

**ALLOYA SOLUTIONS, LLC**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

*(With Independent Auditor's Report Thereon)*

# ALLOYA SOLUTIONS, LLC

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## Independent Auditor's Report

April 26, 2021

To the Member  
of Alloya Solutions, LLC

### **Report on the Financial Statements**

We have audited the accompanying financial statement of Alloya Solutions, LLC, which comprised the balance sheet as of December 31, 2020 and the related notes to the financial statement.

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

Management is responsible for the preparation and fair presentation of this financial statement 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 this financial statement 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 statement is 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Sole Manager  
of Alloya Solutions, LLC  
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**Opinion**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Alloya Solutions, LLC, as of December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

*Doeren Mayhew*

Doeren Mayhew  
Troy, MI

# ALLOYA SOLUTIONS, LLC

## BALANCE SHEET AS OF DECEMBER 31, 2020

	<u>Assets</u>	<u>2020</u>
Current assets:		
Cash		\$4,309,437
Accounts receivable - trade		2,509,232
Accounts receivable - related party		160,629
Prepaid and other assets		426,212
Total current assets		<u>7,405,510</u>
Non-current assets:		
Accounts receivable - trade		1,952,752
Total non-current assets		<u>1,952,752</u>
Total assets		<u><u>\$9,358,262</u></u>
<b><u>Liabilities and Members' Equity</u></b>		
Current liabilities:		
Accrued expenses and other liabilities		\$507,689
Deferred revenue - current portion		2,135,587
Total current liabilities		<u>2,643,276</u>
Non-current liabilities:		
Deferred revenue		1,952,752
Total non-current liabilities		<u>1,952,752</u>
Total liabilities		<u>4,596,028</u>
Members' Equity:		
Contributed capital		850,000
Retained earnings		3,912,234
Total members' equity		<u>4,762,234</u>
Total liabilities and members' equity		<u><u>\$9,358,262</u></u>

See accompanying notes to the financial statements.

# ALLOYA SOLUTIONS, LLC

## NOTES TO THE FINANCIAL STATEMENT DECEMBER 31, 2020

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### Note 1 - Nature of Business and Significant Accounting Policies

#### Organization

Alloya Solutions, LLC (the Company) was formed on October 10, 2002, as an Illinois limited liability company. Effective January 1, 2020, the Company changed its' name from Balance Sheet Solutions, LLC to Alloya Solutions, LLC. The Company is a wholly owned subsidiary of Alloya Corporate Federal Credit Union (Alloya). The Company offers securities transactions through an alliance with CU Investment Solutions (ISI), a member of Financial Industry Regulation Authority (FINRA) and Securities Investor Protection Corporation (SIPC), and nondiscretionary investment advisory services to its customers, principally credit unions. The Company also solicits time deposits for financial institutions through the SimpliCD program. The Company operates a main office in Illinois, with service branches in Michigan and New York. The existence of the limited liability company is perpetual.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP/USA) 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. Actual results could differ from those estimates.

#### Cash

For purposes of reporting cash flows, cash includes amounts placed on deposit with Alloya which may, at times, exceed federally insured limits.

#### Accounts Receivable – Trade

Accounts receivable trade represents amounts owed for commissions related to the SimpliCD program. Commissions are paid over time based on the maturity of the time deposits.

#### Accounts Receivable – Related Party

The Company operates under a Master Services Agreement with Alloya. The receivable to the parent company represents fee income due from Alloya.

# ALLOYA SOLUTIONS, LLC

## NOTES TO THE FINANCIAL STATEMENT DECEMBER 31, 2020

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### Note 1 - Nature of Business and Significant Accounting Policies (Continued)

#### Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The Company reviews property and equipment (long-lived assets) for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### Prepaid and Other Assets

Prepaid and other assets primarily consist of prepaid software expense, prepaid other outside service expenses and a contingency asset related to the sale of a division of the Company in 2019. Prepaid assets are amortized using the straight-line method over the life of the assets. The contingency asset of approximately \$115,000 represents expected future cashflows from the three-year revenue share plan.

#### Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities are mainly comprised of funds due to employees for compensation and benefits and certain other accrued expenses.

#### Deferred Revenue

Deferred revenue consists of commissions to be recognized from the SimpliCD program.

#### Subsequent Events

Management has evaluated subsequent events through April 26, 2021, the date the financial statements were available to be issued.

# ALLOYA SOLUTIONS, LLC

## NOTES TO THE FINANCIAL STATEMENT DECEMBER 31, 2020

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### Note 2 - Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and amortization, and is summarized as of December 31, 2020 by major classification as follows:

	<u>2020</u>
Computer equipment and software	\$64,386
Less accumulated depreciation and amortization	<u>(64,386)</u>
	<u>\$—</u>

\* \* \* End of Notes \* \* \*