

**ILLINOIS VALLEY PUBLIC
TELECOMMUNICATIONS CORPORATION**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024



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ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Illinois Valley Public Telecommunications Corporation
Peoria, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Illinois Valley Public Telecommunications Corporation, which comprise the statements of financial position as of June 30, 2025 and 2024, 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, 2025 and 2024, 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.

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.

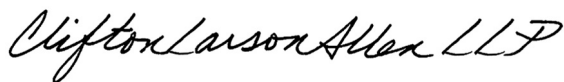
Auditors' Responsibilities for the Audit of the Financial Statements

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
September 30, 2025

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents - Undesignated	\$ 332,679	\$ 222,676
Cash and Cash Equivalents - Board Designated	1,718,779	1,267,632
Promises to Give, Net Allowance of \$39,920 for 2025 and \$39,920 for 2024	130,878	134,161
Accounts Receivable	35,283	14,564
Grants Receivable	-	930,851
Net Receivables	166,161	1,079,576
Prepaid Expenses	17,526	21,911
Total Current Assets	2,235,145	2,591,795
PROPERTY AND EQUIPMENT		
Land	478,035	478,035
Transmitter Building and Improvements	457,820	457,820
Building and Improvements	5,284,389	5,284,390
Furniture, Fixtures, and Equipment	2,689,362	2,664,896
Construction in Progress	192,951	-
Total Property and Equipment	9,102,557	8,885,141
Less: Accumulated Depreciation and Amortization	4,479,636	4,183,130
Net Property and Equipment	4,622,921	4,702,011
Total Assets	<u>\$ 6,858,066</u>	<u>\$ 7,293,806</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 80,794	\$ 362,057
Current Maturities of Long-Term Debt	78,658	237,684
Accrued Expenses	68,572	27,006
Total Current Liabilities	228,024	626,747
LONG-TERM LIABILITIES		
Long-Term Debt, Less Current Maturities	134,621	323,552
Total Liabilities	362,645	950,299
NET ASSETS		
Without Donor Restrictions		
Undesignated	4,733,647	5,008,425
Board-Designated Endowment	1,718,779	1,267,632
Total Net Assets, Without Donor Restrictions	6,452,426	6,276,057
With Donor Restrictions	42,995	67,450
Total Net Assets	6,495,421	6,343,507
Total Liabilities and Net Assets	<u>\$ 6,858,066</u>	<u>\$ 7,293,806</u>

See accompanying Notes to Financial Statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE, GAINS, AND OTHER SUPPORT			
Contributions	\$ 1,465,855	\$ -	\$ 1,465,855
Matching Contributions	117,403	-	117,403
In-Kind Contributions and Donated Services	21,780	-	21,780
Grants from Corporation for Public Broadcasting	945,553	-	945,553
State Grants	120,625	-	120,625
Other Grants	487,350	-	487,350
Program Underwriting	97,982	-	97,982
Contract Services	5,825	-	5,825
Interest Income	56,282	-	56,282
Lease Income	210,831	-	210,831
Special Events	95,063	-	95,063
Miscellaneous	26,240	-	26,240
Net Assets Released from Restrictions	24,455	(24,455)	-
Total Revenue, Gains, and Other Support	<u>3,675,244</u>	<u>(24,455)</u>	<u>3,650,789</u>
OPERATING EXPENDITURES			
Program Services			
Engineering	141,840	-	141,840
Programming	909,983	-	909,983
Production	504,846	-	504,846
Broadcast Operations	405,496	-	405,496
Total Program Services	1,962,165	-	1,962,165
Supporting Services			
Fundraising and Development	627,119	-	627,119
Promotion	107,164	-	107,164
Management and General	802,427	-	802,427
Total Supporting Services	<u>1,536,710</u>	<u>-</u>	<u>1,536,710</u>
Total Expenditures	<u>3,498,875</u>	<u>-</u>	<u>3,498,875</u>
CHANGE IN NET ASSETS	176,369	(24,455)	151,914
Net Assets - Beginning of Year	<u>6,276,057</u>	<u>67,450</u>	<u>6,343,507</u>
NET ASSETS - END OF YEAR	<u><u>\$ 6,452,426</u></u>	<u><u>\$ 42,995</u></u>	<u><u>\$ 6,495,421</u></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
Program Underwriting	123,390	-	123,390
Contract Services	30,713	-	30,713
Interest Income	62,729	-	62,729
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	503,256	-	503,256
Magazine	429,602	-	429,602
Total Program Services	2,360,833	-	2,360,833
Supporting Services			
Fundraising and Development	581,406	-	581,406
Promotion	112,275	-	112,275
Management and General	1,041,179	-	1,041,179
Total Supporting Services	1,734,860	-	1,734,860
Total Expenditures	4,095,693	-	4,095,693
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	169,642	37,300	206,942
NONOPERATING EXPENSE			
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, as Previously Reported	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 FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services					Supporting Services				
	Engineering	Programming	Production	Broadcast Operations	Total Program Services	Fundraising and Development	Promotion	Management and General	Total Supporting Services	Total
Salaries and Payroll Taxes	\$ 86,541	\$ 103,195	\$ 285,676	\$ 140,358	\$ 615,770	\$ 219,246	\$ 74,098	\$ 241,224	\$ 534,568	\$ 1,150,338
Employee Benefits	19,046	19,529	58,015	36,238	132,828	29,672	9,776	959	40,407	173,235
Professional Services - Excluding In-Kind Contributions	-	-	50,608	4,073	54,681	103,511	-	154,462	257,973	312,654
Professional Services - In-Kind Contributions	-	-	-	-	-	-	-	21,780	21,780	21,780
Office Support	15,872	1,513	9,575	4,308	31,268	12,466	182	14,566	27,214	58,482
Communications	1,523	10,790	4,858	2,511	19,682	3,629	1,202	3,487	8,318	28,000
Postage and Shipping	-	-	-	-	-	45,390	-	381	45,771	45,771
Utilities and Occupancy	6,838	48,455	21,818	105,734	182,845	16,295	5,398	95,527	117,220	300,065
Maintenance	-	11,755	7,100	72,499	91,354	-	-	70,309	70,309	161,663
Printing and Publications	-	-	-	-	-	52,540	55	780	53,375	53,375
Conferences, Meetings, and Travel	-	-	1,757	204	1,961	5,635	-	16,874	22,509	24,470
Marketing	-	-	10,452	-	10,452	15,654	522	-	16,176	26,628
Special Events	-	-	-	-	-	66,070	-	-	66,070	66,070
Dues and Program Rights	-	-	-	-	-	760	-	29,213	29,973	29,973
Program Acquisition	-	637,631	-	-	637,631	-	-	-	-	637,631
Interest	-	-	-	-	-	-	-	22,116	22,116	22,116
Provision for Uncollectible Pledges Receivables	-	-	-	5,208	5,208	-	-	32,622	32,622	37,830
Miscellaneous	-	-	12,205	-	12,205	3,107	6,850	30,127	40,084	52,289
Total Expenditures from Operating Activities	129,820	832,868	462,064	371,133	1,795,885	573,975	98,083	734,427	1,406,485	3,202,370
Depreciation	12,020	77,115	42,782	34,363	154,260	53,144	9,081	68,000	130,225	296,506
Total Expenditures	<u>\$ 141,840</u>	<u>\$ 909,983</u>	<u>\$ 504,846</u>	<u>\$ 405,496</u>	<u>\$ 1,950,145</u>	<u>\$ 627,119</u>	<u>\$ 107,164</u>	<u>\$ 802,427</u>	<u>\$ 1,536,710</u>	<u>\$ 3,498,876</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	-	-	-	-	-	2,520	-	56,725	59,245	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	122,824	12,669	179,671	15,138	3,275	96,102	114,515	294,186
Maintenance	-	-	67,245	-	67,245	-	1,214	62,208	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 Pledge 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	470,844	395,814	2,182,323	535,678	103,540	952,026	1,591,244	3,773,567
Nonoperational Expenses - Other	-	-	-	-	-	-	-	21,302	21,302	21,302
Depreciation and Amortization	67,939	44,371	32,412	33,788	178,510	45,728	8,735	89,153	143,616	322,126
Total Expenditures	<u>\$ 863,819</u>	<u>\$ 564,156</u>	<u>\$ 503,256</u>	<u>\$ 429,602</u>	<u>\$ 2,360,833</u>	<u>\$ 581,406</u>	<u>\$ 112,275</u>	<u>\$ 1,062,481</u>	<u>\$ 1,756,162</u>	<u>\$ 4,116,995</u>

See accompanying Notes to Financial Statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 151,914	\$ 435,640
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	296,506	322,126
Allowance for Credit Losses	37,830	36,839
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(20,719)	214,950
Grants Receivable	930,851	(930,851)
Promises to Give	(34,547)	(41,569)
Inventory	-	1,022
Prepaid Expenses	4,385	45,320
Accounts Payable	(281,263)	279,449
Accrued Expenses	41,566	(53,263)
Deferred Revenue	-	(328,054)
Net Cash Provided (Used) by Operating Activities	<u>1,126,523</u>	<u>(18,391)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(217,416)	-
Proceeds from Sale of Investments	-	2,645,353
Purchase of Investments, Including Reinvested Income	-	(980,591)
Net Cash Provided (Used) by Investing Activities	<u>(217,416)</u>	<u>1,664,762</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	<u>(347,957)</u>	<u>(316,156)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	561,150	1,330,215
Cash and Cash Equivalents - Beginning of Year	<u>1,490,308</u>	<u>160,093</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,051,458</u></u>	<u><u>\$ 1,490,308</u></u>

See accompanying Notes to Financial Statements.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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, 2025 AND 2024

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 such 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, 2025 and 2024 consist of money market funds and interest-bearing checking accounts. The Corporation maintained its cash balances at various financial institutions. Cash balances on deposits are ensured by the Federal Deposit Insurance Company up to specified limits. At times, the balances in these accounts may exceed the federally insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank for each account ownership category. As of June 30, 2025 and 2024, the Corporation had \$105,477 and \$-0-, respectively, in excess of FDIC insurance limits. To date, the Corporation has not experienced losses in any of these accounts.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

Receivables and Allowance for Credit Losses

Promises to give, accounts, and grants receivable are uncollateralized obligations to the Corporation. The carrying amount of promises to give and accounts receivable is reduced by an allowance for credit losses.

Management determines the allowance for credit losses by identifying troubled or delinquent accounts. 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 credit losses is \$39,920 at June 30, 2025 and 2024.

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 the 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 at their estimated fair market value. These typically include professional services such as legal, consulting, or other specialized support that the organization would otherwise purchase. Donated tangible assets—such as equipment, inventory, and equipment rental or use—are recorded at their approximate fair market value at the date of donation. Donated equipment is capitalized on the balance sheet and depreciated over its useful life in accordance with the organization's fixed asset policy.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

Income Taxes

The Corporation is organized as an Illinois nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as an organization described in Internal Revenue Code (IRC) Section 501(c)(3), and qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii). The Corporation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Corporation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Corporation files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income.

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.

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 nonlease 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 consolidated 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 September 30, 2025, the date the financial statements were available to be issued.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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:

	2025	2024
Cash and Cash Equivalents	\$ 289,684	\$ 155,226
Accounts Receivable and Promises to Give, Net	166,161	1,079,576
Total	<u>\$ 455,845</u>	<u>\$ 1,234,802</u>

The net assets with donor restrictions and board designated net assets are not included above as they are not considered available for general expenditure. 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 PROMISES TO GIVE

Included in promises to give at June 30, 2025 and 2024 are the following:

	2025	2024
Program Underwriting	\$ 15,493	\$ 26,852
Contributions	137,745	131,423
Matching Contributions	17,560	15,806
Gross Promises to Give	<u>170,798</u>	<u>174,081</u>
Less: Allowance for Credit Losses	39,920	39,920
Net Promises to Give	<u>\$ 130,878</u>	<u>\$ 134,161</u>

In accordance with accounting principles generally accepted in the United States of America, an unconditional promise (pledge) to give cash is initially recorded at its present value if all or a portion of the pledge is expected to be collected after one year from the date the pledge was received by the Museum. Accretion of this discount is recorded as additional contribution revenue between the date the pledge is initially recognized and the date(s) the cash is received on the contributions. At June 30, 2025 and 2024, all promises to give are expected to be collected within one year from the date of receipt, as a result, no accretion of discount is recorded.

An allowance for uncollectible pledges receivable is also provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activity.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 DEBT

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

<u>Description</u>	<u>2025</u>	<u>2024</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 corporation assets.	\$ 213,279	\$ 294,569
Note payable to PNC Bank, due February 2026. The note bears interest at the daily Secured Overnight Financing Rate plus 3% with monthly payments of principal and interest of \$13,333. Note is secured by substantially all corporation assets.	-	266,667
Total	213,279	561,236
Less: Current Portion	(78,658)	(237,684)
Total	<u>\$ 134,621</u>	<u>\$ 323,552</u>

Future maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 78,658
2027	88,736
2028	45,885
Total	<u>\$ 213,279</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 (8.50% at both June 30, 2025 and 2024) with interest payable monthly and maturity on September 30, 2026. 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, 2025 and 2024.

NOTE 5 LEASE INCOME

The Corporation is the lessor of a communications tower under an operating lease which expires November 5, 2027, with Verizon Wireless. The lease agreement provides lease income of \$1,794 per month.

The Corporation is the lessor of a communications tower under a 10-year operating lease expiring on September 30, 2034, with the United States of America National Oceanic and Atmospheric Administration. The lease agreement provides lease income of \$922 per month for antenna space.

The Corporation is the lessor of a communications tower under a five-year operating lease which expires August 2027, with T-Mobile. The agreement provides lease income of \$2,835 per month for antenna space.

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NOTE 5 LEASE INCOME (CONTINUED)

The Corporation was the lessor of a communications tower under a five-year operating lease that expired September 2023 with U.S. Cellular. The agreement provided 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 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 expires October 2027, with New Cingular Wireless PCS, LLC. The lease agreement provides lease income of \$2,100 per month.

The Corporation is the lessor of commercial space at the main WTVP facility under a five-year lease expiring December 31, 2026, with Peoria Symphony Orchestra. The lease agreement provides lease income of \$2,004, plus the tenant will also reimburse the Corporation monthly for 15% of utilities (water, sewer, gas, and electricity).

The following is a maturity analysis of annual undiscounted cash flows to be received from operating leases as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 114,706
2027	102,682
2028	59,508
2029	9,917
2030	9,917
Thereafter	69,417
Total	<u>\$ 366,147</u>

NOTE 6 RELATED PARTY TRANSACTIONS

During the years ended June 30, 2025 and 2024, the Corporation received \$429,463 and \$516,880, respectively, from members of the board of directors or from entities directly related to members of the board of directors.

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 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, 2025 and 2024, the designated endowment funds totaled \$1,718,779 and \$1,267,632, 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. During fiscal year 2025, while awaiting delayed grant funding, the board was aware and the audit/investment committee monitored the use of the endowment fund to meet operating cash flow needs. When grant funding was received, endowment funds were replaced.

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 accounts, 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, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Board-Designated Endowment Net Assets -		
Beginning of Year	\$ 1,267,632	\$ 1,664,762
Investment Income, Net of Fees	51,147	34,557
Deposits	1,500,018	250,000
Withdrawals	(1,100,000)	(720,100)
Net Appreciation (Depreciation)	(18)	38,413
Board-Designated Endowment Net Assets -		
End of Year	<u>\$ 1,718,779</u>	<u>\$ 1,267,632</u>

ILLINOIS VALLEY PUBLIC TELECOMMUNICATIONS CORPORATION
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NOTE 8 OTHER MATTER

The Corporation received a substantial amount of grant revenue (25% - 30% of annual budget) from the Corporation for Public Broadcasting (CPB) during the years ended June 30, 2025 and 2024. The CPB announced it will cease operations as of September 30, 2025. In response to this development, the Corporation has secured a new matching grant and has initiated a new “We Believe in WTVP” campaign to increase sustaining members. The Corporation is confident in its ability to achieve this goal to ultimately offset the loss of CPB revenue.

