# NAPERVILLE COMMUNITY TELEVISION

## FINANCIAL STATEMENTS
## AS OF DECEMBER 31, 2021 AND 2020

## TOGETHER WITH AUDITOR'S REPORT

Dugan & Lopatka

Certified Public Accountants
4320 WINFIELD ROAD, SUITE 450
WARRENVILLE, IL 60555
630 665 4440
duganlopatka.com

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Naperville Community Television:

***Opinion***

We have audited the accompanying financial statements of Naperville Community Television (the Organization) (a non-profit organization) which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, cash flows and functional expenses for 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 Naperville Community Television as of December 31, 2021 and 2020, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization, 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.

***Management's Responsibility for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors of
  Naperville Community Television
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***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risk 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 the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Dugan & Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
June 20, 2022

# NAPERVILLE COMMUNITY TELEVISION
## STATEMENT OF FINANCIAL POSITION
## DECEMBER 31, 2021 AND 2020

### A S S E T S

| | 2021 | 2020 |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 469,206 | $ 710,957 |
| Certificate of deposit | - | 100,000 |
| Accounts receivable | 46,864 | 21,626 |
| Due from City of Naperville | 45,274 | 47,710 |
| Interest receivable | - | 1,692 |
| Investments | 303,571 | - |
| Prepaid expenses | 19,306 | 19,557 |
| Total current assets | 884,221 | 901,542 |
| PROPERTY AND EQUIPMENT | | |
| Studio production equipment | 812,261 | 805,096 |
| Leasehold improvements | 82,376 | 79,361 |
| Automotive equipment | 67,328 | 67,328 |
| Office furniture | 139,962 | 93,379 |
| Mobile Studio Equipment | 48,205 | 31,479 |
| Less - Accumulated depreciation | (980,164) | (953,974) |
| Net property and equipment | 169,968 | 122,669 |
| OTHER ASSETS: | | |
| Security deposit | 3,750 | 3,750 |
| Total assets | $ 1,057,939 | $ 1,027,961 |

### LIABILITIES AND NET ASSETS

| | 2021 | 2020 |
|---|---|---|
| LIABILITIES: | | |
| Accounts payable | $ 14,693 | $ 11,198 |
| Accrued expenses | 34,501 | 25,178 |
| Contract liabilities | 33,200 | 37,034 |
| Total liabilities | 82,394 | 73,410 |
| COMMITMENTS | | |
| NET ASSETS: | | |
| Without donor restrictions | 975,545 | 954,551 |
| Total liabilities and net assets | $ 1,057,939 | $ 1,027,961 |

The accompanying notes are an integral part of this statement.

EXHIBIT 2

# NAPERVILLE COMMUNITY TELEVISION
## STATEMENT OF ACTIVITIES
## FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | 2021 | 2020 |
|---|---|---|
| SUPPORT AND REVENUE: | | |
| City of Naperville - PEG | $ 435,340 | $ 440,582 |
| - Services | 230,000 | 190,000 |
| Programming | 341,050 | 257,921 |
| Sponsorships | 154,559 | 159,485 |
| In-kind contributions | 8,495 | 52,795 |
| Contributions | 111,603 | 172,345 |
| Special events | 7,420 | 4,971 |
| Investment income | 5,334 | 4,577 |
| Education | - | 2,513 |
| DVD sales | 1,363 | 1,245 |
| Forgiveness of debt | - | 180,000 |
| Other income | 1,335 | 1,000 |
| Net assets released from restrictions | - | - |
| Total support and revenue | 1,296,499 | 1,467,434 |
| EXPENSES: | | |
| Program | 1,051,276 | 1,078,182 |
| Management and general | 171,699 | 151,160 |
| Development | 52,530 | 59,116 |
| Total expenses | 1,275,505 | 1,288,458 |
| Change in net assets | 20,994 | 178,976 |
| NET ASSETS, beginning of year | 954,551 | 775,575 |
| NET ASSETS, end of year | $ 975,545 | $ 954,551 |

# NAPERVILLE COMMUNITY TELEVISION
## STATEMENT OF CASH FLOWS
## FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | 2021 | 2020 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | $ 20,994 | $ 178,976 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 26,190 | 24,316 |
| Unrealized loss on investments | 13,342 | - |
| Forgiveness of note payable | - | (180,000) |
| (Increase) decrease in accounts receivable | (25,238) | 14,811 |
| Decrease in due from City of Naperville | 2,436 | 18,012 |
| (Increase) decrease in interest receivable | 1,692 | (1,692) |
| Decrease in prepaid expenses | 251 | 590 |
| Increase (decrease) in accounts payable | 3,495 | (4,781) |
| Increase in accrued expenses | 9,323 | 2,824 |
| Increase (decrease) in contract liabilities | (3,834) | 891 |
| Net cash provided by operating activities | 48,651 | 53,947 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of certificate of deposit | - | (100,000) |
| Proceeds from certificate of deposit | 100,000 | - |
| Purchase of investments | (316,913) | - |
| Purchase of equipment | (73,489) | (40,947) |
| Net cash (used in) investing activities | (290,402) | (140,947) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Borrowings on note payable | - | 180,000 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (241,751) | 93,000 |
| CASH AND CASH EQUIVALENTS, Beginning of year | 710,957 | 617,957 |
| CASH AND CASH EQUIVALENTS, End of year | $ 469,206 | $ 710,957 |

The accompanying notes are an integral part of this statement.

EXHIBIT 4

NAPERVILLE COMMUNITY TELEVISION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | 2021 | | | | 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| | Program Services | Management and General | Fundraising | Total | Program Services | Management and General | Fundraising | Total |
| Salaries | $ 679,156 | $ 80,172 | $ 38,261 | $ 797,589 | $ 672,635 | $ 71,107 | $ 44,116 | $ 787,858 |
| Payroll taxes & benefits | 166,736 | 11,467 | 10,825 | 189,028 | 169,910 | 11,005 | 11,814 | 192,729 |
| Accounting | - | 9,860 | - | 9,860 | - | 9,760 | - | 9,760 |
| Advertising | - | 10 | 704 | 714 | - | 817 | 746 | 1,563 |
| Depreciation | 26,190 | - | - | 26,190 | 24,316 | - | - | 24,316 |
| Entertainment | 1,724 | 176 | 265 | 2,165 | 62 | 572 | 170 | 804 |
| Independent contractors | 2,288 | 3,873 | - | 6,161 | 485 | - | - | 485 |
| In-kind | - | 8,495 | - | 8,495 | 37,800 | 14,995 | - | 52,795 |
| Insurance | 16,907 | 4,683 | 396 | 21,986 | 16,581 | 4,776 | 386 | 21,743 |
| Maintenance | 6,093 | 6,117 | - | 12,210 | 7,615 | 1,320 | - | 8,935 |
| Payroll services | - | 3,510 | - | 3,510 | - | 2,796 | - | 2,796 |
| Postage & freight | 855 | 146 | 32 | 1,033 | 697 | 256 | 329 | 1,282 |
| Product technology | 32,491 | 6,273 | 218 | 38,982 | 33,026 | 4,677 | - | 37,703 |
| Professional fees | 8,750 | 5,829 | - | 14,579 | 8,544 | 3,464 | - | 12,008 |
| Rent | 65,447 | 16,560 | - | 82,007 | 69,175 | 15,368 | - | 84,543 |
| Station & office supplies | 6,443 | 2,574 | - | 9,017 | 7,660 | 2,499 | - | 10,159 |
| Travel & truck expense | 16,849 | - | - | 16,849 | 10,792 | 44 | - | 10,836 |
| Uniforms | 210 | 1,217 | - | 1,427 | 1,316 | 942 | 70 | 2,328 |
| Utilities & telephone | 18,344 | 9,028 | - | 27,372 | 16,484 | 5,100 | - | 21,584 |
| Miscellaneous | 2,793 | 1,709 | 1,829 | 6,331 | 1,084 | 1,662 | 1,485 | 4,231 |
| Total functional expenses | $ 1,051,276 | $ 171,699 | $ 52,530 | $ 1,275,505 | $ 1,078,182 | $ 151,160 | $ 59,116 | $ 1,288,458 |

The accompanying notes are an integral part of this statement.

## (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Naperville Community Television (the Organization) is a not-for-profit organization incorporated under the Illinois General Not-for-Profit Act.

Franchise agreements between the City of Naperville and AT&T, Wide Open West and Comcast, provide a community access television channel (Channel 17). The operations of the channel are governed by the board of directors of the Organization.

The financial statements were available to be issued on June 20, 2022, with subsequent events being evaluated through this date.

### Basis of Accounting -

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with generally accepted accounting principles.

### Basis of Presentation -

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets, which are without donor restrictions and with donor restrictions.

*Without donor restrictions* - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

*With donor restrictions* - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2021 and 2020, there were no net assets with donor restrictions.

### Use of Estimates -

The preparation of financial statements in conformity with accounting principles generally accepted 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 revenues and expenses during the reporting period. Accordingly, actual results may vary from those estimates.

### Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Concentration of Credit Risk -

The Organization maintains its cash balances in bank deposit and money market accounts, which at times, may exceed the limit insured by the Federal Deposit Insurance Corporation (FDIC).

Certificates of Deposits -

Certificates of deposit with original maturities greater than three months and remaining maturities less than one year, are classified as short-term investments which are carried at cost which approximates fair value.

Accounts Receivable -

The Organization holds receivables from customers for programming services. Status of accounts is reviewed regularly, and any amounts considered uncollectible are charged off as bad debt when determined uncollectible. Management believes the full amount of receivables to be collectible and accordingly has not set up an allowance for doubtful accounts at December 31, 2021 and 2020.

Investments -

Investments are carried at fair value. Donated investments are recorded at the fair value as of the date of contribution. Realized and unrealized gains and losses are reflected in the statement of activities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of market risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Property and Equipment -

Property and equipment are stated at cost. Donated assets are recorded at their fair market value on the date of donation. The Organization capitalizes all expenditures for fixed assets over $3,000. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the respective assets of three to seven years. Upon sale or retirement, the cost and related accumulated depreciation and amortization are eliminated from the respective account and the resulting gain or loss is included in the statement of activities. Repairs and maintenance charges are expensed as incurred. Depreciation expense for the years ended December 31, 2021 and 2020, was $26,190 and $24,316, respectively.

Support and Revenue -

The Organization recognizes revenue from the City of Naperville over an annual period based on the amount approved by the city council of Naperville. Funding includes both Public, Education and Government (PEG) and City Services. The performance obligation consists of providing access and content to Channel 17 and providing technical support for city council meetings. The funding is used to cover the costs of operating the Channel.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Support and Revenue – (Continued)

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

The Organization recognizes revenue from contracts with customers for programming, sponsorships and production services. The performance obligation for programming consists of providing access and content to Channel 17 and providing technical support for events and revenue is recognized when the performance obligation occurs. For sponsorships, the performance obligation of providing airtime for sponsors is recognized ratably over the course of the contract, which can range from one to twelve months. The funding is used to cover the costs of operating the Channel.

Contract revenues are recognized when earned. Revenue is earned when eligible expenditures, as defined in each contract, are made, or by the satisfaction of performance obligations. Contract liabilities include deferred revenues related to advanced payments for sponsorships and programming. These deposits are deferred until the performance obligations are completed. Contract liability balances were $33,200 and $37,034 at December 31, 2021 and 2020, respectively.

Donated Services, Goods, and Facilities -

Donated materials and equipment are recognized at their fair value at the date of receipt. Donated personal services are recognized only if they create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization recognized $8,495 and $52,795 of donated goods and services during the years ended December 31, 2021 and 2020, respectively.

The Organization enters into vendor trade agreements whereby it received in-kind donations that consist primarily of print advertising. In exchange, the Organization provides programming and on-air advertising. These trades are accounted for in the period for which the services of exchange transpire at fair value as of the date of the transaction.

Advertising Expenses -

Advertising expenses are considered direct costs and are expensed as incurred. No amounts of advertising are capitalized. Advertising expense for the year ended December 31, 2021 and 2020, was $714 and $1,563, respectively.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Functional Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and benefits, insurance, and rent and utilities, which are allocated on the basis of estimates of time and effort.

Income Taxes -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes, except for taxes on unrelated business income generated from unrelated trade or business activities. The Organization did not have unrelated business income for the years ended December 31, 2021 and 2020. Accordingly, no provision for income tax has been established.

The Organization files income tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2018. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

Reclassifications -

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Recently Issued Accounting Pronouncement -

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842), which provides guidance for improving financial reporting over lease transactions. The new guidance requires organizations to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. This ASU is effective for fiscal periods beginning after December 15, 2021, with early adoption permitted. The Organization is currently evaluating this guidance to determine the impact it may have on its financial statements.

(2) INVESTMENTS:

The composition of investments at December 31, 2021 and 2020 is as follows:

| | 2021 | 2020 |
|---|---|---|
| Mutual funds | $ 303,571 | $ - |

(2) INVESTMENTS: (Continued)

Investment income for the years ended December 31, 2021 and 2020 consists of the following:

| | 2021 | 2020 |
|---|---|---|
| Interest and dividend income | $ 20,109 | $ 4,577 |
| Unrealized (losses) | (13,342) | - |
| Investment fees | (1,433) | - |
| | $ 5,334 | $ 4,577 |

(3) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements 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 are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(3) FAIR VALUE MEASUREMENTS: (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021.

*Mutual Funds:* Valued at the closing price (net asset value) reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value:

| | Assets at Fair Value as of December, 31 2021 | | | |
|---|---|---|---|---|
| Description | Level 1 | Level 2 | Level 3 | Total |
| Investments: | | | | |
| Mutual funds - | | | | |
| Bond funds | $ 66,326 | $ - | $ - | $ 66,326 |
| Large cap | 105,701 | - | - | 105,701 |
| Small cap | 32,017 | - | - | 32,017 |
| Mid cap | 23,868 | - | - | 23,868 |
| Other | 75,659 | - | - | 75,659 |
| Total assets at fair value | $ 303,571 | $ - | $ - | $ 303,571 |

(4) LEASE OBLIGATIONS:

The Organization entered into a long-term lease agreement for its office and studio space which expires October 31, 2024, and provides for a monthly base rent, plus additional rent based on property taxes and operating costs. The company also entered into an agreement to rent equipment on a month-to-month basis. Rent expense for the year ended December 31, 2021 and 2020, was $82,007 and $84,543 respectively.

Minimum lease payments due for the years ending December 31 are as follows:

| | |
|---|---|
| 2022 | $ 47,444 |
| 2023 | 48,814 |
| 2024 | 41,470 |
| Total | $ 137,728 |

## (5) PAYROLL PROTECTION PROGRAM LOAN FORGIVENESS:

In April 2020, the Organization obtained a Payroll Protection Program (PPP) loan payable to a bank as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act in the amount of $180,000. Interest accrued at 1%, with the amount to be repaid in equal installments of principal and interest, beginning at the earlier of the date the SBA remits the loan forgiveness amount, or 10 months after the end of the forgivable covered period, with the final payment due April 2022, consisting of interest and the entirety of the principal. As part of the loan agreement, the entire loan, or a portion can be forgiven. In November 2020, the Organization received notice from the Small Business Administration that their loan had been fully forgiven. The Organization has adopted ASC 470 to account for the loan and has recorded a gain from the forgiven portion of the loan.

## (6) AVAILABILITY AND LIQUIDITY:

The following represents the Organization's financial assets at December 31, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Financial Assets: | | |
| Cash and cash equivalents | $ 469,206 | $ 710,957 |
| Certificate of deposit | - | 100,000 |
| Receivables | 92,138 | 71,028 |
| Investments | 303,571 | - |
| Total financial assets available to meet general expenditures over the next twelve months | $ 864,915 | $ 881,985 |

The Organization's goal is to maintain financial assets to meet 6 months of operating expenses (between approximately $600,000 and $700,000). Excess cash is invested in money market accounts or investments. The Organization has agreements with the City of Naperville that provides a significant portion of the annual revenue required to cover general expenditures.

The Organization manages its liquidity and reserves adhering to the following principles:

- operating within a prudent range of financial soundness and stability;
- maintaining adequate liquid assets to fund near-term operating needs;
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

## (7) CONCENTRATIONS:

For the years ended December 31, 2021 and 2020, the Organization received approximately 34% and 30% of total revenue from the cable franchise fee administered through the City of Naperville, respectively. Additionally, for the years ended December 31, 2021 and 2020, the organization received approximately 18% and 13% of total revenue from a contract for services with the City of Naperville, respectively.

(8) RETIREMENT PLAN:

The Organization sponsors a Simple IRA Plan to all employees. All employees are eligible, and the Organization's Board of Directors determines contributions under the Plan annually. In addition, the Plan provides for the Organization to match employee contributions to the Plan up to 3%. The Organization contributed $18,357 and $19,437 to the Plan for the years ended December 31, 2021 and 2020, respectively.

(9) COVID-19 PANDEMIC:

In March 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic. The COVID-19 pandemic continues to cause social and economic uncertainty. The Organization cannot reasonably estimate the continued length or severity of this pandemic, or the extent to which the disruption from this pandemic may impact the Organization's operations and financial statements in the future.