment is $4,750. Agreement is secured by upgrades made to the mechanical system. The agreement is subordinate to the liens of PNC Bank senior mortgage originally totaling $1,550,000 in principal, PNC Bank revolving line of credit of $300,000, and IFF note payable mortgage originally $750,000.	19,000	76,000
Note payable to PNC Bank, bearing fixed interest at 3.39 percent. Monthly payments of principal and interest are $4,779 with final payment due July 29, 2017. Note is secured by equipment purchased for Western Illinois University – Quad Cities campus' public television station WQPT.	115,201	-
Total	1,346,929	1,374,626
Less current portion	(160,362)	(143,565)
Total	$ 1,186,567	$ 1,231,061

Future maturities of long-term debt are as follows:

2016	$ 160,362
2017	144,533
2018	96,588
2019	95,398
2020	99,117
Later years	750,931
Total	$ 1,346,929

NOTE 4 - DEBT (CONTINUED)

The Corporation also had a $300,000 revolving secured line of credit from PNC Bank for operating activities. Interest was based on PNC Bank's prime interest rate with interest payable monthly and maturity on January 30, 2015. This line of credit was secured by a second mortgage and a blanket lien on substantially all assets. No amounts were drawn against this note during fiscal year 2015 and 2014.

NOTE 5 - LEASE INCOME

The Corporation is the lessor of a communications tower under an operating lease expiring November 5, 2017 with Verizon Wireless. The lease agreement provides monthly lease income of $1,455 per month.

The Corporation is the lessor of a communications tower under a thirteen year operating lease expiring on September 30, 2024 with the United States of America. 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 expiring August 15, 2017 with IPCS Wireless, Inc. The agreement provides monthly lease income of $4,724 per month for antenna space.

The Corporation is the lessor of a communications tower under a five-year operating lease expiring September 2018 with U.S. Cellular. The agreement provides monthly lease income of $2,396 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 $1,849 per month.

The Corporation is the lessor of a communications tower under a five-year operating lease expiring October 31, 2017 with New Cingular Wireless PCS, LLC. The lease agreement provides monthly lease income of $1,800 per month.

The Corporation is the lessor of commercial space at the main WTVP facility under a five-year lease expiring December 31, 2016 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 percent of utilities (water, sewer, gas, and electricity).

The Corporation is the lessor of a communications tower under a ten year operating lease expiring August 2, 2022 with Peoria County ETSB. The lease agreement provides monthly lease income of $495 per month.

NOTE 5 - LEASE INCOME (CONTINUED)

The Corporation is contracted under a four year professional services agreement expiring June 30, 2017 to provide master control services for Western Illinois University – Quad Cities campus' public television station WQPT. The agreement provides monthly income of $18,167 per month.

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

Year ending June 30:	
2016	$ 431,098
2017	309,525
2018	26,805
2019	12,415
2020	12,415
Thereafter	39,399
Total	$ 831,657

NOTE 6 - FAIR VALUE MEASUREMENTS

Generally accepted accounting principles (GAAP) establishes 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 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.

NOTE 6 - FAIR VALUE MEASUREMENTS (CONTINUED)

Basis of Fair Value Measurement (Continued):

For the fiscal years ended June 30, 2015 and 2014, 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 municipal 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. The money market funds are valued at the net asset value of shares held by the Corporation at year end.

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, 2015 and 2014:

	2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments:				
Municipal bonds	$ -	$ 169,805	$ -	$ 169,805
Mutual funds	507,407	-	-	507,407
Money market funds	192,994	-	-	192,994
	$ 700,401	$ 169,805	$ -	$ 870,206

	2014			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments:				
Municipal bonds	$ -	$ 170,045	$ -	$ 170,045
Mutual funds	500,980	-	-	500,980
Money market funds	35,175	-	-	35,175
	$ 536,155	$ 170,045	$ -	$ 706,200

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Corporation receives a substantial amount of its support from the Corporation for Public Broadcasting and state government. If a significant reduction in the level of this support were to occur, it would have an adverse effect on the Corporation's programs and activities.

NOTE 8 - COMMITMENTS

The Corporation leases office equipment under various operating lease agreements. The total minimum lease payments as of June 30, 2015 are due as follows:

Year ending June 30:	
2016	$ 6,897
2017	6,897
2018	3,978
	$ 17,772
Total minimum lease payments	

The total rental expense was $7,377 and $7,542 for the years ended June 30, 2015 and 2014, respectively.

The mechanical system upgrade agreement with ENTEC Services, Inc. as described in Note 4 includes a support program of $1,520 per month, originally for sixty months, through October 2015.

NOTE 9 - 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, 2015 and 2014, the designated endowment funds totaled $1,456,137 and $1,268,038, respectively. Since the amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

The Corporation has a spending policy of appropriating for distribution each year up to 7 percent 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 percent of the restricted balance at the time of distribution.

The Corporation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well diversified asset mix, which includes 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.

NOTE 9 - BOARD-DESIGNATED ENDOWMENT (CONTINUED)

Composition of and changes in endowment net assets for the years ended June 30, 2015 and 2014 are as follows:

	2015	2014
Board-designated endowment net assets, beginning of year	$ 1,268,038	$ 1,070,013
Contributions	185,733	188,567
Investment income, net of fees	21,679	23,496
Net appreciation (depreciation)	(19,313)	80,962
Amounts appropriated for expenditure	-	(95,000)
Board-designated endowment net assets, end of year	$ 1,456,137	$ 1,268,038

NOTE 10 - SUBSEQUENT EVENTS

Management evaluated subsequent events through October 19, 2015, the date the financial statements were available to be issued.

On October 16, 2015, PNC Bank formally agreed to approve the extension of the Corporation's note payable, scheduled to be due November 30, 2015, as discussed in Note 4. The note payable was extended for an additional seven years at a rate of 4.25%, with a final balloon payment due November 30, 2022. Accordingly, amounts scheduled to be due after June 30, 2016 have been classified as long-term at June 30, 2015.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
SCHEDULE OF FUNCTIONAL EXPENDITURES
Year Ended June 30, 2015
With Comparative Totals for 2014

	Program Services				
	Programming	Production	Engineering	Broadcast Operations	Total Program Services
Salaries and payroll taxes	$ 65,993	$ 180,399	$ 39,069	$ 146,299	$ 431,760
Employee benefits	9,980	30,839	7,354	12,429	60,602
Professional services, excluding in-kind contributions	-	28,280	108,627	-	136,907
Professional services - in-kind contributions	-	-	-	-	-
Office support	-	3,592	534	2,206	6,332
Communications	-	71	41,427	663	42,161
Postage and shipping	232	103	230	852	1,417
Advertising	-	-	-	-	-
Occupancy	-	-	120,744	-	120,744
Rental and maintenance of equipment	5,297	8,660	143,891	11,960	169,808
Printing and publications	-	-	-	-	-
Conferences, meetings, and travel	1,660	2,685	3,523	-	7,868
WTVP Travels Tour	-	-	-	-	-
Marketing	-	1,456	20	568	2,044
Dues and program rights	293	90	-	-	383
Program acquisition	663,653	-	-	-	663,653
Interest	-	-	-	-	-
Provision for uncollectible pledges/accounts	-	-	-	-	-
Miscellaneous	-	471	-	60	531
Total expenses before depreciation	747,108	256,646	465,419	175,037	1,644,210
Depreciation	-	3,184	524,336	-	527,520
TOTAL EXPENDITURES	$ 747,108	$ 259,830	$ 989,755	$ 175,037	$ 2,171,730

Supporting Services							
Fundraising and Development	WTVP Travels Tour	Promotion	Management and General	Unrelated Business Services	Total Supporting Services	2015 Total	2014 Total
$ 218,471	$ -	$ 31,468	$ 70,596	$ 35,352	$ 355,887	$ 787,647	$ 828,393
5,777	-	3,776	3,444	11,441	24,438	85,040	90,344
1,250	-	9,000	229,016	3,258	242,524	379,431	297,848
21,280	-	-	6,599	-	27,879	27,879	34,936
16,545	-	900	14,876	21,912	54,233	60,565	93,737
1,158	-	-	668	4,681	6,507	48,668	49,225
29,590	-	96	1,353	-	31,039	32,456	30,919
242	-	1,580	1,718	-	3,540	3,540	3,310
-	-	-	62,137	-	62,137	182,881	199,559
23,261	-	-	22,784	6,002	52,047	221,855	130,771
19,271	-	22,701	-	-	41,972	41,972	36,182
2,339	-	-	17,661	13,567	33,567	41,435	47,676
-	296,543	-	-	-	296,543	296,543	501,655
69,126	-	-	38	-	69,164	71,208	91,729
1,276	-	23	21,099	-	22,398	22,781	22,916
-	-	-	-	400	400	664,053	509,988
-	-	-	50,800	-	50,800	50,800	56,322
41,701	-	-	-	2,950	44,651	44,651	21,460
9,153	-	-	249	-	9,402	9,933	8,442
460,440	296,543	69,544	503,038	99,563	1,429,128	3,073,338	3,055,412
-	-	-	897	11,583	12,480	540,000	565,229
$ 460,440	$ 296,543	$ 69,544	$ 503,935	$ 111,146	$ 1,441,608	$ 3,613,338	$ 3,620,641

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
SCHEDULE OF FUNCTIONAL EXPENDITURES - EXCLUDING
IN-KIND CONTRIBUTIONS AND DONATED SERVICES
Year Ended June 30, 2015

	Functional Expenses Excluding In-kind Contributions and Donated Services	In-kind Contributions and Donated Services	Total
Programming	$ 747,108	$ -	$ 747,108
Production	259,830	-	259,830
Engineering	989,755	-	989,755
Broadcast operations	175,037	-	175,037
Total program services	2,171,730	-	2,171,730
Fundraising and development	439,160	21,280	460,440
WTVP Travels Tour	296,543	-	296,543
Promotion	69,544	-	69,544
Management and general	497,336	6,599	503,935
Unrelated business services	111,146	-	111,146
Total supporting services	1,413,729	27,879	1,441,608
TOTAL	$ 3,585,459	$ 27,879	$ 3,613,338