

ARKAY, INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

BOISVENU & COMPANY, P.C.
Certified Public Accountants
Bingham Farms, Michigan

ARKAY, INC.

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Arkay, Inc.

We have audited the accompanying financial statements of Arkay, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 organization'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 organization'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 Arkay, Inc. as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Arkay, Inc.'s September 30, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisvenu & Company, P.C.

February 19, 2021

ARKAY, INC.

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2020, WITH COMPARATIVE TOTALS FOR 2019

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 3,018,421	\$ 5,000	\$ 3,023,421	\$ 3,919,291
Accounts receivable - net	610,084	-	610,084	309,221
Prepaid expenses	10,867	-	10,867	9,133
Total Current Assets	<u>3,639,372</u>	<u>5,000</u>	<u>3,644,372</u>	<u>4,237,645</u>
Non-current Assets				
Investments	4,425,137	-	4,425,137	3,356,353
Property and equipment - net	970,751	-	970,751	1,071,555
Security deposits	4,100	-	4,100	4,100
Total Non-current Assets	<u>5,399,988</u>	<u>-</u>	<u>5,399,988</u>	<u>4,432,008</u>
TOTAL ASSETS	<u>\$ 9,039,360</u>	<u>\$ 5,000</u>	<u>\$ 9,044,360</u>	<u>\$ 8,669,653</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 3,933	\$ -	\$ 3,933	\$ 25,058
Accrued expenses	108,599	-	108,599	113,939
Paycheck Protection Program loan	53,107	-	53,107	-
Total Current Liabilities	<u>165,639</u>	<u>-</u>	<u>165,639</u>	<u>138,997</u>
Long-term Liabilities				
Paycheck Protection Program loan - net of current portion	492,593	-	492,593	-
Total Liabilities	<u>658,232</u>	<u>-</u>	<u>658,232</u>	<u>138,997</u>
Net Assets				
Without donor restrictions	8,381,128	-	8,381,128	8,530,514
With donor restrictions	-	5,000	5,000	142
Total Net Assets	<u>8,381,128</u>	<u>5,000</u>	<u>8,386,128</u>	<u>8,530,656</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,039,360</u>	<u>\$ 5,000</u>	<u>\$ 9,044,360</u>	<u>\$ 8,669,653</u>

See accompanying notes to financial statements.

ARKAY, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2020, WITH COMPARATIVE TOTALS FOR 2019

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
REVENUE AND SUPPORT				
Governmental contracts	\$ 2,954,008	\$ -	\$ 2,954,008	\$ 4,333,421
Other program income	64,218	-	64,218	85,808
Contributions	4,110	5,000	9,110	3,148
Special events - net	7,294	-	7,294	1,235
Investment income	83,526	-	83,526	85,759
Gain on disposal of assets	500	-	500	5,163
	<u>3,113,656</u>	<u>5,000</u>	<u>3,118,656</u>	<u>4,514,534</u>
Net assets released from restrictions	<u>142</u>	<u>(142)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>3,113,798</u>	<u>4,858</u>	<u>3,118,656</u>	<u>4,514,534</u>
EXPENSES				
Program services	2,883,594	-	2,883,594	3,189,007
Management and general	346,068	-	346,068	378,738
Fund raising	33,522	-	33,522	31,482
TOTAL EXPENSES	<u>3,263,184</u>	<u>-</u>	<u>3,263,184</u>	<u>3,599,227</u>
CHANGE IN NET ASSETS	(149,386)	4,858	(144,528)	915,307
NET ASSETS, beginning of year	<u>8,530,514</u>	<u>142</u>	<u>8,530,656</u>	<u>7,615,349</u>
NET ASSETS, end of year	<u>\$ 8,381,128</u>	<u>\$ 5,000</u>	<u>\$ 8,386,128</u>	<u>\$ 8,530,656</u>

See accompanying notes to financial statements.

ARKAY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2020, WITH COMPARATIVE TOTALS FOR 2019

	Program Services	Management and General	Fund Raising	Total	
				2020	2019
Salaries	\$2,126,294	\$ 278,495	\$ 27,485	\$2,432,274	\$2,576,970
Payroll taxes	162,619	21,299	2,102	186,020	202,302
Employee benefits	222,772	29,178	2,879	254,829	286,916
Outside services	10,142	1,329	131	11,602	14,571
Occupancy	75,094	7,485	258	82,837	116,162
Telephone	12,717	1,666	164	14,547	11,929
Office expenses	4,876	720	63	5,659	12,333
Equipment rental and maintenance	7,130	935	92	8,157	7,726
Program activities and materials	13,230	-	-	13,230	18,629
Transportation	129,284	-	-	129,284	228,848
Insurance	20,929	2,741	271	23,941	26,379
Total Functional Expenses					
Before Depreciation	2,785,087	343,848	33,445	3,162,380	3,502,765
Depreciation	98,507	2,220	77	100,804	96,462
Total Functional Expenses	<u>\$2,883,594</u>	<u>\$ 346,068</u>	<u>\$ 33,522</u>	<u>\$3,263,184</u>	<u>\$3,599,227</u>

See accompanying notes to financial statements.

ARKAY, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2020, WITH COMPARATIVE TOTALS FOR 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (144,528)	\$ 915,307
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation	100,804	96,462
Gain on disposal of vehicles	(500)	(5,163)
(Increase) decrease in operating assets		
Accounts receivable	(300,863)	185,918
Prepaid expenses	(1,734)	(1,508)
Security deposits	-	(72)
Increase (decrease) in operating liabilities		
Accounts payable	(21,125)	3,269
Accrued expenses	(5,340)	4,204
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(373,286)</u>	<u>1,198,417</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(103,653)
Proceeds from disposal of vehicles	500	5,163
Purchase of investments	(1,068,784)	(1,068,145)
NET CASH USED BY INVESTING ACTIVITIES	<u>(1,068,284)</u>	<u>(1,166,635)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	545,700	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>545,700</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(895,870)	31,782
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,919,291</u>	<u>3,887,509</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 3,023,421</u>	<u>\$ 3,919,291</u>

See accompanying notes to financial statements.

ARKAY, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Arkay, Inc. (the Organization) is a Michigan nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization that is not a private foundation. The Organization is located in Wayne County, Michigan.

The Organization's program and supporting services are as follows:

Program Services

The primary objective of the Organization is to provide vocational services for developmentally disabled adults. This includes training in living skills, personal development, functional academics and community awareness with emphasis on preparation for independence.

Management and General

This includes the functions necessary to maintain an adequate working environment, provide proper administrative support of the Organization's programs, and manage the financial and budgeting responsibilities of the Organization.

Fund Raising

This provides the structure necessary to encourage and secure support from individuals, foundations and government agencies.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

ARKAY, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Net assets with donor restrictions are subject to donor-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, such as those that the donor stipulates that resources be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported period. Actual results could differ from those estimates.

New Accounting Pronouncement

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, effective for fiscal years beginning after December 15, 2018. Prior to the clarifications provided in ASU 2018-08, transactions with customers (governmental agencies) that benefited the general public were considered to be exchange transactions. Under ASU 2018-08, revenue from government agency contracts are considered conditional contributions because the customer (governmental agency) does not receive commensurate value for the consideration received by the Organization; rather, the purpose of these arrangements are for the benefit of the general public. There are no significant changes in any financial statement line item that resulted from adopting ASU 2018-08, in comparison with the prior period.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value. Money market funds held pending investment are reported as investments. Money market funds held for operation capital are reported as cash equivalents.

ARKAY, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

The Organization considers accounts receivable to be fully collectible at September 30, 2020; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment are carried at cost or, if donated, at fair value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives of 5 to 39 years. The Organization's policy is to capitalize acquisitions of \$5,000 or more. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Revenue and Support

Governmental agency contract arrangements constitute and are accounted for as conditional contributions since the customer does not receive commensurate value for the consideration received by the Organization; rather, the purpose of an arrangement is for the benefit of the general public. Revenue is recognized when the condition is satisfied. Conditions are satisfied based on incurring qualified expenses, and/or satisfying a milestone, and/or execution of other deliverable units of service.

A refundable advance is recorded when the Organization receives assets (i.e. cash) in advance of the satisfaction of the conditions within these arrangements. As of September 30, 2020, there were no refundable advances recorded for governmental agency contracts.

The activities of the Organization relating to certain contracts are subject to review or audit by the responsible agency to determine compliance with award documents and may be subject to possible adjustment based on negotiations with the agency. Revenue is reported at the estimated net realizable amounts from agency contracts for services rendered, including estimated adjustments under reimbursement agreements. Adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

With the implementation of ASU 2018-08, the Organization elects to report restricted contributions that were initially conditional and for which both the condition and the restriction simultaneously occur, as increases in net assets without donor restrictions.

ARKAY, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

The Organization reports unconditional gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of donated services that create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation are recorded at their fair values in the period received. No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Organization with specific program activities.

Functional Classification of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Directly identifiable expenses are charged to the associated program and supporting services. Certain indirect costs have been allocated among the programs and supporting services benefited. Personnel and related costs are allocated based on estimates of time and effort. Other costs, such as occupancy, are allocated on a square footage basis.

Offsetting of Amounts Related to Certain Contracts

The Organization follows the guidance in the FASB ASC 210, *Offsetting of Amounts Related to Certain Contracts*, in presenting accounts receivable and overpayments as offset amounts, as applicable. In accordance with the FASB ASC 210, a right to offset exists when the following four conditions are met: each of the two parties owes the other determinable amounts; the reporting party has the right to offset the amount owed with the amount owed by the other party; the reporting party intends to offset; and the right of offset is enforceable by law.

ARKAY, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Positions

The Organization is subject to routine audits by taxing jurisdictions; however, there are no audits currently in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years ended prior to September 30, 2013.

Fair Value Disclosure

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash and cash equivalents, accounts receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of September 30, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets, at year end	\$ 8,058,642
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(5,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,053,642</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due.

ARKAY, INC.

NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS

Various inputs may be used in determining the fair value of the Organization's assets and liabilities measured on a recurring basis. These inputs are market-based measurements based on and determined by the assumptions that market participants would use in pricing an asset or a liability and are summarized into three levels:

Level (1): Inputs to the valuation methodology are quoted prices for identical assets in active markets.

Level (2): Inputs to the valuation methodology include quoted prices for similar assets in active markets, and inputs that are observable for the asset, either directly or indirectly.

Level (3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement (including the Organization's own assumptions in determining the fair value of an asset or a liability).

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about projections market participants would use in developing a price that would be received to sell an asset or paid to transfer a liability based on the best information available in the circumstances. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The following table summarizes the Organization's inputs used to determine their values on September 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds in cash equivalents	\$ -	\$ 2,837,063	\$ -
Money market funds	-	1,076,103	-
Certificates of deposit	-	3,349,034	-
	<u>\$ -</u>	<u>\$ 7,262,200</u>	<u>\$ -</u>

ARKAY, INC.

NOTES TO FINANCIAL STATEMENTS

4. INVESTMENTS

At September 30, 2020, the Organization's investments consist of:

	Cost	Fair Value
Certificates of deposit	\$ 3,349,034	\$ 3,349,034
Money market funds	1,076,103	1,076,103
	\$ 4,425,137	\$ 4,425,137

The following schedule details the investment income in the statement of activities for the year ended September 30, 2020:

Interest income	\$ 83,526
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5. PROPERTY AND EQUIPMENT

At September 30, 2020, property and equipment consist of the following:

	Beginning Balance	Additions	Dispositions	Ending Balance
Land	\$ 72,300	\$ -	\$ -	\$ 72,300
Building	934,846	-	-	934,846
Equipment and fixtures	51,209	-	-	51,209
Vehicles	705,577	-	18,954	686,623
	\$ 1,763,932	\$ -	\$ 18,954	1,744,978
Less accumulated depreciation				774,227
				\$ 970,751

6. DEPOSIT ON PROPERTY

Deposit on property reflects two security deposits on two separate properties which the Organization leases.

ARKAY, INC.

NOTES TO FINANCIAL STATEMENTS

7. OPERATING LEASES

The Organization leases a program facility under a lease agreement expiring in October 2020. The Organization also leases office equipment expiring in July 2022.

Future minimum lease payments are as follows for the years ending September 30:

2021	\$ 9,263
2022	<u>5,748</u>
	<u>\$ 15,011</u>

Rental expense charged to operations under these lease agreements was approximately \$27,100 for the year ended September 30, 2020.

8. PAYCHECK PROTECTION PROGRAM LOAN

On April 30, 2020, the Organization acquired a loan (the "Loan") in the aggregate amount of \$545,700, pursuant to the Coronavirus Aid, Relief, and Economic Security Act's (the "CARES" Act) Paycheck Protection Program (the "PPP"), which was enacted on March 27, 2020.

The Loan, which was in the form of a note dated April 30, 2020, matures on April 30, 2022 and bears interest at an annual rate of 1.00%, payable monthly commencing on August 15, 2021. The Loan may be repaid by the Organization at any time prior to maturity with no prepayment penalties. The Organization can qualify for loan forgiveness if proceeds were used to pay for certain eligible costs. Based on the Loan amount, without considering potential forgiveness granted in the future, monthly payments of principal and interest would be approximately \$30,320 during the repayment period.

2021	\$ 60,633
2022	<u>495,061</u>
Total minimum payments	555,694
Less amount representing interest	<u>9,994</u>
Present value of minimum payments	545,700
Less current portion	<u>53,107</u>
	<u>\$ 492,593</u>

ARKAY, INC.

NOTES TO FINANCIAL STATEMENTS

9. CONTINGENT LIABILITIES

In the normal course of operations, there could be outstanding contingent liabilities such as lawsuits, etc., which are not known to the Organization and therefore have not been reflected in the accompanying financial statements. The Organization's management is of the opinion that the liability, if any, will be either immaterial or insurance coverage is adequate to cover any potential losses.

10. SPECIAL EVENTS

For the year ended September 30, 2020, revenue from special events was \$12,258 with related expenses of \$4,964.

11. NET ASSETS WITH DONOR RESTRICTIONS

At September 30, 2020, net assets with donor restrictions consist of cash and cash equivalents and are available for the following:

Subject to expenditure for specified purpose:	
Virtual skill building	<u>\$ 5,000</u>

12. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors during the year are as follows:

Subject to expenditure for specified purpose:	
Enhancement of day to day programming	<u>\$ 142</u>

13. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in one financial institution in Michigan. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2020, the cash balances are fully insured.

At September 30, 2020, uninsured money market funds included in cash and cash equivalents total approximately \$2,837,100.

ARKAY, INC.

NOTES TO FINANCIAL STATEMENTS

13. CONCENTRATIONS OF CREDIT RISK (continued)

The Organization also maintains cash balances at a credit union in Michigan. The balances for credit union accounts are insured by the National Credit Union Administration (NCUA) up to \$250,000. At September 30, 2020, the cash balances are fully insured.

14. RETIREMENT PLAN

The Organization provides a 403(b) plan covering all eligible employees. The plan allows employees to make elective deferrals to the plan. Employer costs were approximately \$20,800 for the year ended September 30, 2020.

15. COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2019, from which the summarized information was derived.

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 19, 2021, the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen, which could affect the Organization's operations both directly and indirectly through its impact on investment valuations, funding sources, vendors, staff and contracted services. The financial effects on the Organization are not readily determinable. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.